PPC – Possible Heidelberg Bid

***Key message**: We value PPC at R10 as a deal price should Heidelberg make an eventual offer.*

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- Heidelberg Materials has been reported as considering a bid for PPC. Heidelberg has assets in West Africa and has long been a potential suitor for PPC.
- There is no offer on the table as Heidelberg is only at the stage of appointing advisors for a potential deal. To consider what price they may have to pay for PPC we look at a number of valuation metrics to determine a suitable price for PPC.
- On a traditional EV/tonne basis, PPC currently trades at US$87 (using an efficient capacity for PPC of 6.8mt including RK3). Cement companies around the world trade on very different EV/tonne values due to various factors – integrated or not, energy costs, limestone supply, closed/open market, regional supply/demand etc. Heidelberg trades at US$195.
- On an EBITDA per tonne basis, PPC trades at US$16/tonne (FY26) vs Heidelberg at US$24/tonne. On our FY28 EBITDA forecast for PPC when the benefits of RK3 become apparent the value increases to US$22/tonne.
- There is a correlation between EV/tonne and EBITDA/tonne (which is logical as more profitable companies trade at higher valuation multiples). Should this be applied to PPC an appropriate EV/tonne valuation is closer to US$130 (implying a share valuation of 989c).
- Greenfield replacement capacity in Africa is running at approx. US$180-220/tonne. PPC’s RK3 kiln will cost approx. US$123/tonne (the last major kiln SK9 cost US$109/tonne). In India new builds are being done at US$100/tonne for massive plants (3-4mt) benefitting from economies of scale. We believe the RK3 cost is the relevant benchmark currently and supports the EV/tonne valuation.
- Recent M&A prices in Africa range from US70-110/tonne, but these reflect ageing assets and distressed markets and are not relevant for PPC.
- We therefore believe that an EV/tonne valuation for PPC should be approx. US$130/tonne, implying an offer price of approx. R10/share.
- We maintain our fundamental valuation of R7.10 until further details of a potential deal are made clear.

Price (05/05/2026):	R6.50
Target Price:	R7.10
Dividend yield:	4.4%
Total return:	14%
Market cap	R9.4bn
Shares in issue	1500m

Financial summary

ZARmn (year to March)	FY24A	FY25A	1H FY26	2H FY26	FY26E	FY27E	FY28E
Revenue	10457	10209	5646	4953	10599	11055	11804
EBITDA	1242	1593	983	894	1877	1990	2528
Net income	290	466	368	351	719	845	1093
Headline EPS (diluted)	19	40	25	24	49	57	74
PE Ratio	23.7	14.5			13.3	11.3	8.8
Dividend	14	50	0	28	28	28	32
Dividend yield (%)	0.0%	0.0%			4.4%	4.4%	4.9%

Source: Factset, Company data, Chronux Research estimates

Figure 1 Financial summary

Financial year to March	FY24A	FY25A	1H FY26	2H FY26	FY26E	FY27E	FY28E
ZAR/USD exchange rate	18.68	18.28	17.64	16.81	17.22	16.65	16.85
Per share data							
Earnings (diluted)	27	32	25	24	49	57	74
Headline earnings (diluted)	**19**	**40**	**25**	**24**	**49**	**57**	**74**
HEPS growth		*105.0%*	*14.9%*	*32.7%*	*23.0%*	*17.6%*	*29.4%*
NAV	3.98	3.93			4.00	4.46	4.88
Dividend	14	50	0	28	28	28	32
Valuation ratios							
P/E ratio	23.7	14.5			13.3	11.3	8.8
EV/EBITDA	3.9	4.2			4.6	4.4	3.4
P/B	0.83	1.17			1.63	1.46	1.33
Dividend yield		0.0%			4.4%	4.4%	4.9%
ROE	9.3%	10.2%			12.2%	12.9%	15.2%
ROCE	9.6%	15.5%			19.4%	17.8%	21.1%
Income Statement (ZARmn)							
Sales	10,457	10,209	5,646	4,953	10,599	11,055	11,804
Sales growth		*-2.4%*	*7.6%*	*-0.2%*	*3.8%*	*4.3%*	*6.8%*
Cost of Goods Sold (COGS)	(8,409)	(7,922)	(4,279)	(3,920)	(8,199)	(8,551)	(9,131)
Gross Income	**1,649**	**1,949**	**1,023**	**1,027**	**2,050**	**2,138**	**2,283**
Gross margin	*15.8%*	*19.1%*	*18.1%*	*20.7%*	*19.3%*	*19.3%*	*19.3%*
SG&A Expense	1,035	950	433	346	779	762	518
Other Operating Income/Expense	(292)	(182)	(107)	(18)	(125)	0	0
EBITDA	**1,242**	**1,593**	**983**	**894**	**1,877**	**1,990**	**2,528**
EBITDA margin	*11.9%*	*15.6%*	*17.4%*	*18.0%*	*17.7%*	*18.0%*	*21.4%*
Depreciation & Amortisation	587	574	295	311	606	614	764
EBIT (Operating Income)	**358**	**817**	**563**	**582**	**1,145**	**1,376**	**1,765**
EBIT margin	*3.4%*	*8.0%*	*10.0%*	*11.8%*	*10.8%*	*12.4%*	*15.0%*
Nonoperating Income - Net	42	63	22	22	44	50	32
Net Interest Expense	(131)	(106)	(37)	(63)	(100)	(150)	(150)
Equity in Earnings of Affiliates	0	0	0	0	0	0	0
PBT	**269**	**774**	**548**	**541**	**1,089**	**1,276**	**1,647**
Income Taxes	145	308	180	190	370	431	554
Tax rate	*-53.9%*	*-39.8%*	*-32.8%*	*-35.1%*	*-33.9%*	*-33.8%*	*-33.6%*
Consolidated Net Income	290	466	368	351	719	845	1,093
Minority Interest	0	0	0	0	0	0	0
Net Income	**290**	**466**	**368**	**351**	**719**	**845**	**1,093**
Cash flow statement (ZARmn)							
Changes in working capital	(283)	407	(209)	475	266	(15)	(40)
Cash from operating activities	**806**	**1,410**	**581**	**1,135**	**1,716**	**1,443**	**1,817**
Capital expenditure	(376)	(361)	(220)	(1,065)	(1,285)	(1,828)	(1,317)
Other	619	0	(17)	17	0	0	0
Investing cash flow	**243**	**(361)**	**(237)**	**(1,048)**	**(1,285)**	**(1,828)**	**(1,317)**
Changes in borrowings	(150)	(275)	0	(2)	(2)	500	0
Dividend paid	0	(705)	(262)	24	(238)	(419)	(418)
Other	(454)	(45)	(110)	70	(40)	(39)	(39)
Financing cash flow	**(604)**	**(1,025)**	**(372)**	**92**	**(280)**	**42**	**(457)**
Change in cash	445	24	(28)	179	151	(343)	43
Balance sheet (ZARmn)							
Total assets	**9,555**	**9,016**	**9,044**	**9,450**	**9,450**	**10,193**	**11,350**
Cash and equivalents	857	872	812	991	991	649	692
Other current assets	2,336	2,118	2,344	2,004	2,004	2,087	2,198
Non-current assets	6,362	6,026	5,888	6,454	6,454	7,457	8,460
Total liabilities	**3,658**	**3,328**	**3,448**	**3,560**	**3,560**	**3,621**	**4,162**
Long-term liabilities	1,637	1,656	1,631	1,566	1,566	1,560	2,030
Current liabilities	2,021	1,672	1,817	1,993	1,993	2,061	2,132
Total shareholders' funds	**5,897**	**5,688**	**5,596**	**5,890**	**5,890**	**6,572**	**7,188**
Net debt/(cash) - excl ROU assets	(78)	(370)	(310)	(491)	(491)	351	308

