

Sunway Bhd

Results sequentially better Q/Q heading into stronger 2H

Results were driven by non-operating items (tax and interest), with 1H19 core net profit making 59%/49% on a tax write-back, excluding which we estimate results were broadly in-line with our forecasts. At the operating level, core EBIT made 43% of our full-year estimate, but with 1H making 45%-50% of historical results, and outstanding Construction orderbook of M\$5.8B also supporting the Quarry and Trading & Manufacturing segments, we expect a catch up in 2H19. **We are OW on SWB** for its defensive earnings and cheaper entry compared to SREIT (Neutral), supporting 3.5% dividend yield, and longer-term potential Healthcare segment listing by FY21E at the earliest, in our view.

- **Core net profit up 18%Y/Y in 2Q19**, leaving cumulative 1H19 results at 59%/49% JPMe/consensus on a tax write-back, excluding which we estimate results were broadly in-line with our forecasts. Management declared an interim dividend of 4.6 sen (1H18: 3.5 sen), making 83% of our full-year forecast for 5.5 sen.
- **Core EBIT up 5%Q/Q in 2Q19**, on Other and Healthcare segment contribution and higher margins (up 1.5ppts) offsetting lower Prop Investment and flat Prop Development.
- **Segment EBIT performance:**
 - **Prop Investment.** 2Q19 core EBIT excluding SREIT fair value gains and a M\$38MM gain on disposal was down 28%Q/Q on lower contribution from the Education assets disposed to SREIT and from lower visitors/occupancy to leisure and hotel assets, but partly mitigated by stronger performance at Velocity Mall.
 - **Construction.** 2Q19 EBIT was up 4%Q/Q, with higher operating margins (up 2.6ppts Q/Q to 14%) partly compensating for lower billings from domestic projects. New orderbook wins of M\$1.5B (86% external) already made JPM/management's full-year target.
 - **Prop Development.** 2Q19 EBIT was flat Q/Q with higher domestic progress billings (revenue up 29%Q/Q) offsetting lower operating margins (down 2.4ppts Q/Q to 19%). Group pre-sales of M\$735MM in 1H19 (down 13%Y/Y) made 63%/57% of JPM/management's target of M\$1.2B/M\$1.3B, mainly from high-rise domestic projects including the May-19 Avila launch (80% take-up for Tower 1 from M\$440,000 per unit).
- **Healthcare.** 2Q19 EBIT was up 57%Y/Y and 35%Q/Q on higher inpatient volumes from new beds, and higher overall occupancy.

Overweight

SWAY.KL, SWB MK

Price (27 Aug 19): M\$1.57

Price Target (Jun-20): M\$1.90

Malaysia

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Style Exposure

Quant Factors	Current Rank	Historical Rank			
		6M	1Y	3Y	5Y
Value	32	28	23	16	5
Growth	66	48	42	45	18
Momentum	5	67	53	23	15
Quality	58	39	34	59	45
Low Vol	39	48	51	26	89

Recent publications

- Our 31 Jul-19 Malaysia Property note titled "**M-REITs ripe for re-rating; selective on Residential Developers**" [here](#).
- Our 14 Aug-19 Malaysia Property note titled "**Notes from the road: Feedback from our SG/HK marketing**" [here](#).

Sources for: Style Exposure – J.P. Morgan Quantitative and Derivatives Strategy; all other tables are company data and J.P. Morgan estimates.

See page 11 for analyst certification and important disclosures, including non-US analyst disclosures.

