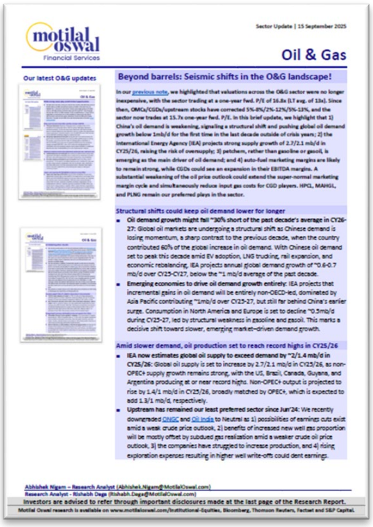
Oil & Gas

Our latest O&G updates


Sector Update | 15 September 2025

Oil & Gas

Beyond barrels: Seismic shifts in the O&G landscape!

CGD: Transient headwinds; multi-year growth ahead

- **In this note, we highlight the key structural shifts that have reshaped India's city gas distribution (CGD) sector in the past 5-7 years, laying the foundation for a durable, multi-year growth runway. These changes include a policy mandate to expand CGD coverage nationwide, increased participation of private capital, a larger execution role for OMCs, and an improvement in the quality and economic density of geographical areas (GAs), enhancing RoCE potential for operators. In parallel, several states have rationalized natural gas taxation, improving competitiveness vs. alternate fuels.**
- **These reforms have driven a sharp scale-up in downstream infrastructure, with the number of CNG stations rising ~4x over the last six years, alongside a significant expansion in CNG vehicle models in PV and CV segments. The CNG powertrain remains one of the fastest-growing categories in India's PV market (FY25: +35% YoY) and now forms a meaningful share of OEM sales. CNG mix for TTMT/MSIL rose to 25%/18% in FY25 from 16%/15% in FY24. Unlike EVs, recent CNG launches are largely focused on the affordable sub-INR1m segment, supporting broader adoption. We expect CNG penetration in overall industry volumes to continue to rise in the medium term.**
- **The benefit of these reforms is evident from strong volume growth and network expansion posted by companies within our coverage universe as well OMCs and not covered private players. Among the listed CGD players, we continue to like Mahanagar Gas or MAHGL (strong volume growth + inexpensive valuations), though we think price hikes will be imperative for a re-rating. We also like Indraprastha Gas (IGL) as we see a strong likelihood of margin expansion following the recent tweak in tax and zonal tariff reforms.**

'One Nation, One Grid' gains momentum as ownership broadens

- **CGD footprint expands nationwide as private and OMC participation deepens:** Over the past decade, India's CGD footprint has expanded from ~40 pre-PNGRB areas to **307 authorized GAs**, creating a contiguous gas ecosystem where trunk pipelines, spur lines and stations collectively serve households, vehicles and industries at scale. This expansion has coincided with a clear shift from a public sector/JV-led structure to **balanced private and OMC participation**, particularly across PNGRB bidding Rounds 8 to 12.
- **Capital commitment deepens with private players taking the lead:** Cumulative committed capex in Rounds 8-12 exceeds **INR1t**, with **majority contributed by private players**, reflecting deep and durable capital commitment to a nationwide rollout. Participation by committed, well-capitalized players supports the development of a pan-India CGD ecosystem. OMCs bring the benefit of strong balance sheets and established distribution networks, enabling a faster rollout, while OEMs are increasingly launching multiple CNG variants. Momentum across CGD players has progressively shifted from the pre-PNGRB phase through Round 12, based on GA allocations.

Scale and density in new GAs reduce capex burden

- **Larger, denser GAs enhance capital efficiency and returns:** The GA profile of CGD players has improved materially, leading to a reduction in capex intensity per unit of gas sold. New GA allocations, especially in the 9th and 11th rounds, cover **larger and more economically dense regions**, including urban centers and industrial corridors. This allows fixed infrastructure costs such as pipelines,

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compressors and metering stations to be spread across high consumption volumes, lowering capex per SCMD.

- **GA quality has improved meaningfully across PNGRB rounds:** Early rounds featured smaller, fragmented GAs, limiting scale benefits (Rounds 6-8 together awarded only 25 GAs). A clear step-change emerged from the 9th round onward, with 86 GAs awarded across ~0.8m sq. km, followed by the 10th round's 50 GAs over ~0.6m sq. km, materially increasing average GA size and density. Subsequent rounds (11th-12th) focused on strategic infill, including the North-East and Union Territories, effectively completing pan-India CGD authorization.
- **Demand base broadens beyond legacy segments:** Historically, city gas demand was concentrated among select industrial consumers and public transport fleets, with limited household PNG penetration and low consumer awareness. Currently, demand is expanding across private CNG vehicles, logistics fleets, domestic PNG households, commercial establishments, MSMEs and large industries. This shift has been supported by rising awareness and supportive government policies promoting CNG/PNG adoption. The resulting diversification of the demand base improves long-term revenue stability, enhances volume visibility and supports sustained growth for CGD companies.