Source: Factset, Company data, Chronux Research estimates

Valuation

- We use FY28 as the base year for our sum-of-the-parts valuation as RK3 will be operational.

Figure 2 Sum-of-the-Parts Valuation (FY28 Base)

Rm	Methodology/Comment	FY28E EBITDA (Rm)	Multiple applied (x)	Value ($m)	Value (Rm)
Cement - Southern Africa	EV/EBITDA	1478	5.0		7392
Aggregates&Readymix	EV/EBITDA	91	4.0		366
		1570	**4.9**		**7757**
Cement - Zimbabwe	Dividend discount on US$12m/yr @8%				2625
Enterprise value					**10382**
(Net debt)/cash					491
Equity value					**10874**
Shares in issue (m)					**1470**
Valuation (R/share)					**7.13**

Source: Company data, Chronux Research estimates

- We consider a 4-5 times EBITDA multiple suitable for a manufacturing business and 3-4 for the materials business. We maintain the Cement Southern Africa multiple at 5 times and increase the Materials multiple from 3 to 4 times with the recovery seen in the construction materials market.
- We use a dividend discount model to value the Zimbabwean business with USD10-12m being extracted from Zimbabwe per year as a dividend. We use an 8% discount rate on the current dividend to get a value of R2.625bn for Zimbabwe.
- The cement market remains very competitive. Sensitivity to volumes and prices increases is high but we expect continued price increases and a moderate recovery in cement demand. Cement imports remain high with cement from Mozambique coming into the Limpopo and N KZN markets adding to existing imports (mainly from Vietnam). Government support of the local cement industry remains almost non-existent. The cement industry is now focussing on quality standards to try and even the playing fields against some unscrupulous blenders and importers.
- The new management team is making significant changes to the organisational and operational structures. This is focussed on a simplified organisational structure, reduction in costs, internalised supply chain management, operational efficiencies, improved data collection to manage key variables and ensuring the right people are in place. The improved group EBITDA margin is starting to show the benefits of the cost discipline.
- Our valuation on a PE basis is shown in the following table.

Figure 3 PE Valuation

	2025A	2026E	2027E	2028E
Diluted HEPS	40	49	57	74
PPC PE	16.4	13.3	11.3	8.8
TP exit PE	17.8	14.5	12.3	9.5

Source: Company data, Chronux Research estimates

- We believe that PPC should trade at an 8-10x PE multiple as the construction sector starts to recover, supported by a high dividend payout regime (possible now that the African businesses have been sold and debt levels are declining). Cement demand has been declining for a number of years, but we believe the bottom has passed and volumes will increase going forward based on higher economic growth in the region and increased infrastructure spend.

Valuation of a potential offer from Heidelberg Materials

- The valuation of cement companies in emerging markets varies significantly depending on the age of the assets, geographic location (specifically energy costs and limestone availability), and the level of vertical integration.

General Emerging Market Benchmarks (EV/Tonne)

- Historically, the "replacement cost" for a modern, integrated cement plant is approximately $150 to $200 per tonne.
- Transactional values, however, often trade at a discount or premium to this:
  - **Integrated Modern Assets: $120 – $160/tonne.**
    - These are plants with their own clinker production and long-term limestone reserves.
  - **Grinding Stations / Older Assets: $60 – $90/tonne.**
    - These assets are cheaper because they often rely on imported clinker and face higher operational costs.
  - **Distressed / High-Risk Markets: $40 – $60/tonne.**
    - Markets with high currency volatility or overcapacity issues (e.g., parts of East Africa or Southeast Asia) often see deals at these lower levels.
- Comparison Table: Enterprise Value (EV) per Tonne