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Price Performance



Company Data

Shares O/S (mn)	4,870
52-week range (M\$)	1.72-1.34
Market cap (\$ mn)	1,819
Exchange rate	4.20
Free float(%)	25.1%
3M - Avg daily vol (mn)	3.92
3M - Avg daily val (\$ mn)	1.5
Volatility (90 Day)	17
Index	FBMKLCI - FTSE BURSA MALAYSIA KLCI
BBG BUY HOLD SELL	6 5 1

Key Metrics (FYE Dec)

M\$ in millions	FY18A	FY19E	FY20E	FY21E
Financial Estimates				
Revenue	5,410	5,602	6,080	6,038
Adj. EBITDA	709	710	729	700
Adj. EBIT	559	553	585	568
Recurring profit	581	514	543	564
Adj. EPS	0.11	0.10	0.11	0.11
BBG EPS	0.12	0.13	0.13	0.14
Cashflow from operations	316	367	402	414
FCFF	(96)	189	305	398
Margins and Growth				
Revenue growth	3.3%	3.6%	8.5%	(0.7%)
EBITDA margin	13.1%	12.7%	12.0%	11.6%
EBITDA growth	(9.5%)	0.2%	2.7%	(4.1%)
EBIT margin	10.3%	9.9%	9.6%	9.4%
Net margin	11.4%	9.8%	9.5%	10.0%
Adj. EPS growth	3.7%	(11.0%)	5.2%	4.4%
Ratios				
Adj. tax rate	14.3%	16.0%	16.0%	16.0%
Interest cover	NM	292.5	NM	NM
Net debt/Equity	0.4	0.3	0.3	0.2
Net debt/EBITDA	5.3	4.4	4.1	4.0
ROCE	2.9%	2.6%	2.7%	2.6%
ROE	7.7%	6.6%	6.7%	6.7%
Valuation				
FCFF yield	(1.1%)	2.2%	3.5%	4.6%
Dividend yield	3.5%	3.5%	3.5%	3.8%
EV/EBITDA	15.2	15.3	14.9	15.3
Adj. P/E	14.0	15.7	15.0	14.3

Summary Investment Thesis and Valuation

We like SWB for its integrated business model and defensive earnings (44% of FY19E EBIT from Prop Investment and 6% from Healthcare), with 3.5% dividend yield support, and see it as a cheaper entry to fairly-valued SREIT (Neutral, 17% of FY19E EBIT). We also see potential surprise from the Construction segment's new orderbook after recent project wins, with Prop Development a potential beneficiary of any revival in the KL-SG HSR project with 1,722 acres of landbank in the Iskandar Johor region (47% of group effective GDV). Longer-term, we estimate value unlocking from the Healthcare segment could potentially return special dividends, with 3% yield based on a 30% stake sale and 50% payout.

Our Jun-20 PT of M\$1.90 is based on SOTP, at which SWB trades at a FY20E P/B of 1.1x (+2SD to stock mean). We value the Prop Development business on RNAV using NPV of future earnings (progressive/completion recognition of pre-sales) and an RNAV discount of 55% (between -1SD and -2SD to the sector mean). We value SREIT (Neutral) at our Jun-20 PT of M\$2.00/unit, Sunway Construction Group (SCGB, NC) at an average market value of M\$1.80/share, and the Healthcare segment on DCF.

Performance Drivers

Market	26%	
Country	5%	
Macro	7%	
Style	1%	
Idiosyn.	61%	
Factors		
Market: MSCI Asia Pac ex JP	6M Corr	1Y Corr
	0.46	0.51
Country: Malaysia	0.07	0.26
Macro:		
US 10 Year Yield	-0.18	-0.26
JP Morgan GBI-EM Global Div	0.05	0.24
JPM EM Currency(EMCI) Fixing	0.05	0.16
Quant Styles:		
Growth	-0.01	0.11
Momentum	-0.09	0.09
LowVol	-0.17	-0.06

Sources for: Performance Drivers – Bloomberg, J.P. Morgan Quantitative and Derivatives Strategy; all other tables are company data and J.P. Morgan estimates.