Exhibit 1: OMCs: Number of GAs and CNG stations as of 31 Mar'25

Particulars	HPCL	BPCL	IOCL
Number of GAs	25	26	49
Number of CNG stations	2,038	2,400	2,437

Source: Company, MOFSL

Exhibit 2: Percentage split of GAs between public and private entities across rounds

Entity	Pre PNGRB	Till Round 8	Till Round 12	Remarks
Public	90%	66%	54%	❖ Pre PNGRB - GAIL & its Subsidiaries ❖ Till Round 8 - GAIL, GGL, IGL, MGL & Other PSU ❖ Till Round 12 - Same as till Round 8 & OMCs
Private	10%	34%	46%	

Source: PNGRB, MOFSL

Supportive taxation and reforms improve affordability and project viability

- **Interstate tax reform improves gas sourcing economics:** Petroleum products and natural gas continue to be taxed under central excise and state VAT, rather than GST, with excise levied at production and VAT at the distribution or retail stage. Historically, limited gas consumption and fewer CGD authorizations meant natural gas had low relevance in state revenue frameworks. As CGD penetration has increased, several states have **reduced VAT and excise rates** on natural gas and CNG vehicles to promote clean fuel adoption. Lower VAT directly reduces delivered gas prices, strengthening CGD margins, improving competitiveness vs. alternate fuels and accelerating adoption across urban and semi-urban markets. These measures also enhance project viability in new GAs by improving return profiles and shortening payback periods.

Exhibit 3: Comparison of VAT rates across states

State	Old Rate	Date	New Rate	Date
Rajasthan	14.50%	Sep-19	7.5% (CNG and D-PNG)	Mar-25
Punjab	14.30%	Mar-15	3.3% (D-PNG) & 14.3% (CNG)	Oct-19
Gujarat	15.00%	Jul-17	5% (CNG & D-PNG)	Oct-22
Maharashtra	13.80%	2015 onwards	3% (CNG and D-PNG)	Apr-22

Source: PNGRB, MOFSL

- **Gujarat's CST shift materially improves CGD sourcing economics:** A notable example of a state supporting gas consumption via favorable taxation is that **from 1st Oct'25, Gujarat replaced VAT with CST for interstate transport, reducing the tax burden from 15% to 2% and lowering logistics costs for CGD operators**. This reform is particularly beneficial for operators in landlocked northern states such as Uttar Pradesh, Rajasthan and Madhya Pradesh, where gas is transported over long distances from coastal terminals. Lower interstate taxes enable more economical sourcing, better pipeline utilization and more competitive end-consumer pricing.
- **GST cuts boost CNG affordability and CGD project returns:** Effective 22nd Sep'25, GST on small petrol, CNG and diesel cars was reduced from 28% to 18%, along with the removal of 1% cess on large cars. This has improved affordability and total cost of ownership for CNG vehicles. Lower GST on inputs such as compressors and dispensers also reduces infrastructure capex, improving project economics and returns.
- **Zone 1 tariff for CNG/D-PNG removes distance-linked cost disadvantage:** Effective 1st Apr'23, the government introduced the unified tariff regime under the 'One Nation, One Grid, One Tariff' framework to standardize pipeline transportation charges across interconnected gas pipelines. The regime initially operated with three distance-based tariff zones. Subsequently, **PNGRB's Second Amendment dated 4th Jul'25 reduced the zones from three to two and extended the lower Zone-1 tariff (up to 300km) nationwide for CNG and domestic PNG consumers, irrespective of distance from the gas source.** This shift to a 'One Zone, One Tariff' structure eliminates distance-linked cost disadvantages for remote and newly authorized GAs, materially improving affordability and CGD economics in Tier-2 and Tier-3 cities.
- **IGL beneficiary of the zonal tariff reform:** As per our estimate, the revised unified zonal tariff, applicable from 1st Jan'26, would translate into an INR0.9/scm EBITDA margin benefit for IGL, MAHGL is expected to see an INR0.3/scm contraction, and GUJGA is likely to remain unaffected.

Exhibit 4: Impact on CGDs due to change in unified zonal tariff

Particulars	Existing %	New %	Existing tariff	New tariff	Margin impact	1HFY26 reported EBITDA margin	% impact
Gujarat Gas					**0.0**	**6.0**	**0%**
Zone 1	14%	42%	42.0	54.0			
Zone 2	53%	46%	80.1	102.9			
Zone 3	21%	0%	106.8				
IGL					**0.9**	**5.7**	**16%**
Zone 1	0%	86%	42.0	54.0			
Zone 2	86%	14%	80.1	102.9			
Zone 3	14%	0%	106.8				
MAHGL					**-0.3**	**8.8**	**-3%**
Zone 1	69%	86%	42.0	54.0			
Zone 2	31%	14%	80.1	102.9			
Zone 3	0%	0%	106.8				

