

CREDENCE CAPITAL

(Investment Club of IIM Lucknow)

FMCG Industry

FMCG stands for Fast-moving consumer goods and can also be called consumer packaged goods. This industry covers products and goods that are generally priced at a relatively low cost and are sold quickly. Products under FMCG includes non-durable household goods such as packaged foods, beverages, toiletries, candies, cosmetics, over-the-counter drugs, dry goods, and other consumables.

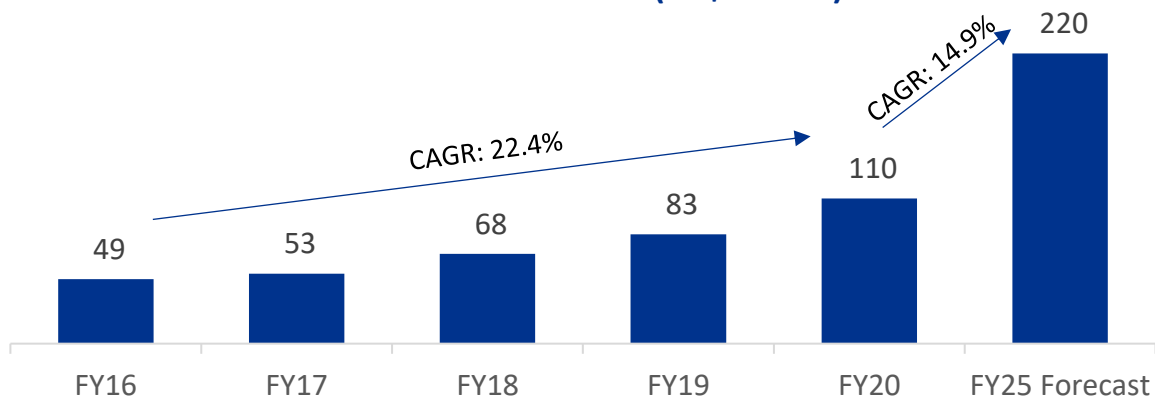
Characteristics of FMCG products can be listed down as below from the perspective of the company as well as the consumers:

Company	Consumers
<ul style="list-style-type: none">▪ High volumes▪ Low margins▪ Extensive distribution network▪ High inventory turnover	<ul style="list-style-type: none">▪ Frequent purchases▪ Low effort to choose the Item▪ Relatively low prices▪ Short shelf life▪ Rapid consumption

Sector Overview

- FMCG sector is a vital contributor to India's GDP and the 4th largest sector in the Indian economy
- FMCG market in India is forecasted to grow at a CAGR of 14.9% to reach US\$ 220 billion by FY25 from US\$ 110 billion in FY20, with modern trade expected to grow at ~20% p.a.
- India's FMCG sector is expected to witness flat growth in FY21 primarily due to restrictions imposed during COVID-19 such as severe and extended lockdowns, restrictions on manufacturing units, store closures and social distancing norms.
- One of the key factors which will drive growth in this sector is expected to be rise in rural consumption. Currently, it contributes ~45% to the overall FMCG industry.

FMCG Sector in India (US\$ Billion)



Source: CARE Research, Industry, Nielson India

History of FMCG Industry

Between 1950 to 1980

This period saw limited investment in the FMCG sector. People generally opted for necessity products rather than premium products due to lower purchasing power. The Indian government was inclined towards favouring the local shops and retailers.

Low growth in this sector during this period can be attributed to factors like Government pushing for small scale sectors and low purchasing power of Indian household. HUL and Amul were amongst the only companies that stuck around and evolved as market players.

Between 1980 and 1990

During this period, FMCG Industry started garnering traction and other companies entered the industry as people wanted more variety of products which encouraged FMCG companies to increase the availability of products. However, western apparel and foreign food products were still not available to local customers.

Post 1991

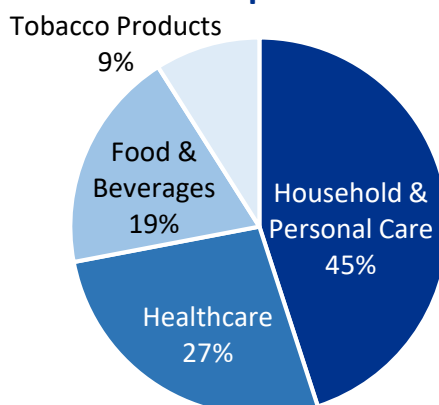
After 1991, when globalization and liberalization occurred in India, the FMCG industry was inspired by international companies which also allowed government intervention to incentivize foreign FMCG companies to operate in India.