Table 1: SWB 2Q19 results summary

M\$ mn; year-end Dec	2Q19	2Q18	Y/Y	1Q19	Q/Q	1H19	1H18	Y/Y
Revenue	1,077	1,260	-15%	1,124	-4%	2,201	2,542	-13%
Core Operating profit	130	159	-19%	118	10%	247	288	-14%
Operating margin	12.0%	12.6%		10.5%		11.2%	11.3%	
Core Associates & JVs	39	29	34%	42	-8%	80	67	20%
Core EBIT	168	188	-11%	159	5%	328	355	-8%
Net finance costs	4	-10	-137%	18	-79%	22	-18	-221%
Core PBT	172	184	-6%	177	-3%	349	343	2%
Net income	246	199	24%	136	81%	383	319	20%
Core net income	165	140	18%	136	21%	302	260	16%
Core margin	15.3%	11.1%		12.1%		13.7%	10.2%	
Core EPS (sen)	3.39	2.88	18%	2.81	20%	6.20	5.33	16%

Source: Company.

Table 2: SWB 2Q19 core EBIT (including JVs/associates)

M\$ mn; year-end Dec	2Q19	2Q18	Y/Y	1Q19	Q/Q	1H19	1H18	Y/Y
Prop development	24	44	-45%	24	0%	49	67	-27%
Prop investment	65	79	-18%	90	-28%	154	166	-7%
Construction	42	46	-10%	40	4%	82	85	-4%
Trading & Manufacturing	9	16	-48%	9	-3%	17	30	-43%
Quarry	1	4	-66%	1	13%	2	6	-61%
Healthcare	18	11	57%	13	35%	31	21	48%
Others	10	(12)	-182%	(18)	-157%	(7)	(20)	-63%
Core EBIT	168	188	-11%	159	5%	328	355	-8%

Source: Company.

Table 3: SWB 2Q19 core operating margins (excluding JVs/associates)

	2Q19	2Q18	Y/Y	1Q19	Q/Q	1H19	1H18	Y/Y
Prop development	19.1%	49.6%	-30.6 ppts	21.5%	-2.4 ppts	20.1%	27.9%	-7.8 ppts
Prop investment	16.7%	26.5%	-9.9 ppts	26.8%	-10.1 ppts	22.0%	27.5%	-5.4 ppts
Construction	14.1%	10.3%	3.9 ppts	11.5%	2.6 ppts	12.7%	9.5%	3.2 ppts
Trading & Manufacturing	3.7%	5.7%	-2.0 ppts	3.5%	0.2 ppts	3.6%	5.4%	-1.8 ppts
Quarry	2.3%	6.1%	-3.9 ppts	2.4%	-0.1 ppts	2.3%	5.4%	-3.0 ppts
Healthcare	12.5%	10.4%	2.2 ppts	10.3%	2.2 ppts	11.5%	9.9%	1.6 ppts
Others	13.7%	-15.7%	29.4 ppts	-24.0%	37.7 ppts	-5.1%	-13.0%	7.9 ppts
Core operating margin	12.0%	12.6%	-0.6 ppts	10.5%	1.5 ppts	11.2%	11.3%	-0.1 ppts

Source: Company.

Table 4: Developer domestic pre-sales

M\$mn; year-end Dec	2QCY19	2QCY18	Y/Y	1QCY19	Q/Q	1HCY19	1HCY18	Y/Y
SP Setia	949	769	23%	678	40%	1,627	1,405	16%
Sunway	419	73	474%	192	118%	611	174	251%
TOTAL DEVELOPERS	1,368	842	62%	870	57%	2,238	1,579	42%

Source: Companies.

Table 5: Developer peer comparison

As at: 27 Aug-19	FYE	Mkt cap (US\$m)	Price (M\$)	Rating	Target (M\$)	P/E		EPS growth		Net div yield		P/B	ROE	RNAV (M\$)	Prem/disc to RNAV
						CY19E	CY20E	CY19E	CY20E	FY19E	FY20E				
Mah Sing Group	Dec	499	0.87	N	0.90	13.4	12.0	-23.1%	11.2%	4.6%	4.9%	0.6	4.7	2.30	-62%
SP Setia	Dec	1,557	1.62	OW	2.50	22.6	16.1	6.9%	40.3%	2.5%	3.5%	0.5	2.3	5.70	-72%
Sunway	Dec	1,821	1.57	OW	1.90	15.7	15.0	-11.0%	5.2%	3.5%	3.5%	0.9	6.6	3.00	-48%
UEM Sunrise	Dec	723	0.67	N	0.85	12.3	25.2	3.3%	-37.2%	0.0%	1.2%	0.4	3.9	2.60	-74%
Weighted average		4,601				17.2	16.6	-4.6%	11.4%	2.7%	3.3%	0.7	4.5		-62%

Source: Bloomberg, J.P. Morgan estimates.