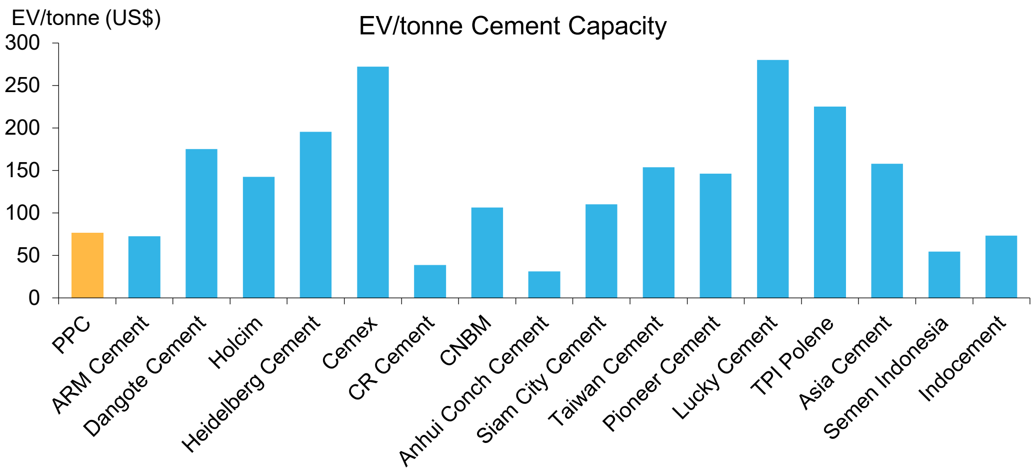
Figure 4 Cement Plant Valuation

Region / Deal Type	EV/Tonne (USD)	Primary Drivers
New Greenfield (Africa/Global)	$180 – $220	High construction and equipment costs.
Recent M&A (Developing Africa)	$70 – $110	Reflects aged assets but high urbanisation demand.
India Expansions	$100	High efficiency and massive scale.

Source: Company data, Chronux Research estimates

- On a traditional EV/tonne basis, PPC currently trades on at US$87 (using an efficient capacity for PPC of 6.8mt including RK3). Cement companies around the world trade on very different EV/tonne values due to various factors – integrated or not, energy costs, limestone supply, closed/open market, regional supply/demand etc. Heidelberg trades at US$195.

Figure 5 Cement Plant Valuation - EV/tonne



Source: Company data, Chronux Research estimates

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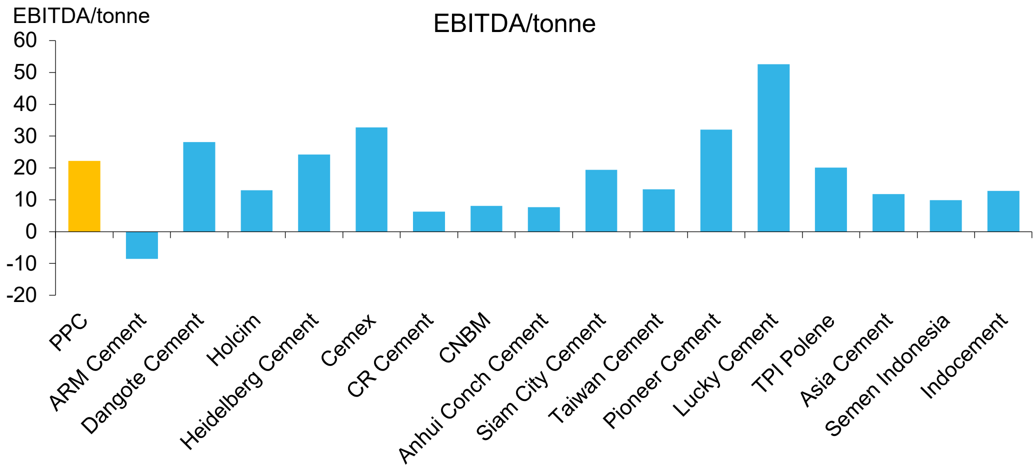
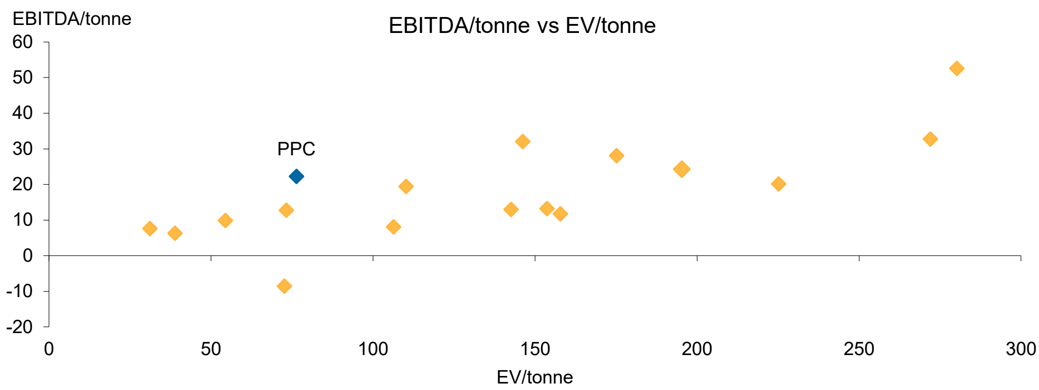
Figure 6 Cement Plant Valuation - EBITDA/tonne



Source: Company data, Chronux Research estimates

- There is a correlation between EV/tonne and EBITDA/tonne (which is logical as more profitable companies trade at higher valuation multiples). Should this be applied to PPC an appropriate EV/tonne valuation is closer to US$130 (implying a share valuation of 989c).

Figure 7 EBITDA/tonne vs EV/tonne



Source: Company data, Chronux Research estimates

- Greenfield replacement capacity in Africa is running at approx. US$180-220/tonne. PPC's RK3 kiln will cost approx. US$123/tonne (the last major kiln SK9 cost US$109/tonne). In India new builds are being done at US$100/tonne for massive plants (3-4mt) benefitting from economies of scale. We believe the RK3 cost is the relevant benchmark currently and supports the EV/tonne valuation.