Economic reforms of 1991 made imported products accessible in India along with increasing the number of domestic choices. With the trade barriers being lowered, MNC's were encouraged to come and invest in India. Such MNC's targeted both rural & urban markets due to rising standards of living coupled with the growing purchasing power of rural India.

This phase also saw companies starting investing in distribution networks and channels, upgradation of products as well as launching new product ranges. As an outcome of increased choices to the consumers and positive euphoria after liberalization, many of the affluent consumers who always had money but limited choices started splurging.

Market Segmentation

Segment wise break-up of revenue (FY19)



Source: CARE Research, Industry

Household & Personal Care Products

- Accounts for 45% of the total FMCG Industry
- Household Products - Fabric softener, detergent, dish washing bar/gel, toilet & surface cleaner, home insecticides etc.
- Personal Care Products include skin, hair and oral care - Soap, toothpaste, cosmetics, body lotion, moisturizer, face wash, hair oil, shampoo, conditioner, deodorants, hand sanitizer etc.

Healthcare Products

- Accounts for 27% of the total FMCG Industry
- Includes Over The Counter (OTC) products and ethicals
- Consumers are increasingly adopting a holistic lifestyle and seeking products that are closer to the Indian heritage, which has increased demand for Ayurvedic products
- Products made with natural ingredients have seen great demand for enhancing health and well-being. Such products include Chyawanprash, honey, glucose etc.

Food & Beverages

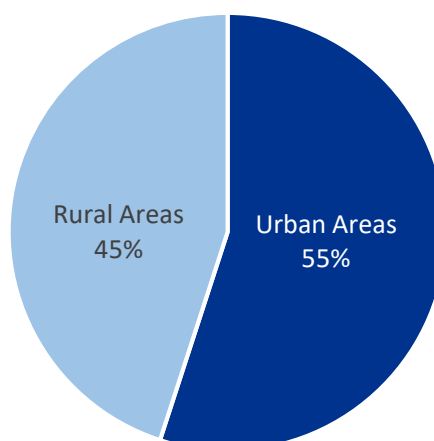
- Accounts for 19% of the total FMCG Industry
- Food Products - Salt, sugar, edible oil, confectionery, processed food etc.
- Dairy & Dairy Products - Milk, ghee, butter, ice-cream, paneer etc.
- Bakery Products - Bread, croissant, biscuits, cookies, cake etc.
- Milling Products- Maida, wheat flour, wheat bran, milled dal, besan, rawa etc.
- Beverages- Tea, coffee, cold drinks etc.

Tobacco Products

- Accounts for 9% of the total FMCG Industry
- Includes products like cigarettes, biri and other tobacco products