Source: Company, MOFSL

Exhibit 5: Key recent regulations and reforms

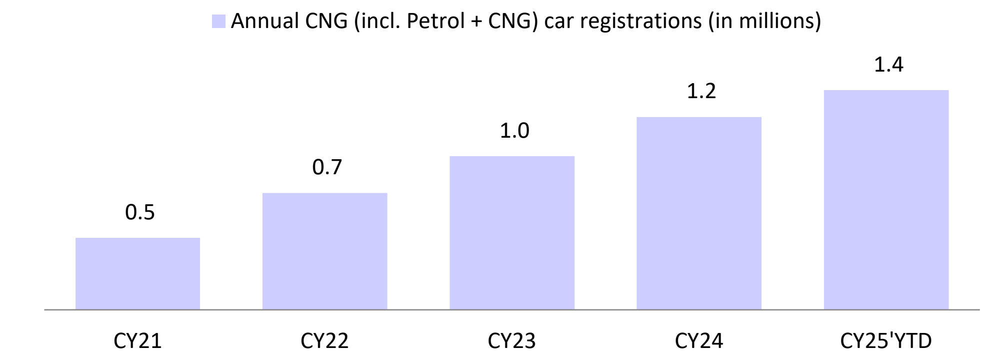
Year	Regulation	Key reform
2025	Inclusion of MDPE in Steel IK MWP Calculation	❖ PNGRB updated its CGD Authorization Regulations in Sep'25 to streamline bidding and compliance. The changes now include both steel and MDPE pipelines in MWP infrastructure calculations for equitable network progress assessment.
2025	Single Zone for CNG(T) & PNG(D) under Unified Tariff Zone	❖ Simplified India's natural gas tariff structure by reducing unified zones from three to two, extending the lower Zone 1 rate to all nationwide CNG and domestic PNG users. A Pipeline Development Reserve now allocates 50% of excess earnings from pipeline operating above 75% capacity to infrastructure expansion, with the rest for lowering consumer tariffs. Pipeline operators must source at least 75% of system-use gas via long-term contracts (minimum three years) for supply stability and predictable pricing.
2025	Tariff Notification for Single Zone for CNG(T) &PNG(D) under Unified Tarif Zone	❖ Simplified natural gas transportation tariffs by reducing zones from three to two, setting uniform rates of INR54/mmbtu (<=300km) and INR 102.86/mmbtu (>300km) effective 1st Jan'26. Nationwide CNG and domestic PNG users now benefit from the lower Zone-1 rate, offering nearly 50% savings for those beyond 300km. This advances 'One Nation, One Grid, One Tariff,' addressing regional disparities and boosting cleaner fuel access.
2025	CBG pipelines under DPI to be considered for MwP	❖ CGDs must blend CBG into CNG and PNG from FY26, with targets increasing annually to 5% by FY29. Compliance is monitored via a Central Repository Body, with penalties for non-adherence.
2025	Prioritized allocation of NWG gas for DPNG & CNG	❖ Revised domestic gas allocation policy to prioritize affordable supply for CNG (transport) and PNG (domestic) users. It now features advance quarterly allocations and pro-rata distribution of New Well Gas from ONGC & OIL to CGD entities, replacing auctions. Pricing ties to the Indian Crude Basket for cost stability and consumer benefits.
2024	Prioritized allocation of HPHT gas for DPNG & CNG	❖ Prioritizes ceiling-priced domestic gas (including HPHT) allocation on the Indian Gas Exchange, favoring CNG (transport) and PNG (domestic) under CGD, then fertilizer and LPG sectors. Eligible entities receive pro-rata shares for fairness, balancing priority supply with optimized distribution.

Source: PNGRB, PIB, MOFSL

Segment economics: CNG sweet spots drive multi-segment adoption

- **CNG addresses clearly defined use cases across segments,** including cars (entry buyers, urban-rural commuters, long-distance travel), taxis (fleet and interstate operations), autorickshaws (medium-distance routes with strong infrastructure support), LCVs (fixed-route logistics), buses (state and city transport) and two-wheelers (an emerging segment where station density is critical).
- **CNG commercial vehicles emerge as the key growth driver:** Growth is increasingly driven by CNG commercial vehicles, supported by OEM launches, lower operating costs vs. diesel, and rising adoption in urban freight and medium-haul logistics. While EVs are gaining traction in select micro-segments, CNG offers an attractive balance of upfront cost, range and refueling speed across varied duty cycles, particularly as station density expands beyond metros.

Exhibit 6: Annual CNG car registrations grew at 32% CAGR over CY21-25



Source: Vahan, MOFSL

- **CNG stations quadruple in six years:** India's national highway network increased from 138,376km in FY21 to 146,195km by Jan'25, **while the number of CNG stations rose nearly fourfold from ~2,188 in 2020 to 8,428 by Oct'25.** This expansion has enabled long-distance CNG travel.
- **Better fueling access reshapes mobility choices in favor of CNG:** Improved connectivity and fueling access have shifted consumer behavior, with rising preference for CNG cars on intercity routes. Penetration is increasing across personal vehicles, fleet taxis and institutional users. Municipal bodies and state transport undertakings are expanding CNG bus fleets, while utility and waste-collection vehicles are also transitioning due to cost and environmental benefits.
- **Lower running costs make CNG the fuel of choice for mass mobility:** At the user level, CNG running cost is currently 46.6%/10.6% cheaper vs. petrol/diesel in Mumbai (source: MAHGL 2QFY26 presentation), delivering meaningful savings and reinforcing adoption as CGD networks deepen.