Figure 8 African Cement Plant Costs

Plant	Country	Owner	Capacity	Cost (US$m)	Cost/ton (US$/t)
PPC Songololo Cement Plant	DRC	PPC (67%)	1.25	280	224
Nyumba Ya Akiba Cement	DRC	Lucky Cement (50%)	1.18	270	229
Dangote Mfila	Republic of Congo	Dangote	1.5	292	195
Dangote Ndola	Zambia	Dangote	1.5	400	267
Sephaku	South Africa	Dangote	2.5	400	160
Dangote Mtwara	Tanzania	Dangote	3	600	200
				Average	**212**
Kiln					
PPC Slurry Kiln 9	South Africa	PPC	1.2	131	109
PPC Riebeeck 3	South Africa	PPC	1.5	185	123

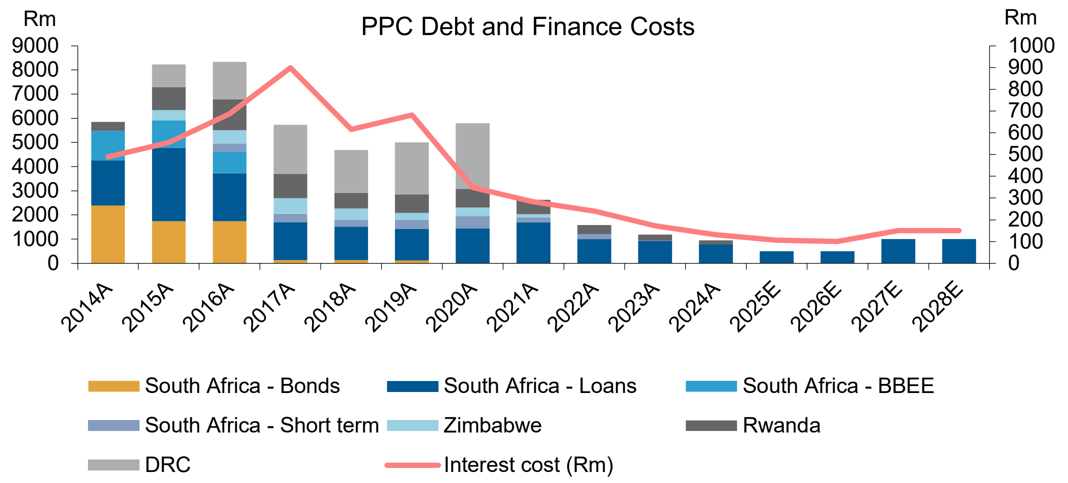
Source: Company data, Chronux Research estimates

- Recent M&A prices in Africa range from US70-110/tonne, but these reflect ageing assets and distressed markets and are not relevant for PPC.
- We therefore believe that an EV/tonne valuation for PPC should be approx. US$130/tonne, implying an offer price of approx. R10/share.

Debt

- Debt levels are shown in the following chart. Debt has declined significantly as the African projects have been exited (DRC, Ethiopia, Rwanda) and cash generation has been strong.
- The new plant will be funded through debt (approx. R1.5bn) and cash flows. The net debt:EBITDA covenant will be increased to 2.5 times over the peak funding period of FY27 – but we do not expect PPC to exceed the 2 times level.

Figure 9 Debt and Interest Cost

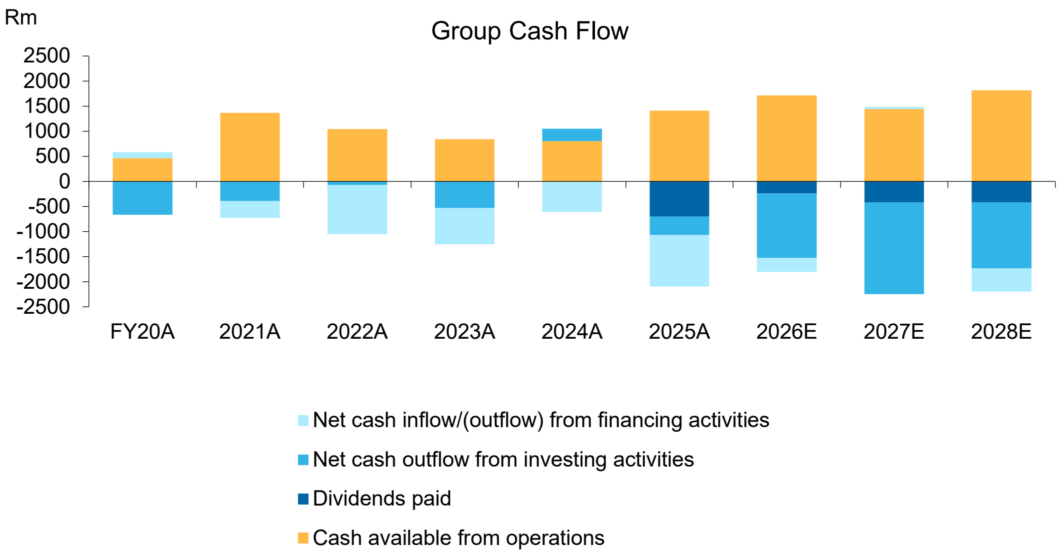


Source: Company data, Chronux Research estimates

Dividends

- PPC has a dividend policy to allow payments linked to two factors:
  - a distribution in an amount that would result in the target leverage range for the SA and Botswana group being net debt at or below 1,3x – 1,5x the SA and Botswana EBITDA, before dividends from Zimbabwe; plus
  - a distribution of an amount up to the gross dividend received by PPC from Zimbabwe.