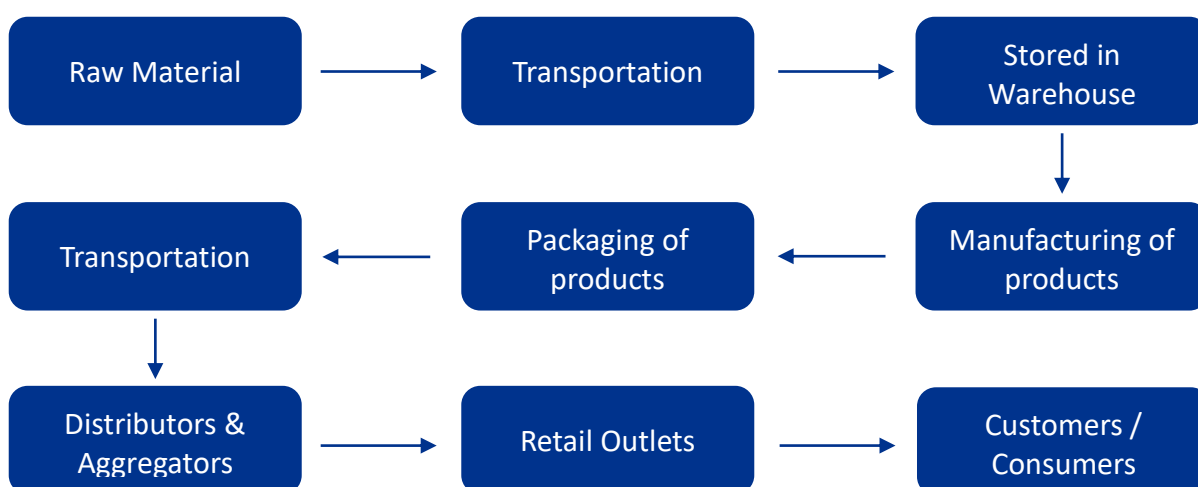
Sector Composition

Urban-Rural industry break-up of revenue share



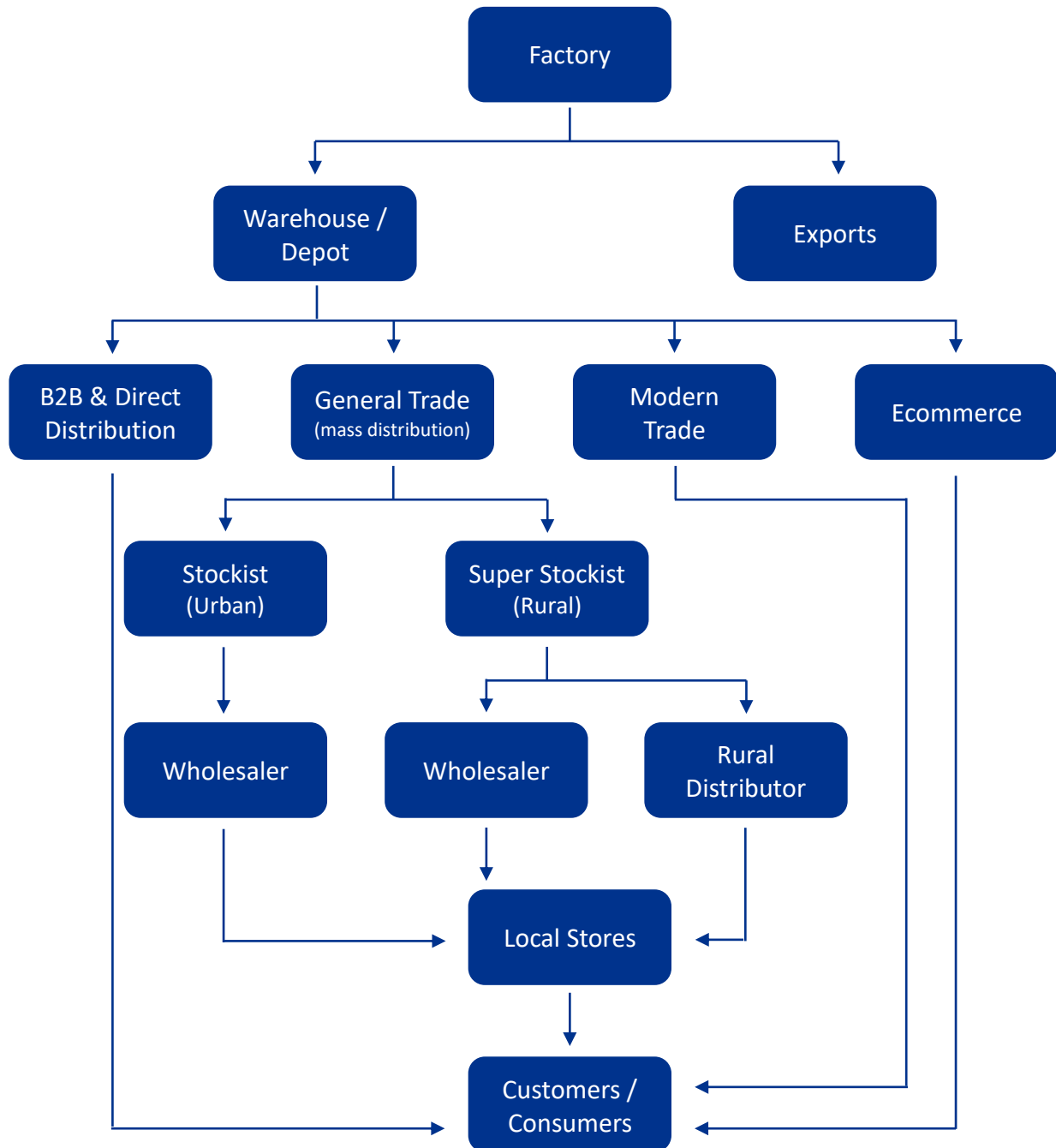
- Urban segment is the largest contributor to the overall revenue generated by the FMCG sector in India accounting for a revenue share of around 55%.
- Rural segment is growing at a rapid pace and accounted for a revenue share of 45% in the overall revenues recorded by FMCG sector in India.
- FMCG products account for 50% of total rural spending and in the last few years, it has grown at a faster pace in rural India compared to urban India.
- Improved distribution channels of manufacturing and FMCG companies have increased the demand for quality goods and services in rural areas.
- Low penetration levels in the rural market offer room for growth