CNG/EV displacing conventional engines

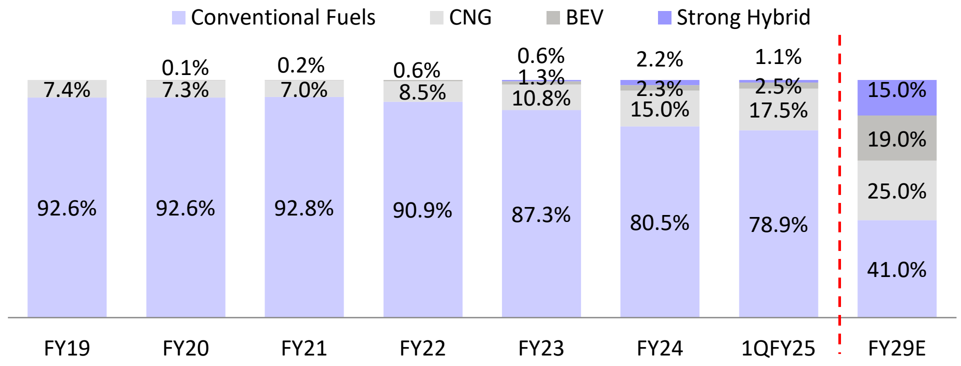
- **CNG - one of the fastest-growing engine types in India:** According to Tata Motors (TTMT), the Indian auto industry experienced strong momentum in fuel-type transitions in FY25, with CNG vehicle sales growing ~35% YoY. This growth has been fueled by 1) increasing adoption of CNG in the personal vehicle segment, 2) expansion of CNG infrastructure, 3) greater customer awareness regarding CNG's advantages over ICE, and 4) the launch of new models such as Maruti Swift CNG, Tata Tiago, and Tigor I CNG, which offer features and performance comparable to conventional fuel vehicles. As a result, CNG emerged as the second-largest fuel category, accounting for over 18% of new PV sales, as per data provided by TTMT.
- **CNG proportion in the overall mix now sizeable across auto manufacturers:** In FY25, the powertrain mix for TTMT w.r.t. CNG passenger vehicles rose to 25% (FY24: 16%) even as EV PVs declined marginally to 11% (FY24: 13%). In FY25, MSIL's powertrain mix w.r.t. CNG PVs rose to 18% from 15%/10% in FY24/FY23. Lastly, in the 3QFY25 earnings call, Hyundai's management highlighted that Exter's CNG penetration increased to 36.5% of the mix from 17.7% in 3QFY24.

Exhibit 7: Comparative Snapshot: CNG vehicle technology

Parameter	Earlier OEM Technology	Present OEM Technology
Tank Design	Single large cylinder	Dual / twin cylinder
Boot Space	Major loss	Minimal or none
Vehicle Balance	Compromised	Optimized
Safety Perception	Limited	High, OEM-certified
Installation	After-market dominated	Factory-fitted
Consumer Base	Commercial users	Mass private consumers

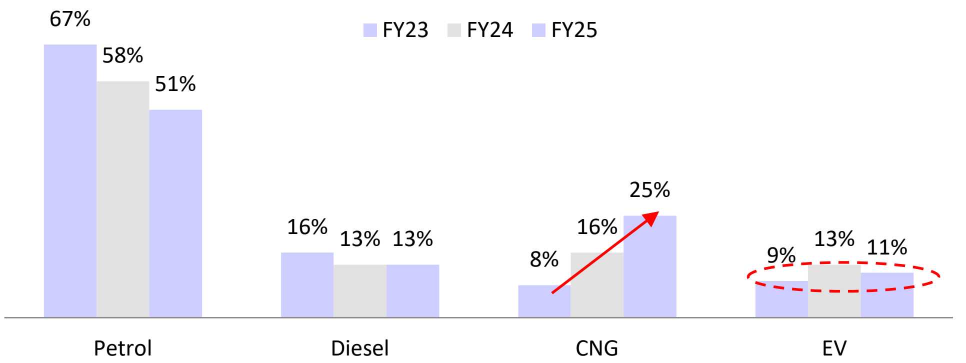
Source: MOFSL

Exhibit 8: CNG's share in PV retail powertrain mix is rising in India (%)



Source: Hyundai, Crisil MI&A, MOFSL

Exhibit 9: TTMT's powertrain mix – PV segment (%)