Table 6: Non-covered developer valuations

As at: 27 Aug-19	Ticker	FYE	Mkt cap (US\$mn)	Price (M\$)	1m vol (mn)	1m val (US\$mn)	P/E		ROE		Net div yield		P/B		1yr hist net gearing
							CY19E	CY20E	FY19E	FY20E	CY19E	CY20E	FY19E	FY20E	
Eastern & Oriental	EAST MK	Mar	267	0.79	0.2	0.0	16.2	18.3	4.6	3.4	2.9%	2.6%	0.5	0.6	27.3
Eco World Develop	ECW MK	Oct	497	0.71	4.5	0.8	10.7	10.0	4.2	4.5	1.1%	1.5%	0.5	0.5	78.8
IOI Properties Group	IOIPG MK	Jun	1,519	1.16	1.8	0.5	8.6	8.1	3.8	3.9	4.5%	4.8%	0.3	0.3	50.2
Malaysian Resources	MRC MK	Dec	755	0.72	5.9	1.1	48.0	28.8	1.6	2.5	1.6%	1.8%	0.6	0.6	19.2
Matrix Concepts Hldgs	MCH MK	Mar	361	1.93	0.4	0.2	6.8	6.5	16.2	16.3	6.0%	6.3%	1.1	1.1	7.4
Sime Darby Property	SDPR MK	Jun	1,278	0.79	4.4	0.9	12.2	13.2	4.6	3.9	2.6%	2.5%	0.5	0.5	27.8
UOA Development	UOAD MK	Dec	963	2.06	0.5	0.2	10.3	10.0	7.6	7.3	6.2%	6.2%	0.8	0.8	Net cash

Source: Bloomberg.

Investment Thesis, Valuation and Risks

Sunway Bhd (Overweight; Price Target: M\$1.90)

Investment Thesis

We like SWB for its integrated business model and defensive earnings (44% of FY19E EBIT from Prop Investment and 6% from Healthcare), with 3.5% dividend yield support, and see it as a cheaper entry to fairly-valued SREIT (Neutral, 17% of FY19E EBIT). We also see potential surprise from the Construction segment's new orderbook after recent project wins, with Prop Development a potential beneficiary of any revival in the KL-SG HSR project with 1,722 acres of landbank in the Iskandar Johor region (47% of group effective GDV). Longer-term, we estimate value unlocking from the Healthcare segment could potentially return special dividends, with 3% yield based on a 30% stake sale and 50% payout.

Valuation

Our Jun-20 PT of M\$1.90 is based on SOTP, at which SWB trades at a FY20E P/B of 1.1x (+2SD to stock mean). We value the Prop Development business on RNAV using NPV of future earnings (progressive/completion recognition of pre-sales) and an RNAV discount of 55% (between -1SD and -2SD to the sector mean). We value SREIT (Neutral) at our Jun-20 PT of M\$2.00/unit, Sunway Construction Group (SCGB, NC) at an average market value of M\$1.80/share, and the Healthcare segment on DCF.

Developer RNAV band



Source: Bloomberg, J.P. Morgan estimates.

SWB P/B band



Source: Bloomberg, J.P. Morgan estimates.