Value Chain & its Components



Factors	Affected by	How it affects the product
Raw Materials	Govt. policy, Monsoon, Storage, Availability, Procurement issue	Quality, Procurement, Timely production
Other Materials (Palm Oil, Polyethylene, Plastics)	Import duty, Global demand, Alternatives, Regulations	Packaging
Labour Cost	Overall economic demand, Bargaining power, Competition	Cost of Production
Transportation / Logistics	Technology & Economy wide factors	Movement of the product / semi-finished goods
Marketing & Advertising	Brand name & Market share	Awareness and reach, Brand loyalty & following
Distribution & Channels	Direct / Indirect Channels	Availability
Suppliers & Retailers	Margins, Discounts, Channel relationship	Shelf space, Push/ Pull of product
End Consumer	Price, Availability of substitutes, Product experience	Final Demand

Sales & Distribution Process



Four Stages of a FMCG Product

1. **Introduction into the market:** When new product is launched, demand is increased through giving free samples as this helps in identifying potential issues.
2. **Growth Stage:** This stage sees increase in sales as people start buying the product after being aware of the features and benefits.
3. **Maturation stage:** Here the production cost reduces, price of the product drops down, sales peak and competitors enter the market with their own products
4. **Decline Stage:** Now, sales drop down significantly, price of the product increases and consumers tend to buy other products thus reducing profits

Important policy measures undertaken by the government

1. FDI in organised retail
 - In January 2018, Govt. allowed 100% investment under the single brand retail through automatic route (previously 49% under the automatic route).
 - In 2016, the GoI permitted 100% FDI in food retailing (including e-commerce) and food processing for locally made or processed products.
 - 100% FDI is allowed in food processing and single-brand retail and 51% in multi-brand retail.
 - This would bolster employment and supply chains and provide high visibility for FMCG brands in organised retail markets, bolstering consumer spending and encouraging more product launches.
 - The sector witnessed healthy FDI inflow of US\$ 16.3 billion during April 2000-March 2020.
2. Government's Measures to Boost Economy will boost Consumption
 - Tax Rebate: The Government of India provided a full tax rebate on income upto INR 0.5 Million to boost disposable income in the hands of common people.
 - Additional Credit expansion through PSBs: In August 2019, Govt. announced upfront capital infusion of INR 700 Billion into PSBs. This decision is expected to generate an additional lending and liquidity in the financial system to the tune of INR 5,000 Billion.
 - Rate Cuts by banks: Banks have decided to pass on marginal cost of funds based lending rate (MCLR) rate cuts to benefit borrowers
 - Economic Package to battle Covid-19: INR 2000 Billion worth of economic package was announced by the Govt. which includes liquidity support given from RBI to the banks & non-bank lenders, as well as the measures taken to support the economy
 - Initiatives like Food Security Bill and direct cash transfer subsidies has reached to almost 40% of Indian Households
3. New goods and service tax (GST):
 - The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18% tax bracket against the previous rate of 23-24%. This led to a 3-8% decrease in prices of such goods at retail stores.
 - GST on food products and hygiene products have been reduced to 0-5% and 12-18% respectively.
 - GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing.
4. Other prominent Schemes
 - National Agriculture Market (NAM). It is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities.

- Mega Food Parks: The Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmer's income and creating employment opportunities particularly in rural sector. So far 19 have been operational.
- In 2018, Government decided to increase the Minimum Support Prices (MSPs) for Kharif crops, this primarily led to pushing up of rural sales growth.
- Higher MSPs, loan waivers & disbursements through the NREGA programme

Impact of COVID-19

The COVID-19 pandemic hit India in the month of March and with several restrictions with respect to severe and extended lockdowns, restrictions on manufacturing units, store closures and social distancing norms, the economy was hit badly. In the first half of the year (January-June) the industry de-grew and the growth rate slipped to negative with a 6% decline. However, now the FMCG industry has picked up slightly and has shown some sign of improvements since the month of June.