Figure 10 Group Cash Flow

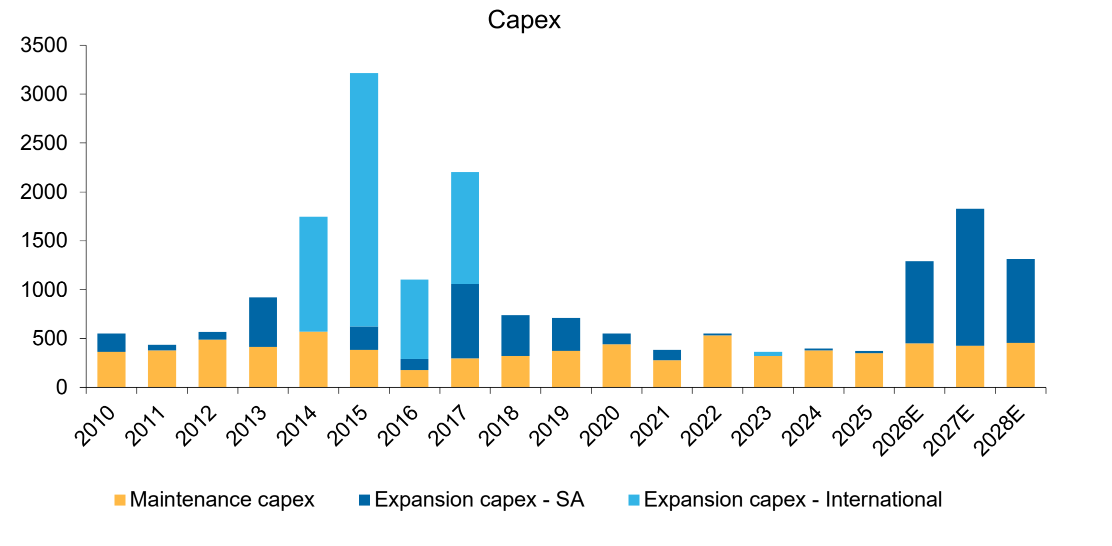


Source: Company data, Chronux Research estimates

Capex

- Maintenance capex is running at approx. 4% of revenue.
- The capital cost of the new plant will be US$134m (approx. R3.1bn). The bulk of the capex will be incurred in FY27. Interest costs associated with the new build will be capitalised until completion.

Figure 11 Group Capex



Source: Company data, Chronux Research estimates

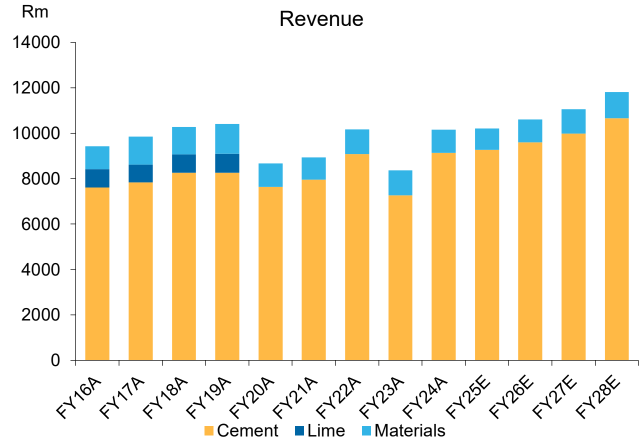
Divisional Forecast

Figure 12 Divisional Forecasts

ZARm	FY16A	FY17A	FY18A	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E
PPC													
Revenue	9187	9845	10271	10409	8671	8938	10170	8359	10457	10209	10599	11055	11804
EBITDA	2385	2065	1881	1946	1381	1598	1492	896	1242	1593	1877	1990	2528
EBITDA margin	*26.0%*	*21.0%*	*18.3%*	*18.7%*	*15.9%*	*17.9%*	*14.7%*	*10.7%*	*11.9%*	*15.6%*	*17.7%*	*18.0%*	*21.4%*
Cement													
Revenue	**7605**	**7830**	**8261**	**8257**	**7640**	**7947**	**9084**	**7262**	**9128**	**9260**	**9602**	**9987**	**10660**
Southern Africa	*5659*	*5712*	*5499*	*5431*	*4843*	*5196*	*5703*	*5509*	*5782*	*6138*	*5954*	*6282*	*6720*
Zimbabwe	*1773*	*1352*	*1813*	*1447*	*1861*	*1623*	*2172*	*1753*	*3346*	*3122*	*3649*	*3704*	*3941*
Rwanda	*173*	*733*	*804*	*885*	*936*	*1128*	*1209*						
DRC	*0*	*24*	*144*	*494*									
Other	*3*	*6*	*-1*	*0*									
EBITDA	**2064**	**1880**	**1937**	**1767**	**1536**	**1669**	**1559**	**1039**	**1359**	**1686**	**1942**	**2031**	**2542**
Southern Africa	*1524*	*1235*	*1200*	*957*	*613*	*866*	*825*	*674*	*684*	*837*	*1030*	*1068*	*1478*
Zimbabwe	*540*	*438*	*573*	*461*	*707*	*481*	*393*	*365*	*675*	*849*	*912*	*963*	*1064*
Rwanda	*0*	*250*	*270*	*246*	*226*	*342*	*341*						
DRC	*0*	*-39*	*-105*	*108*	*0*	*0*							
Other	*0*	*-4*	*-1*	*-5*	*-7*	*-20*							
EBITDA Margin	**26.9%**	**21.6%**	**21.8%**	**17.6%**	**12.7%**	**16.7%**	**14.5%**	**12.2%**	**11.8%**	**13.6%**	**17.3%**	**17.0%**	**22.0%**
South Africa	*26.9%*	*21.6%*	*21.8%*	*17.6%*	*12.7%*	*16.7%*	*14.5%*	*12.2%*	*11.8%*	*13.6%*	*17.3%*	*17.0%*	*22.0%*
Zimbabwe	*30.5%*	*32.4%*	*31.6%*	*31.9%*	*38.0%*	*29.6%*	*18.1%*	*20.8%*	*20.2%*	*27.2%*	*25.0%*	*26.0%*	*27.0%*
Rwanda	*-0.3%*	*34.1%*	*33.6%*	*27.8%*	*24.1%*	*30.3%*	*28.2%*						
DRC		*-162.5%*	*-72.9%*	*21.9%*									
Lime													
Revenue	817	786	801	834									
EBITDA	196	165	135	123									
EBITDA Margin	*24.0%*	*21.0%*	*16.9%*	*14.7%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Materials													
Revenue	1002	1229	1209	1318	1031	991	1086	1097	1031	949	997	1068	1144
EBITDA	187	151	57	17	4	-8	41	-65	43	24	40	64	91
EBITDA Margin	*18.7%*	*12.3%*	*4.7%*	*1.3%*	*0.4%*	*-0.8%*	*3.8%*	*-5.9%*	*4.2%*	*2.5%*	*4.0%*	*6.0%*	*8.0%*