SWB RNAV breakdown

Projects	Stake	Product	Landbank (acres)	Remaining GDV (M\$m)	Years	Revaluation surplus (M\$m)
KLANG VALLEY						
Sunway Damansara	60%	High-rise	15	1,691	5	127
Sunway South Quay	100%	High-rise	34	2,587	7	335
Sunway Monterez Shah Alam	60%	High-rise	4	38	2	2
Sunway Semenyih	70%	Landed township	398	729	10	45
Sunway Cheras Batu 9	100%	High-rise	6	17	2	1
Sunway Duta	60%	High-rise	3	120	3	6
Sunway Montana Melawati	100%	Landed upgrader	2	56	3	5
Sunway Resort City	100%	High-rise	15	660	6	45
Sunway Velocity	85%	High-rise	10	1,984	6	194
Sunway Velocity Two	50%	High-rise	5	1,360	10	77
Sunway Tower KL 1	100%	High-rise	1	240	3	16
Melawati	100%	High-rise	2	43	2	4
Sungai Long	80%	Landed township	111	277	4	22
Mont Putra, Rawang	100%	Landed township	163	156	6	15
Sunway Serene Kelana Jaya	100%	High-rise	18	1,450	5	175
Sunway Gandaria Bangi	100%	High-rise	0	0	0	2
Sunway Mont-Casa Kiara 3	80%	High-rise	0	0	0	4
Jalan Belfield-Kampung Attap-Istana	100%	High-rise	5	1,100	6	106
Lot One Kajang	100%	High-rise	5	460	5	45
USJ1 Subang Jaya	100%	High-rise	15	1,400	5	98
Sunway Avila Wangsa Maju	55%	High-rise	4	500	5	27
			816	14,867		1,351
PENANG AND OTHER NORTHERN						
Sunway City Ipoh	96%	Landed upgrader	441	1,048	10	134
Sunway Valley City Paya Terubong	100%	High-rise	24	1,500	6	114
Sunway Hills Sungai Ara	100%	High-rise	81	0	8	0
Sunway Wellesley Bukit Mertajam	100%	Landed township	51	710	5	68
Sunway Tunas Balik Pulau	100%	Landed township	9	60	2	8
Sunway Betong Balik Pulau	100%	Landed township	20	110	2	14
			626	3,429		338
JOHOR						
Bukit Lenang	80%	Landed upgrader	65	698	3	82
Medini	60%	Landed upgrader	643	10,743	15	635
Pendas	60%	Landed township	1,079	18,000	20	512
			1,787	29,441		1,228
SINGAPORE						
Rivercove Residences Sengkang	30%		0	0	0	5
Brookvale Park Clementi	30%		9	3,000	4	21
Canberra Link Sembawang	35%		4	1,500	4	14
Tampines Avenue 10	35%		4	2,400	4	22
			17	6,900		62
CHINA						
Sunway Guanghao Jiangsu (Jiangyin)	65%		4	67	2	2
Sunway Gardens Tianjin Eco-City	60%		0	0	0	29
INDIA						
Sunway OPUS Grand India	50%		24	702	5	11
Sunway MAK Signature Residence (JV with M.A.K Builders)	60%		14	181	5	3
			42	950		45
TOTAL REVALUATION SURPLUS			3,287	55,588		3,023

Source: Company, J.P. Morgan estimates.

SWB SOTP summary

	Value (M\$mn)	Value (M\$/share)	Comments
TOTAL REVALUATION SURPLUS	3,023		
Add: Prop Development book value (Dec-18)	5,769		
	8,792	1.60	
Add: Prop Investment book value (Dec-18) and SREIT valuation	2,200	0.40	Valuing 41% owned SREIT at JPM PT of M\$2.00/unit with 10% holding company discount
Add: Construction segment valuation	1,140	0.21	Valuing 54% owned SCGB at average market price of M\$1.80/share with 10% holding company discount
Add: Healthcare segment valuation	2,774	0.50	DCF with a discount rate of 7% and terminal value of 4.3%
Add: Trading & Manufacturing segment valuation	195	0.04	P/E with 10x multiple
Add: Quarry segment valuation	91	0.02	P/E with 12x multiple
TOTAL RNAV	15,191		
Add: Proceeds from warrants	1,128		630mn warrants at M\$1.86 exercise price
ADJUSTED TOTAL RNAV...(1)	16,319		
Current share base...(2)	4,870		
FD share base...(3)	5,500		Conversion of 630mn warrants
FD RNAV/share (M\$)...(1)/(3)	3.00		
Price target (M\$)	1.90		55% discount to RNAV for Prop Development valuation

Source: J.P. Morgan estimates.