The decline in FMCG industry due to COVID-19 was not as severe as what other industries witnessed primarily due to stocking up of basic goods such as health, hygiene and packaged food products. The initial phase of India's lockdown in late March witnessed panic buying where Indians spend disproportionately on staples, instant noodles, biscuits, soaps, toilet cleaners and sanitizers. Thus, keeping the packaged consumer goods market between March and May in urban India afloat.

Within FMCG, products such as sanitizers, bathroom cleaners, floor cleaners, convenience foods & snacks saw growth but consumption of products like beverages, creams, hair oils and hair colour declined.

Keeping in mind these unprecedented market dynamics and de-growth in the first half of the year, Nielsen has revised its outlook on the industry and is expecting the year to be in the flat growth range -1% to 1% for branded FMCG industry in India, as against a 5-6% growth projected earlier this year.

Growth Drivers & Opportunities

1. Rising Population and Growing Urbanisation:
 - Scope for a better job, lifestyle, health care and education opportunities has led to a rise in immigration from villages to larger cities. In the past 2 decades, population in the urban areas has grown by 68% and now 33% of country's total population resides in the urban space.
 - Population in cities brings higher disposable income and spending power with an inclination towards branded products and premium offerings.

2. Ecommerce

- India's online transactions have increased due to factors such as increasing internet penetration, rising digital maturity and developing infrastructure.
- Products are easily and conveniently available to the common consumer due to increased accessibility through the internet and different channels of sales.
- Currently, 33% FMCG shoppers go online first and then to the stores.
- By 2020, about 40% of FMCG consumption is estimated to be digitally influenced & 70% of the people will shop online for premium products.
- The online FMCG market is forecasted to reach US\$ 50 billion in 2021E from US\$ 20 billion in 2017, backed by growth in online users from 90 million in 2017 to 200 million in 2020E.

3. Modern Trade

- Following demonetisation and implementation of GST, modern trade has touched the double-digit mark for the first time, accounting for 10% of the overall revenue of the FMCG sector.
- There has been significant expansion in Tier 2-3 cities and towns with a population of less than a lakh contributed about 58 per cent of FMCG sales through modern stores such as Food Bazaar, D-Mart, Reliance Fresh, etc.
- Ecommerce is converging with traditional shops as Amazon purchased both a 5% stake in Shoppers Stop India and Aditya Birla Group's retail chain 'More'. It is now in talks with Kishore Biyani's Future Retail for a sub 10 percent stake.

4. Rising penetration of technology:

- Low data prices and affordable smart phones have helped in the advent of new E-commerce platforms in the country. India's extremely low data prices (~Rs.7/GB) have increased the average wireless data usage per subscriber.
- New payment platforms developed by Fintech players have greatly proliferated, making digital one of the preferred modes of making payments. These factors have led to the rise in adoption of E-commerce channels and strengthened delivery logistics for large FMCG players.

5. Rural Consumption

- Penetration in rural areas is still untapped and technological advancement and ecommerce is changing that.
- Rural segment is growing at a rapid pace and is expected to be a major driver for the growth of FMCG. It accounted for a revenue share of 45% in the overall revenues recorded by FMCG sector in India. More than 80% of FMCG products posted faster growth in rural markets as compared to urban ones.
- Total rural income, which was around US\$ 572 billion last year, is projected to reach US\$ 1.8 trillion by FY21. FMCG products currently account for 50% of total rural spending.

6. Rising Income, Consumption Pattern and Changing Lifestyles

- Another driver is the reduction in poverty level from 15% to 5% and increase of upper-middle income and high income households from 25% to 50%.
- Consumption pattern has changed and there is a preference for "Indian" flavours, especially in food, beverages, and personal care.
- Newer generations tend to spend more than their predecessors.