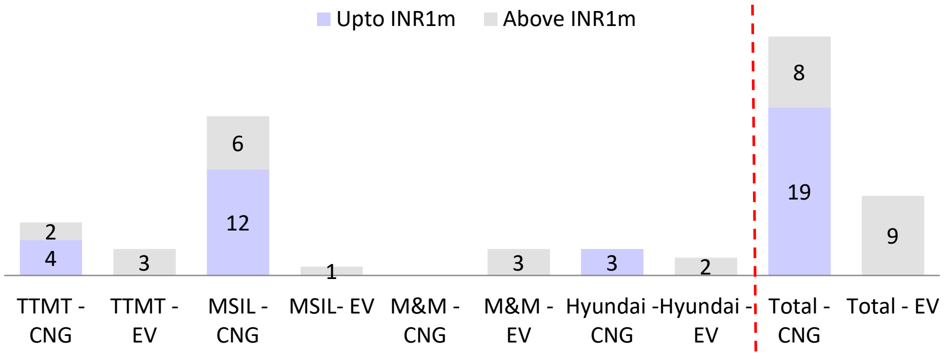
Source: Tata Motors, MOFSL

EV presence largely limited to the premium PV segment

- **Current EV cost economics incentivize presence in the premium PV segment:** Indian auto OEMs earn significantly lower margins on EVs in comparison to CNG vehicles, thus incentivizing manufacturers to focus on the premium-priced EV models. Further, as per Hyundai's management (Source: 3QFY25 earnings call), this trend is likely to persist for a few years. Lastly, to address the issue of limited battery range (in km), auto manufacturers often go for larger and more expensive batteries, which in turn leads to new EV launches being focused primarily on the premium EV models.
- **In contrast, the CNG product range is tilted toward the affordable segment:** Key auto manufacturers such as TTMT, MSIL, and Hyundai have multiple CNG models in the sub-INR1m category, and this has contributed to CNG's burgeoning share in the overall PV pool in India. Conversely, only TTMT has a couple of EV PVs falling in the sub-INR1m category.

- **New product launches for CNG largely in sub-INR1m segment:** In CY24/25'td, Indian OEMs have launched eight CNG models, and seven of these cars are priced under INR1m. On the other hand, Indian OEMs have launched seven EVs in CY24/25'td and all these are in the INR1.5m+ price range.

Exhibit 10: CNG vehicles dominate the sub-INR1m category PV segment (no. of models)

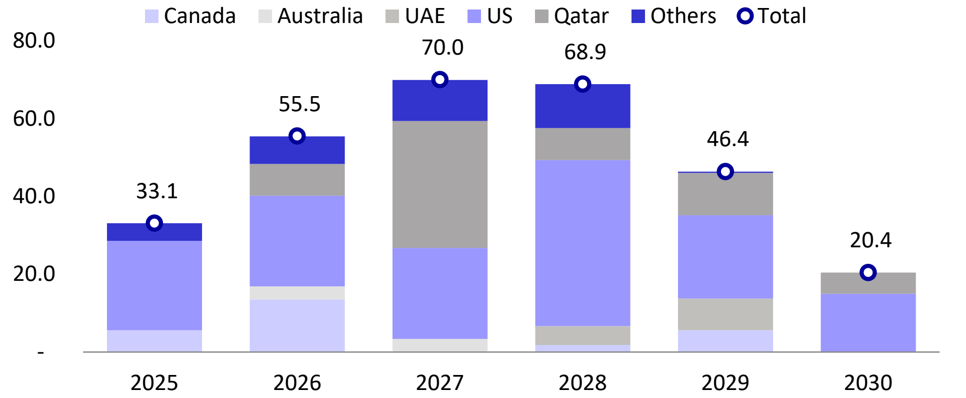


Source: CarDekho, ZigWheels, Autocar India, TTMT, Hyundai, MOFSL
Note: On-road price as per various websites has been considered

Global LNG export capacity to rise by ~54% over CY25-30

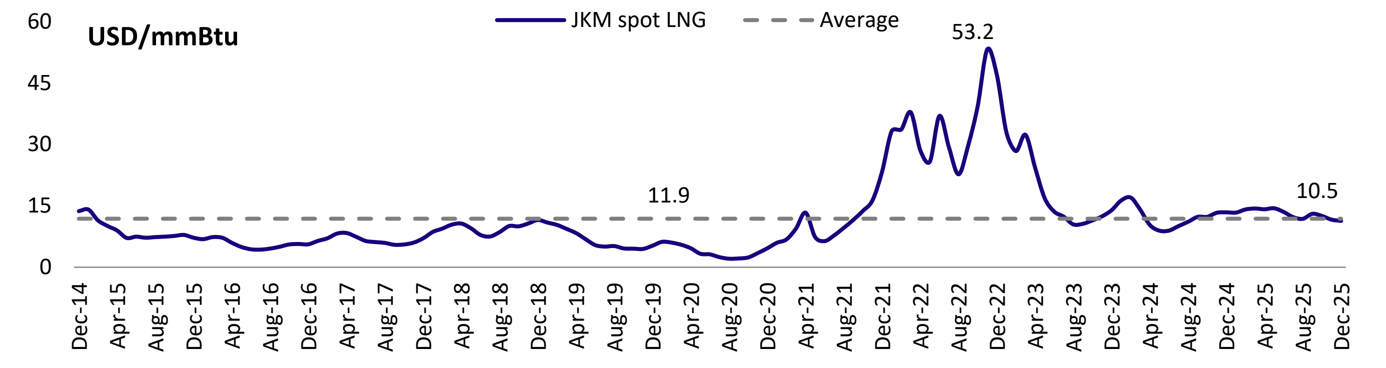
- **Global liquefaction capacity is set to rise by 10%/11% YoY in CY26/27:** As per IEA, between CY25 and CY30, ~295bcm (54% of current capacity) of new LNG export capacity is projected to come online from projects that have already reached the final investment decision (FID) or are currently under construction. Annual liquefaction capacity additions are projected to rise steadily from ~33bcm in CY25 (6% of current capacity) to a peak of ~70bcm (13% of current capacity) in CY27 before moderating during CY28-30. This marks the largest capacity additions in any five-year period in the history of the LNG market.
- **Stalled 67bcm LNG projects could unlock significant supply upside:** Notably, this estimate excludes potential additions from Russia's Arctic LNG 2 (27bcm/year), Mozambique LNG (18bcm/year), and Qatar's North Field West expansion (22bcm/year), all of which have been approved but are not progressing toward commercial operations due to various delays and challenges.
- **LNG prices to remain under pressure in CY26 and beyond:** Historically, global LNG demand has seen a CAGR of 5-6% vs. liquefaction capacity CAGR of 7.5% during CY24-30. As such, **we expect global LNG prices to come under pressure in CY26 and beyond.**