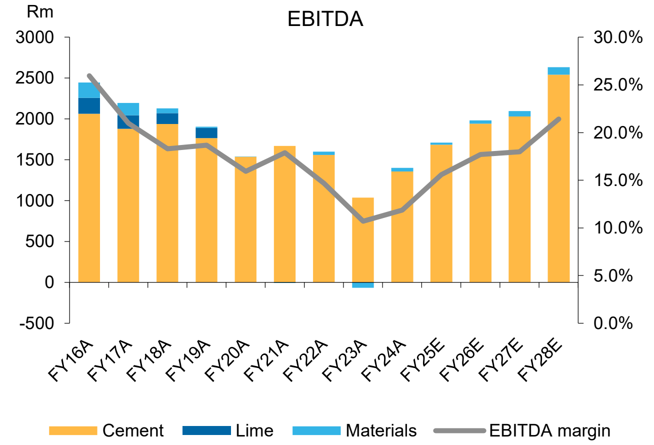
Source: Company data, Chronux Research estimates

Figure 13 PPC Revenue



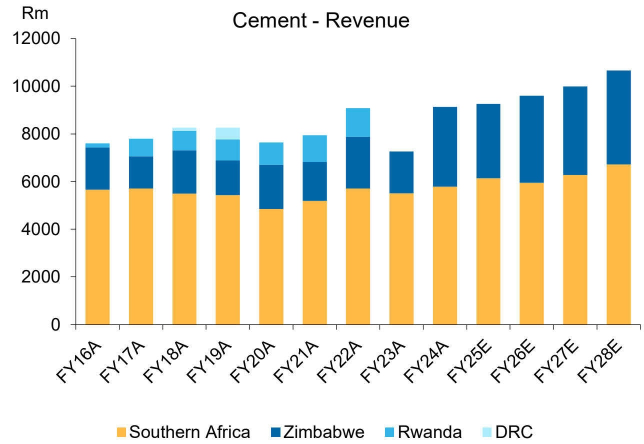
Source: Chronux Research

Figure 14 PPC EBITDA



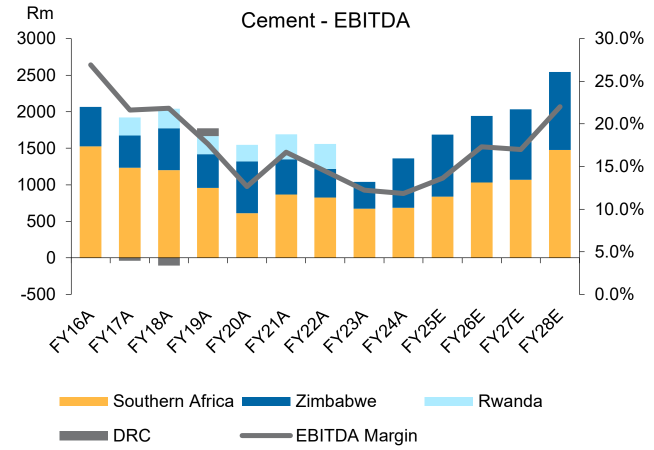
Source: Chronux Research

Figure 15 Cement Revenue



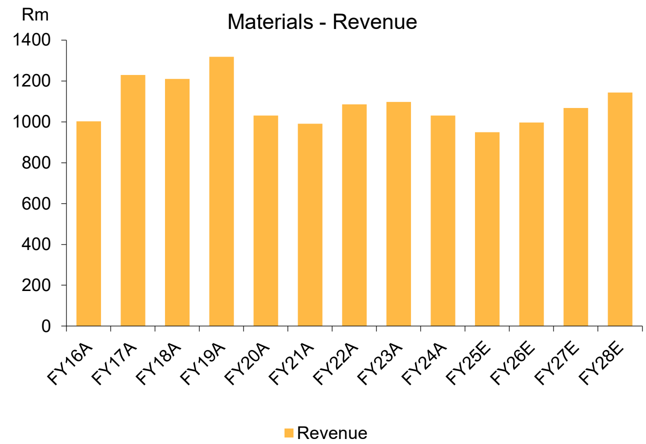
Source: Chronux Research

Figure 16 Cement EBITDA



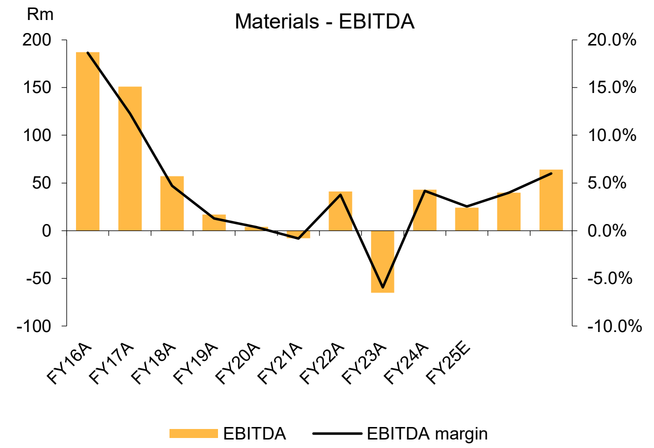
Source: Chronux Research

Figure 17 Aggregates & Readymix Revenue



Source: Chronux Research

Figure 18 Aggregates & Readymix EBITDA



Source: Chronux Research

Figure 19 Income Statement - Forecast

PPC Limited	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	03/2028
Sales	**9002**	**9641**	**10271**	**10409**	**10241**	**8938**	**9882**	**9902**	**10058**	**9871**	**10249**	**10689**	**11413**
Cost of Goods Sold (COGS) incl. D&A	6596	7498	8045	8520	8365	6970	8665	8433	8484	7968	8199	8551	9131
Gross Income	**2406**	**2143**	**2226**	**1889**	**1876**	**1968**	**1217**	**1469**	**1574**	**1903**	**2050**	**2138**	**2283**
SG&A Expense	914	1097	1108	981	1143	887	687	994	0	929	1386	1375	1282
Other Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT (Operating Income)	**1492**	**1046**	**1118**	**908**	**733**	**1081**	**530**	**475**	**653**	**974**	**664**	**762**	**1001**
Nonoperating Income - Net	120	-144	-119	46	788	-577	-116	-54	-18	101	-81	50	32
Interest Expense	596	695	593	614	632	271	224	162	125	99	100	150	150
Unusual Expense - Net	2	28	104	123	3181	-1530	4	189	277	202	0	0	0
Income Taxes	312	153	205	6	97	742	207	242	145	308	370	431	554
Equity in Earnings of Affiliates	0	1	-60	-67	1	2	0	23	0	0	0	0	0
Consolidated Net Income	**702**	**27**	**37**	**144**	**-2388**	**1023**	**-21**	**-149**	**88**	**466**	**113**	**231**	**330**
Minority Interest	-36	-66	-112	-91	-516	40	50	101	0	0	0	0	0
Net Income	**738**	**93**	**149**	**235**	**-1872**	**983**	**-71**	**-250**	**88**	**466**	**113**	**231**	**330**
Discontinued Operations	0	0	0	0	0	-794	-16	12	121	0	0	0	0