- Changing lifestyle of Indians has led to emergence of new product categories. For example, skin and hair care products are no longer solely focused on females. The ready-to-eat food segment has witnessed a growth in penetration due to rise in working female population and nuclear families.
7. Product Innovation
- Consumers are highly adaptable to new and innovative products such as flavoured yoghurt, sugar free products, etc.
 - Consumers are susceptible to social pressure and believe in trying new brands.
 - Market strategies such as the Subscription Model (allowing consumers to try out new brands and products at small recurring spend), small sachets at lower prices etc. increase consumer interest.
8. Favourable demographics with growing per capita income:
- India has one of the youngest and largest work forces with 26% individuals below 15 years of age and 67% aged between 15 and 64 years.
 - India nearly tripled its per capita net national income (at current prices) from INR 0.048 million in FY10 to INR 0.134 million in FY20.
 - Such favourable demographics with rising disposable income present ample opportunity size for growth in consumer demand for FMCG products.
9. Market Growth for Hand Hygiene Products post COVID-19 outbreak
- Increasing awareness among Indian consumers related to hand hygiene and strong e-commerce infrastructure is anticipated to create lucrative opportunities for many domestic and international players till 2022.

Key M&A Deals in the Industry

Recent M&A Deals in FMCG Industry		
Year	Target Name	Acquirer Name
FY20	Eastern Condiments	MTR Foods (Orkla)
FY20	Sunrise Foods	ITC Limited
FY20	NourishCo Beverages	Tata Consumers Products
FY20	Horlicks Brand (GSK)	HUL
FY20	VWash Brand (Glenmark)	HUL
FY19	DFM Foods	Advent International Corp.
FY19	Canway Corp. (South Africa)	Wipro Consumers
FY19	Pan India Food Solutions	Haldiram Bhujawala
FY19	Pepsico (Franchisee)	Varun Beverages
FY19	Delectable Technologies	ITC Limited
FY19	Splash Corp. (Philippines)	Wipro Consumers
FY19	Hindustan Foods Limited	Convergent Finance
FY18	Avadh Snacks	Prataap Snacks
FY18	Visage Lines Personal Care (Bombay Shaving Co.)	Colgate Palmolive
FY18	Brillare Science	Emami
FY18	Zed Lifestyle (Beardo)	Marico
FY18	Kraft Heinz India	Zyodus Wellness
FY17	D and A Cosmetics	Dabur
FY17	Atlanta Body and Health Products	Dabur
FY17	Helios Lifestyle (The Man Company)	Emami

Challenges Ahead

1. Managing availability in the complex distribution Set Up
 - The Indian FMCG sector has to work with very complex distribution system comprising multiple layers of numerous small retailers who have to supply a large number of SKUs.
 - Unlike developed countries, companies in India have realized that in order to increase market penetration they need to reach out to consumers present at the lower end of the economic pyramid. This consumer base can be tapped in to only by offering small pack sizes.
 - Smaller pack sizes mean higher packaging and transportation costs for the companies which will force companies to find innovative ways of balancing market penetration and logistics cost
2. Infrastructure
 - Poor roads and unreliable transport systems have an adverse impact on costs and uncertainties. Non-availability of infrastructure, like cold chains affects certain product categories significantly. Further, frequent problems in relation to power outage add to the uncertainty. In general FMCG companies have to take these issues into account while planning their supply chains.
3. Optimize costs and investments
 - Optimization of costs and investments is a matter of priority and has to be factored in along with production needs.
4. Dealing with Counterfeit Goods
 - According to recent study conducted, counterfeits accounted for loss of sale worth more than INR 300 billion for the FMCG sector every year. To prevent such losses, FMCG companies in India have to ensure that they exercise greater control over their distribution channel and not just leave it to the market forces.

Major Indian Players

1. **Hindustan Unilever**
 - With a heritage of over 80 years in India, HUL is amongst India's largest FMCG Company.
 - It has a portfolio over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers etc.
 - HUL is a subsidiary of Unilever, one of the world's leading suppliers of Food, Home Care, Personal Care and Refreshment products with sales in over 190 countries.
 - Unilever has over 67% shareholding in HUL.
 - Brands – Lux, Surf Excel, Axe, Brooke Bond, Kissan, Pepsodent, Close Up, Dove, Knorr, Lipton, Sunsilk, Vaseline, Vim etc.