Exhibit 11: ~295bcm/year LNG liquefaction capacity upcoming globally during CY25-30



Source: IEA, MOFSL

Exhibit 12: JKM spot LNG price down 7%/27% MoM/YoY in Dec'25

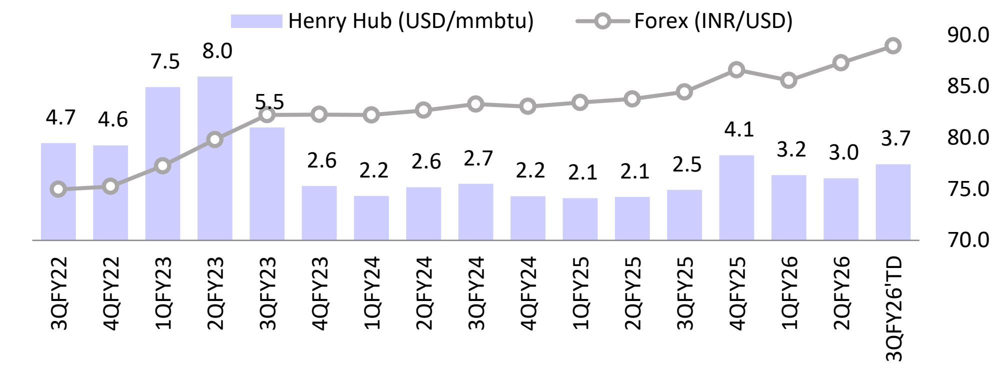


Source: Bloomberg, MOFSL

Weaker crude and lower slope – the twin emerging tailwinds for CGDs

- **Positive long-term stance on CGDs underpinned by a declining raw material cost outlook:** As highlighted in our recent notes (Turning bullish on CGDs), we believe that a weak crude price outlook, together with a lower pricing slope for natural gas (given the impending LNG glut), will drive down gas costs.
- **Every USD5/bbl decline in Brent prices reduces NG landed cost by INR2.3/scm:** Brent crude prices averaged ~USD63.2/bbl in 3QFY26'td vs. USD68.2/74 per bbl in 2QFY26/3QFY25. We forecast Brent to average USD60/bbl in FY27/FY28 and estimate that every USD5/bbl decline in Brent prices reduces the landed cost of natural gas by USD2.3/mmbtu.
- **New long-term gas contracts are being signed for a 1.0-1.3% lower slope:** Further, according to our discussions with the listed and unlisted Indian CGD companies, new long-term gas contracts are already being signed for a 1.0-1.3% lower slope given the expected surge in LNG supply in CY26 and beyond.
- **Near-term margin headwinds:** However, we also highlight that the near-term outlook is materially weakened by elevated Henry Hub prices (up 52% YoY/23% QoQ in 3QFY26'td), INR depreciation (5% YoY/2% QoQ), and muted price hikes, significantly diluting upside to margin.

Exhibit 13: INR depreciated 5% YoY/2% QoQ; HH prices up 51% YoY/23% QoQ



Source: Bloomberg, MOFSL

Exhibit 14: MAHGL has the highest exposure to Henry Hub-linked gas, followed by IGL (%)

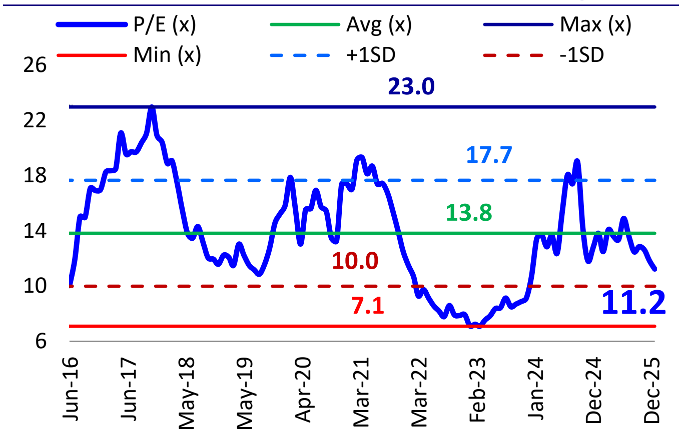
2QFY26 gas sourcing split (%)	MAHGL	IGL	GUJGA
APM	39	41	23
New Well Gas	8	13	5
HP-HT	12	10	0
IGX	8	0	0
HH linked	34	12	2
Brent linked	0	25	37
Spot LNG	0	0	33