Net Income available to Common	738	93	149	235	-1872	189	-87	-238	209	466	113	231	330
Per Share													
EPS (recurring)	0.92	0.10	0.14	0.21	0.24	-0.58	-0.05	-0.07	0.27	0.41	0.49	0.57	0.74
EPS (diluted)	0.92	0.08	0.10	0.15	-1.24	0.12	-0.06	-0.16	0.14	0.32	0.49	0.57	0.74
Earnings Persistence	-	85.33	86.70	85.27	84.86	78.38	82.71	85.07	79.74	84.53			
Dividends per Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.14	0.00	0.28	0.28	0.32
EBITDA													
EBITDA	2278	1878	1994	1926	1750	1628	1501	1378	1276	1548	1877	1990	2528

All figures in millions of South African Rand except per share items.

PPC Limited	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	03/2028
Rental Expense	13	27	37	39	12	8	3	13	1	0			
Stock Option Comp Exp (Net of Tax)	13	148	35	32	12	0	-	-	-	-			
Foreign Currency Translation Gains/Losses	-	-	-100	32	190	-376	2	69	-	-			
Tax Rate	30.8	85.5	67.9	2.8	-	42.1	111.3	345.7	62.2	39.8	33.9	33.8	33.6
Headline EPS	0.35	0.07	0.15	0.20	0.27	-0.15	-0.13	-0.09	0.27	0.40	0.49	0.57	0.74
Headline EPS (diluted)	0.35	0.07	0.15	0.20	0.27	-0.15	-0.13	-0.09	0.27	0.40	0.49	0.57	0.74

All figures in millions of South African Rand except per share items.

PPC Limited	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	03/2028
Price / Sales	0.7	0.8	1.2	0.7	0.3	0.4	0.7	0.4	0.5	0.7	0.9	0.8	0.8
Price / Earnings	8.7	81.4	78.5	30.2	-1.4	19.2	-75.4	-18.7	23.7	14.5	13.3	11.3	8.8
Price / Book Value	2.1	1.2	1.5	0.8	0.3	0.5	0.9	0.8	0.8	1.2	1.6	1.5	1.3
Price / Tangible Book Value	3.2	1.4	1.7	0.8	0.4	0.5	1.0	0.8	0.8	1.2	1.6	1.5	1.3
Price / Cash Flow	19.5	8.8	8.4	5.7	5.5	2.7	6.3	5.3	6.1	4.8			
Price / Free Cash Flow	-	-	23.6	14.9	-	3.7	13.3	10.4	12.2	6.5			
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2	0.0	4.4	4.4	4.9
Enterprise Value / EBIT	10.5	14.3	14.2	12.9	10.7	5.3	14.1	12.4	7.6	6.6	13.1	11.4	8.7
Enterprise Value / EBITDA	6.9	7.9	7.9	6.1	4.5	3.5	5.0	4.3	3.9	4.2	4.6	4.4	3.4
Enterprise Value / Sales	1.7	1.5	1.5	1.1	0.8	0.6	0.8	0.6	0.5	0.7	0.8	0.8	0.8
EBIT / Interest Expense (Int. Coverage)	1.8	1.1	1.8	1.5	1.2	4.0	2.4	2.9	5.2	9.8	6.6	5.1	6.7