Hindustan Unilever - Financial Summary				
INR Million	FY17	FY18	FY19	FY20
Net Revenue	3,31,620	3,55,450	3,93,100	3,97,830
<i>Growth %</i>		7.2%	10.6%	1.2%
<i>CAGR</i>				6.3%
EBITDA	67,090	78,830	94,300	1,04,930
<i>EBITDA %</i>	20.2%	22.2%	24.0%	26.4%
<i>CAGR</i>				16.1%
Net Profits	42,650	52,580	62,880	69,640
<i>Net Profits %</i>	12.9%	14.8%	16.0%	17.5%
<i>CAGR</i>				17.8%
Cash flow from operations	51,850	60,640	58,000	76,230
Cash flow from investing	-11,730	-10,680	-4,380	17,910
Cash flow from financing	-42,140	-49,750	-53,900	-68,190
Net Cash Flow	-2,020	210	-280	25,950
<i>CFO / EBITDA%</i>	77.3%	76.9%	61.5%	72.6%
Total Equity	67,440	72,810	78,430	82,140
Total Debt	2,770	-	990	-
Debt to Equity Ratio	0.04x	0.00x	0.01x	0.00x
Return on Equity (%)	63.2%	72.2%	80.2%	84.8%
Return on Capital Employed (%)	89.1%	100.8%	111.0%	115.1%

(Source: VCCEdge)

2. ITC Limited

- Established in 1910, ITC Limited is an industrial conglomerate with business focuses on fast moving consumer goods (FMCG), hotels, paperboards, specialty papers, packaging, agribusiness and information technology.
- The company's FMCG businesses comprises Foods, Personal Care, Cigarettes, Branded Apparel, Education & Stationery Products, Incense Sticks etc.
- Brands – Aashirwaad, Sunfeast, B Natural, Bingo, Classmate, Wills Lifestyle, Fiana Di Wills, Mint-O

ITC Limited - Financial Summary				
INR Million	FY17	FY18	FY19	FY20
Net Revenue	4,27,766	4,34,489	4,83,527	4,94,041
<i>Growth %</i>		1.6%	11.3%	2.2%
<i>CAGR</i>				4.9%
EBITDA	1,71,974	1,83,148	2,05,802	2,18,581
<i>EBITDA %</i>	40.2%	42.2%	42.6%	44.2%
<i>CAGR</i>				8.3%
Net Profits	1,04,713	1,10,722	1,28,242	1,57,167
<i>Net Profits %</i>	24.5%	25.5%	26.5%	31.8%
<i>CAGR</i>				14.5%
Cash flow from operations	1,06,273	1,31,694	1,25,834	1,46,897
Cash flow from investing	-32,509	-71,139	-55,457	-61,740
Cash flow from financing	-73,010	-62,211	-68,686	-81,815
Net Cash Flow	754	-1,656	1,691	3,342
<i>CFO / EBITDA%</i>	61.8%	71.9%	61.1%	67.2%
Total Equity	4,64,129	5,25,101	5,71,429	6,32,511
Total Debt	375	289	100	73
Debt to Equity Ratio	0.00x	0.00x	0.00x	0.00x
Return on Equity (%)	22.6%	21.1%	22.4%	24.8%
Return on Capital Employed (%)	34.3%	32.3%	32.2%	30.8%

(Source: VCCEdge)

3. Nestle India Limited

- Nestle India is a leading FMCG company with products in the categories of Chocolates & confectionary, beverages, dairy, foods, nutrition etc.
- It is a subsidiary of Nestle S.A. of Switzerland.
- Nestle India has 8 manufacturing units, 4 branch offices & Pan-India presence.
- Brands – Everyday, Milkmade, Maggi, Kit Kat, Munch, Polo, Nescafe, Nestea, Milo

Nestle India - Financial Summary				
INR Million	CY16	CY17	CY18	CY19
Net Revenue	92,238	1,00,096	1,12,923	1,23,689
<i>Growth %</i>		8.5%	12.8%	9.5%
<i>CAGR</i>				10.3%
EBITDA	18,608	22,735	28,766	31,112
<i>EBITDA %</i>	20.2%	22.7%	25.5%	25.2%
<i>CAGR</i>				18.7%
Net Profits	9,887	12,252	16,069	19,696
<i>Net Profits %</i>	10.7%	12.2%	14.2%	15.9%
<i>CAGR</i>				25.8%
Cash flow from operations	14,659	18,178	20,525	22,337
Cash flow from investing	-1,274	-1,306	-524	830
Cash flow from financing	-6,666	-9,966	-13,174	-35,400
Net Cash Flow	6,720	6,906	6,826	-12,233
<i>CFO / EBITDA%</i>	78.8%	80.0%	71.4%	71.8%
Total Equity	30,137	34,206	36,737	19,323
Total Debt	332	351	351	531
Debt to Equity Ratio	0.01x	0.01x	0.01x	0.03x
Return on Equity (%)	32.8%	35.8%	43.7%	101.9%
Return on Capital Employed (%)	49.5%	55.9%	68.5%	140.8%