Risks to Rating and Price Target

Key downside risks include:

- Gestation risk for Healthcare segment expansion, where SWB is more than doubling bed capacity from 636 beds to 1,500 beds by FY23E, resulting in depressed segment operating margins from upfront opening costs, and higher depreciation charges and finance costs to fund the expansion.
- High net gearing to fund Healthcare segment capex of M\$350MM per annum over FY19E-21E. Including perpetual sukuk, we forecast SWB's FY19E/20E adjusted net gearing of 41%/37%, with adjusted interest cover including coupon payments of 2.0x/2.2x. However, we feel SWB can manage this either through near-term asset recycling into 41% owned SREIT, or a potential longer-term Healthcare segment listing, which could lead to potential special dividends for shareholders, similar to when SWB listed its Construction segment in Jul-15. That exercise involved SWB selling down its stake in SCGB (NC) to 54.4% and resulted in SWB declaring a dividend in-specie of 12 sen in SCGB shares and a net special dividend of 26 sen, which together with two interim dividends totalling 11 sen translated to a payout ratio of 95% for FY15.
- Renegotiations or cancellation of Construction orderbook secured, with M\$1.9B of the M\$5.7B orderbook (or 34% of total) coming from LRT3 package works. However, we feel this risk is partly mitigated by SCGB's 34% of orderbook from more secure projects within the group, and its M\$1B in new orderbook within 1Q19 making 67% of its M\$1.5B full-year target. The Construction segment contributes 25% to SWB's FY19E/20E EBIT.
- Weaker than expected Prop Investment performance from the main Office, Leisure, or Education segments, or from 41% owned SREIT (Neutral). However, we feel the SWB-SREIT diversified township model with integrated and complementary assets is relatively resilient, with more defensive earnings.
- Weakness in the macro environment or deteriorating liquidity conditions to the extent of a credit crunch, significantly affecting major business segments through Prop Development pre-sales, Prop Investment consumer sentiment in the retail and hotel sub-segments, or Construction project financing.

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Sunway Bhd: Summary of Financials