Source: Company, MOFSL

Valuation and view

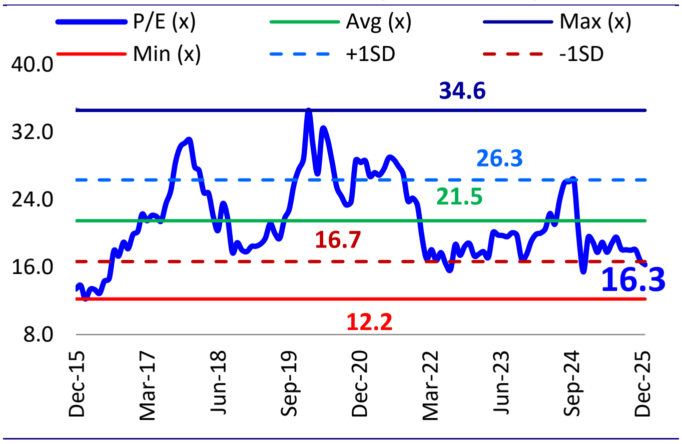
- **MAHGL:** Over FY25-28, we model MAHGL's volumes to clock an 11% CAGR and estimate an EBITDA margin of INR8.7-9.2 per scm. While margins may face pressure in the near term amid high HH prices, we believe this has already been factored into the current stock price. MAHGL currently trades at 10x FY28E SA EPS. We value MAHGL at 15x Dec'27E EPS (15x FY27E EPS earlier), resulting in a TP of INR1,700. Reiterate BUY.
- **IGL** currently trades at 14.5x FY28E EPS. However, we believe that earnings have bottomed out now. We estimate EBITDA margin to improve to INR6/INR6.5/ INR6.5 per scm and volumes to clock 7% CAGR over FY25-28E. Resultant EBITDA and PAT are estimated to clock a CAGR of 9% each over FY25-28E.
  - We value IGL at 16x Dec'27E SA EPS and add INR49/sh as the value of JVs to arrive at our TP of INR250/sh. At 2.6% FY27E dividend yield and 9% EPS growth, we believe the valuation is attractive. Reiterate BUY.

Exhibit 1: MAHGL trades near its mean -1 SD P/E avg.



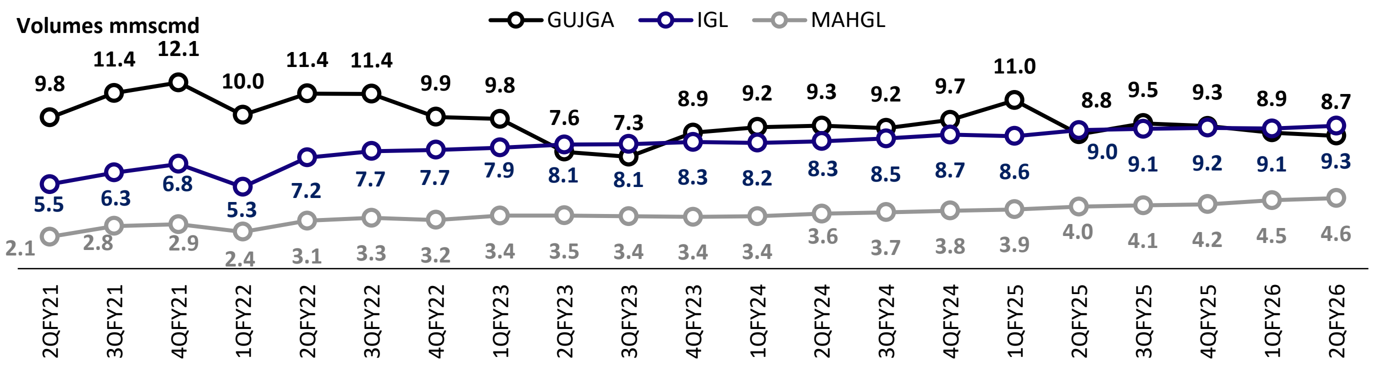
Sources: Company, MOFSL

Exhibit 2: IGL trades below its long-term P/E avg.