(Source: VCCEdge)

4. Britannia Industries

- Britannia Industries is one of India's leading food companies with a 100 year legacy.
- Britannia's product portfolio includes Biscuits, Bread, Cakes, Rusk, and Dairy products including Cheese, Beverages, Milk and Yoghurt.
- Its products are available across the country in close to 5 million retail outlets.
- They operate through 13 factories and 4 franchisees in 100+ cities / towns of India.
- Brands – Good Day, Jim Jam, Marie Gold, Little Hearts, Nutri Choice, Bourbon, Nice etc.

Britannia Industries - Financial Summary				
INR Million	FY17	FY18	FY19	FY20
Net Revenue	93,241	99,901	1,10,547	1,15,996
Growth %		7.1%	10.7%	4.9%
CAGR				7.6%
EBITDA	16,987	17,441	19,399	21,226
EBITDA %	18.2%	17.5%	17.5%	18.3%
CAGR				7.7%
Net Profits	11,544	10,803	11,564	14,102
Net Profits %	12.4%	10.8%	10.5%	12.2%
CAGR				6.9%
Cash flow from operations	4,413	12,488	11,558	14,845
Cash flow from investing	-1,499	-9,563	-8,555	-15,316
Cash flow from financing	-2,951	-2,318	-3,527	579
Net Cash Flow	-37	608	-524	108
CFO / EBITDA%	26.0%	71.6%	59.6%	69.9%
Total Equity	26,964	34,062	42,333	43,684
Total Debt	1,157	1,782	1,380	15,141
Debt to Equity Ratio	0.04x	0.05x	0.03x	0.35x
Return on Equity (%)	42.8%	31.7%	27.3%	32.3%
Return on Capital Employed (%)	56.1%	44.5%	40.2%	32.6%

(Source: VCCEdge)

5. Dabur India Limited

- Dabur India Ltd. is one of India's leading FMCG Companies
- It is also a world leader in Ayurveda with a portfolio of over 250 Herbal / Ayurvedic products.
- Dabur's FMCG product portfolio includes five flagship brands across natural healthcare products, premium personal care products, digestives, fruit juices & beverages and skin care products.
- The company has a wide distribution network with a high penetration in both urban and rural markets, covering 6.7 million retail outlets.
- Dabur's products are recognized globally and are available in 100+ countries across the globe.
- Brands – Real Juice, Hajmola, Dabur Red Toothpaste, Vatika, Chyawanprash, Honey etc.

Dabur India - Financial Summary				
INR Million	FY17	FY18	FY19	FY20
Net Revenue	77,014	77,219	85,150	86,846
<i>Growth %</i>		0.3%	10.3%	2.0%
<i>CAGR</i>				4.1%
EBITDA	18,951	19,226	20,357	20,976
<i>EBITDA %</i>	24.6%	24.9%	23.9%	24.2%
<i>CAGR</i>				3.4%
Net Profits	13,679	13,720	15,206	15,479
<i>Net Profits %</i>	17.8%	17.8%	17.9%	17.8%
<i>CAGR</i>				4.2%
Cash flow from operations	12,269	10,915	14,991	16,136
Cash flow from investing	-8,069	-5,400	3,369	-5,168
Cash flow from financing	-3,390	-5,771	-18,882	-10,430
Net Cash Flow	811	-256	-522	538
CFO / EBITDA%	64.7%	56.8%	73.6%	76.9%
Total Equity	48,474	57,065	56,317	66,058
Total Debt	9,107	8,288	5,243	4,671
Debt to Equity Ratio	0.19x	0.15x	0.09x	0.07x
Return on Equity (%)	28.2%	24.0%	27.0%	23.4%
Return on Capital Employed (%)	30.3%	26.8%	30.0%	26.4%

(Source: VCCEdge)