Income Statement						Cash Flow Statement					
	FY17A	FY18A	FY19E	FY20E	FY21E	FY17A	FY18A	FY19E	FY20E	FY21E	
Revenue	5,239	5,410	5,602	6,080	6,038	Cash flow from operating activities	1,227	316	367	402	414
Adj. EBITDA	783	709	710	729	700	o/w Depreciation & amortization	130	150	157	144	132
D&A	(130)	(150)	(157)	(144)	(132)	o/w Changes in working capital	666	(193)	(66)	(79)	7
Adj. EBIT	653	559	553	585	568	Cash flow from investing activities	(806)	(510)	(182)	(73)	23
Net Interest	20	62	(2)	13	21	o/w Capital expenditure		(360)	(350)	(350)	(350)
Associates	169	172	240	206	258	as % of sales	-	6.6%	6.2%	5.8%	5.8%
JVs	38	57	73	73	84	Cash flow from financing activities	(82)	912	407	(191)	(204)
Adj. PBT	879	850	863	878	931	o/w Dividends paid	(289)	(268)	(266)	(265)	(288)
Tax	(149)	(122)	(138)	(140)	(149)	o/w Shares issued/(repurchased)	82	(207)	0	0	0
Minority Interest	(102)	(70)	(71)	(87)	(75)	o/w Net debt issued/(repaid)	368	1,094	0	0	0
Reported Net Income	627	658	654	651	707	Net change in cash	677	1,435	1,182	276	466
Recurring Net Income	554	581	514	543	564	Adj. Free cash flow to firm	1,210	(96)	189	305	398
Dilutive activities	34	36	36	34	39	y/y Growth	(719.1%)	(107.9%)	(296.4%)	61.6%	30.5%
Adj. Net Income	589	617	549	578	603						
Reported EPS	0.13	0.14	0.13	0.13	0.15						
Adj. Fully Diluted EPS	0.11	0.11	0.10	0.11	0.11						
DPS	0.06	0.06	0.05	0.05	0.06						
Payout ratio	52.0%	45.9%	45.9%	45.9%	45.9%						
Shares outstanding	5,443	5,500	5,500	5,500	5,500						
Balance Sheet						Ratio Analysis					
	FY17A	FY18A	FY19E	FY20E	FY21E	FY17A	FY18A	FY19E	FY20E	FY21E	
Cash and cash equivalents	4,419	5,136	5,727	5,865	6,098	EBITDA margin	14.9%	13.1%	12.7%	12.0%	11.6%
Accounts receivable	1,659	1,515	1,568	1,702	1,690	EBIT margin	12.5%	10.3%	9.9%	9.6%	9.4%
Inventories	635	720	745	809	803	Net profit margin	11.2%	11.4%	9.8%	9.5%	10.0%
Other current assets	2,118	2,290	2,290	2,290	2,290	ROE	7.7%	7.7%	6.6%	6.7%	6.7%
Current assets	8,831	9,661	10,331	10,666	10,882	ROA	3.1%	3.0%	2.5%	2.6%	2.6%
PP&E	1,523	1,857	1,699	1,555	1,424	ROCE	3.5%	2.9%	2.6%	2.7%	2.6%
LT investments	1,683	1,672	1,882	1,932	1,982	Net debt/Equity	0.4	0.4	0.3	0.3	0.2
Other non current assets	7,469	7,819	8,169	8,519	8,869	Net debt/EBITDA	4.3	5.3	4.4	4.1	4.0
Total assets	19,506	21,008	22,081	22,672	23,156	Sales/Assets (x)	0.3	0.3	0.3	0.3	0.3
Short term borrowings	4,910	6,337	6,337	6,337	6,337	Assets/Equity (x)	2.5	2.5	2.6	2.6	2.5
Payables	1,520	1,336	1,384	1,502	1,491	Interest cover (x)	NM	NM	292.5	NM	NM
Other short term liabilities	1,311	1,429	1,395	1,395	1,395	Operating leverage	(69.2%)	(440.9%)	(31.1%)	68.7%	432.7%
Current liabilities	7,741	9,102	9,116	9,234	9,223	Tax rate	17.0%	14.3%	16.0%	16.0%	16.0%
Long-term debt	2,868	2,535	2,535	2,535	2,535	Revenue y/y Growth	12.5%	3.3%	3.6%	8.5%	(0.7%)
Other long term liabilities	384	276	276	276	276	EBITDA y/y Growth	(5.6%)	(9.5%)	0.2%	2.7%	(4.1%)
Total liabilities	10,993	11,914	11,928	12,045	12,035	EPS y/y Growth	(5.6%)	3.7%	(11.0%)	5.2%	4.4%
Shareholders' equity	7,891	8,074	8,462	8,848	9,268						
Minority interests	622	1,020	1,691	1,778	1,853						
Total liabilities & equity	19,506	21,008	22,081	22,672	23,156						
BVPS	1.57	1.59	1.67	1.75	1.83	Valuation					
y/y Growth	0.6%	1.2%	5.0%	4.7%	4.9%		FY17A	FY18A	FY19E	FY20E	FY21E
RNAV/Share	-	-	-	-	-	P/E (x)	14.5	14.0	15.7	15.0	14.3
Net debt/(cash)	3,360	3,736	3,145	3,007	2,774	P/BV (x)	1.0	1.0	0.9	0.9	0.9
						EV/EBITDA (x)	13.1	15.2	15.3	14.9	15.3
						Dividend Yield	3.8%	3.5%	3.5%	3.5%	3.8%

Source: Company reports and J.P. Morgan estimates.

Note: M\$ in millions (except per-share data). Fiscal year ends Dec. o/w - out of which

Other Companies Discussed in This Report (all prices in this report as of market close on 27 August 2019)
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