Source: Factset, Company data, Chronux Research estimates

Figure 20 Balance Sheet and Cash Flow - Forecast

	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	03/2028
Assets													
Cash & Short-Term Investments	460	990	836	452	398	457	577	424	857	872	991	649	692
Short-Term Receivables	1092	1547	1129	1194	1082	942	891	918	857	706	926	966	1031
Inventories	1121	1163	1182	1276	1596	1111	1085	1287	1355	1219	1071	1114	1159
Other Current Assets	95	105	115	149	313	166	158	130	127	194	0	0	0
Total Current Assets	**2768**	**3805**	**3262**	**3071**	**3389**	**2676**	**2711**	**2759**	**3196**	**2991**	**2988**	**2729**	**2882**
Net Property, Plant & Equipment	11716	12569	11393	12587	12389	9645	9324	7399	6038	5705	6000	7000	8000
Total Investments and Advances	329	357	322	872	371	246	198	185	208	223	247	248	249
Long-Term Note Receivable	319	210	59	91	105	0	-	24	3	16	0	0	0
Intangible Assets	1021	914	787	794	506	232	150	85	68	61	62	64	67
Deferred Tax Assets	52	142	245	220	26	24	26	27	42	20	4	4	4
Other Assets	184	38	138	193	307	2984	2458	8	0	0	0	0	0
Total Assets	**16389**	**18035**	**16206**	**17828**	**17093**	**15807**	**14867**	**10487**	**9555**	**9016**	**9302**	**10045**	**11202**
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	4557	2183	604	938	5074	1673	452	365	591	42	0	0	0
Accounts Payable	994	944	991	1368	1103	707	855	946	887	955	1673	1740	1811
Income Tax Payable	18	152	71	3	65	30	61	57	95	103	250	250	250
Other Current Liabilities	528	745	743	551	691	513	413	357	448	572	0	0	0
Total Current Liabilities	**6097**	**4024**	**2409**	**2860**	**6933**	**2923**	**1781**	**1725**	**2021**	**1672**	**1923**	**1991**	**2061**
Long-Term Debt	4614	3558	4084	4066	856	1015	1188	894	342	601	500	1000	1000
Provision for Risks & Charges	408	545	526	427	450	219	211	187	164	138	175	193	213
Deferred Tax Liabilities	1178	1073	1042	844	1255	1621	1654	1338	1131	917	885	921	958
Other Liabilities	529	450	257	291	46	3299	3122	1	0	0	-88	-649	-236
Total Liabilities	**12826**	**9650**	**8318**	**8488**	**9540**	**9077**	**7956**	**4145**	**3658**	**3328**	**3396**	**3456**	**3997**
Common Equity	3028	8051	7768	9225	7780	6883	7032	5725	5970	5763	5967	6649	7265
Total Shareholders' Equity	3028	8051	7768	9225	7780	6883	7032	5725	5970	5763	5967	6649	7265
Accumulated Minority Interest	535	334	120	115	-227	-153	-121	617	-73	-75	-77	-77	-77
Total Equity	3563	8385	7888	9340	7553	6730	6911	6342	5897	5688	5890	6572	7188
Total Liabilities & Shareholders' Equ	**16389**	**18035**	**16206**	**17828**	**17093**	**15807**	**14867**	**10487**	**9555**	**9016**	**9286**	**10029**	**11185**
Per Share													
Book Value per Share	3.81	5.33	5.13	6.13	5.16	4.56	4.57	3.76	3.98	3.93	4.00	4.46	4.88
Tangible Book Value per Share	2.53	4.73	4.61	5.60	4.83	4.41	4.47	3.70	3.94	3.88	3.96	4.42	4.83

	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	03/2022	03/2023	03/2024	03/2025	03/2026	03/2027	03/2028
Operating Activities													
Net Income / Starting Line	507	180	242	150	-2291	1765	186	93	233	774	844	845	1093
Depreciation, Depletion & Amortization	393	832	876	1019	1016	547	971	903	623	574	606	614	764
Other Funds	-242	903	-99	25	2186	-764	-50	119	233	-269	0	0	0
Funds from Operations	**658**	**1083**	**1019**	**1194**	**911**	**1548**	**1107**	**1115**	**1089**	**1079**	**1451**	**1459**	**1857**
Changes in Working Capital	-324	-230	411	63	-448	-184	-62	-274	-283	331	266	-15	-40
Net Operating Cash Flow	**334**	**853**	**1430**	**1257**	**463**	**1364**	**1045**	**841**	**806**	**1410**	**1716**	**1443**	**1817**
Investing Activities													
Capital Expenditures	-1188	-2077	-927	-797	-670	-383	-571	-433	-408	-377	-1290	-1828	-1317
Net Assets from Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Fixed Assets & Businesses	4	4	29	9	8	10	27	5	680	12	5	0	0
Purchase/Sale of Investments	78	-18	-42	-324	0	0	0	15	0	2	0	0	0
Other Funds	-177	0	28	12	0	-19	472	-121	-29	2	0	0	0
Net Investing Cash Flow	**-1283**	**-2091**	**-912**	**-1100**	**-662**	**-392**	**-72**	**-534**	**243**	**-361**	**-1285**	**-1828**	**-1317**
Financing Activities													
Cash Dividends Paid	-185	-8	0	-4	0	0	0	0	0	-703	-238	-419	-418
Change in Capital Stock	0	4689	20	-41	0	0	60	-36	-223	-5	-39	-39	-39
Issuance/Reduction of Debt, Net	849	-2984	-597	-310	152	-288	-970	-443	-150	-275	-3	500	0
Other Funds	0	137	0	0	0	-10	-39	-210	-197	-3	0	0	0
Net Financing Cash Flow	**664**	**1834**	**-577**	**-355**	**119**	**-337**	**-979**	**-718**	**-604**	**-1025**	**-280**	**42**	**-457**
Exchange Rate Effect	27	-70	-95	-186	26	-163	-100	71	-12	-9	-32	0	0
Net Change in Cash	-258	526	-154	-384	-54	472	-106	-340	433	15	119	-343	43
Free Cash Flow	**-842**	**-1205**	**509**	**484**	**-187**	**997**	**492**	**426**	**406**	**1037**	**1523**	**1692**	**1547**
Free Cash Flow per Share	-1.05	-1.05	0.33	0.32	-0.12	0.66	0.32	0.28	0.27	0.71	1.03	1.15	1.05
Free Cash Flow Yield (%)	-12.9	-16.1	4.2	6.7	-7.3	27.4	7.5	9.6	8.2	15.3	15.9	17.7	16.2

Source: Factset, Company data, Chronux Research estimates

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