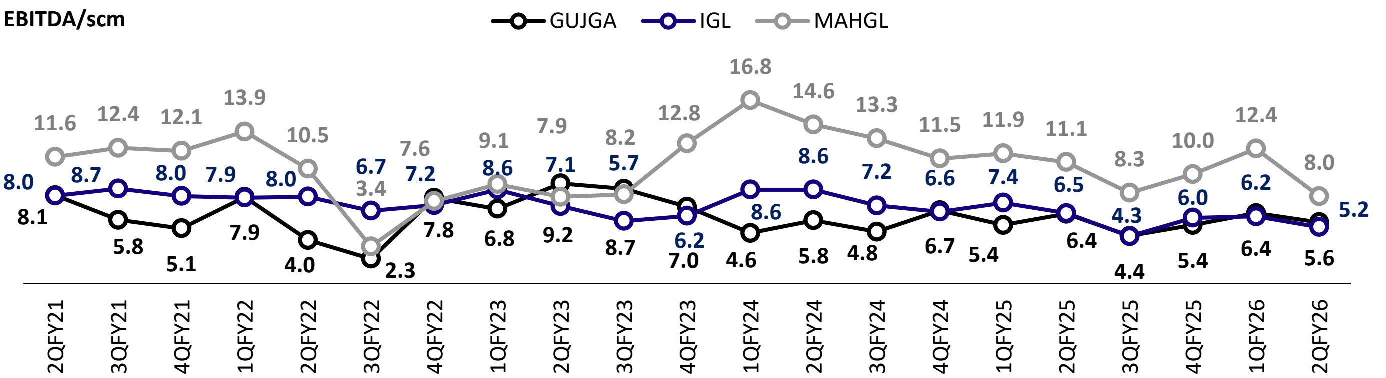
Sources: Company, MOFSL

Exhibit 15: Sales volume of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 16: EBITDA/scm trend for CGDs (INR)



Source: Company, MOFSL

Financials and valuations: MAHGL (BUY | TP: INR1700)

Financial & Valuation Summary

(INR b)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sales	27.9	29.7	21.5	35.6	63.0	62.4	70.0	81.7	89.0	99.2
EBITDA	8.9	10.5	9.3	9.2	11.8	18.4	15.2	15.5	16.2	17.7
Adj. PAT	5.5	7.9	6.2	6.0	7.9	12.9	10.5	9.7	10.2	11.2
Adj. EPS (INR)	55.3	80.3	62.7	60.4	80.0	130.5	106.2	98.5	102.8	113.8
EPS Gr. (%)	14.3	45.2	-21.9	-3.6	32.3	63.2	-18.6	-7.3	4.4	10.7
BV/Sh.(INR)	242.8	298.9	327.2	364.2	418.5	520.6	596.2	655.3	717.0	785.3
Ratios										
Net D:E	-0.1	-0.1	-0.2	-0.1	-0.1	-0.1	0.0	-0.1	0.0	-0.1
RoE (%)	24.3	29.7	20.0	17.5	20.4	27.8	19.0	15.7	15.0	15.2
RoCE (%)	24.3	29.8	20.1	17.5	20.5	27.8	19.1	15.8	15.1	15.2
Payout (%)	43.5	52.4	36.7	38.1	32.5	40.0	28.3	40.0	40.0	40.0
Valuation										
P/E (x)	20.7	14.2	18.2	18.9	14.3	8.8	10.8	11.6	11.1	10.0
P/BV (x)	4.7	3.8	3.5	3.1	2.7	2.2	1.9	1.7	1.6	1.5
EV/EBITDA (x)	12.4	10.5	11.6	11.7	9.4	5.9	7.2	7.1	6.8	6.1
Div. Yield (%)	1.7	3.1	2.0	2.0	2.3	4.6	2.6	3.4	3.6	4.0
FCF Yield (%)	2.9	5.0	4.1	2.3	2.3	7.0	2.6	2.8	2.1	3.5

Financials and valuations: IGL (BUY | TP: INR250)

Financial & Valuation Summary										(INR b)
Y/E March	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Sales	57.6	64.9	49.4	77.1	141.4	140.0	149.3	162.1	173.9	186.6
EBITDA	12.5	15.2	14.8	18.8	20.3	23.7	19.8	20.6	23.9	25.9
Adj. PAT	7.9	11.4	10.1	13.1	14.5	17.5	14.7	15.0	17.5	18.9
Adj. EPS (INR)	5.6	8.1	7.2	9.4	10.3	12.5	10.5	10.7	12.5	13.5
EPS Gr. (%)	19.1	44.5	-11.5	30.8	9.9	21.0	-16.0	2.1	16.7	7.9
BV/Sh.(INR)	29.5	36.2	41.9	49.5	50.6	61.1	66.3	72.7	80.1	88.1
Ratios										
Net D:E	-0.1	-0.4	-0.2	-0.2	-0.4	-0.3	-0.2	-0.2	-0.2	-0.3
RoE (%)	20.6	24.7	18.4	20.5	20.6	22.4	16.5	15.4	16.4	16.0
RoCE (%)	19.4	23.6	17.8	19.9	19.9	21.5	15.8	14.8	15.7	15.5
Payout (%)	21.4	17.2	25.1	29.3	63.0	30.0	40.5	40.5	40.5	40.5
Valuation										
P/E (x)	34.9	24.1	27.3	20.9	19.0	15.7	18.7	18.3	15.7	14.5
P/BV (x)	6.6	5.4	4.7	4.0	3.9	3.2	3.0	2.7	2.4	2.2
EV/EBITDA (x)	10.5	7.6	8.5	6.6	5.4	4.9	12.7	12.1	10.3	9.4
Div. Yield (%)	0.6	0.7	0.9	1.4	3.3	1.9	2.2	2.2	2.6	2.8
FCF Yield (%)	1.7	1.4	2.4	2.0	3.7	1.2	3.9	2.8	3.7	4.4

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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