

**BharatNet, BEAD and Data Centre will be the opportunity.**

**CMP: INR 117**

**Rating: BUY**

**Target Price: INR 148**

**Stock Info**

BSE	532374
NSE	STLTECH
Bloomberg	SOTL:IN
Reuters	STTE.NS
Sector	Cables
Face Value (INR)	2
Equity Capital (INR mn)	975
Mkt Cap (INR mn)	57,330
52w H/L (INR)	122 / 52.2
Avg Yearly Volume (in 000')	3,625

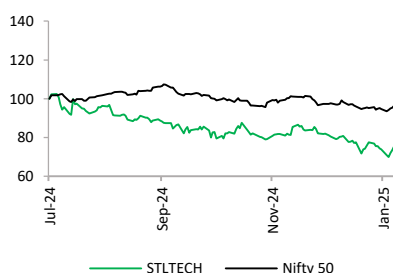
**Shareholding Pattern %**

(As on Jun, 2025)

Promoters	44.41
Public & Others	55.59

Stock Performance (%)	3m	6m	12m
STLTECH	63.4	14.7	-18.7
NIFTY	-0.7	8.8	1.8

**STLTECH vs Nifty**



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**Sterlite Technologies Ltd** reported numbers, Q1FY26 revenue grew by 16.9% YoY (-3.1% QoQ) to INR 10,190mn, below our estimates of INR 11,150mn. Gross Profit stood at INR 5,060mn (+4.8% YoY/+5.6% QoQ); below our estimates of INR 5,700mn. Gross margins contracted by 573 bps YoY (up by 412bps QoQ) to 49.7% vs 55.4% in Q1FY25. The raw material cost in terms of sales stood at 50.3% vs 44.6% in Q1FY25. EBITDA stood at INR 1,320mn (+106.3% YoY/+5.6% QoQ), above our estimates of INR 849mn. EBITDA margin improved by 561bps YoY (up by 107 bps QoQ) to 13% vs 7.3% in Q1FY25. PAT stood at INR 100mn vs INR -480mn in Q1FY25; above our estimates of INR -244mn. PAT margin stood at 1.0% vs -5.5% in Q1FY25.

**Key Highlights**

**Optical Networking business improved due to volumes:** Optical networking business revenue stood at INR 9,610mn (+18.6% YoY/-1.8% QoQ) in Q1FY26; EBIT stood at INR 1,370mn (+55.7% YoY/+9.6% QoQ). EBIT margin improved by 339 bps YoY (up by 149 bps QoQ) to 14.3%, due to higher capacity utilization, cost leadership initiatives, and operational efficiencies. The margins are expected to reach 18%-20%, once capacity utilization rates reach 70%. OFC pricing stabilized, with China's aggressive tenders (China Mobile's 98.8mn fiber km) signaling robust demand. The company is strategically engaging with winners of BharatNet Phase III projects, supplying optical fiber cables, and collaborating with bidders.

**Continuous improvement in Digital and Technology solutions:** Digital and technology solutions revenue stood at INR 640mn (-9.9% YoY/-17.9% QoQ); EBIT stood at INR 10mn vs INR -170mn in Q1FY25. STL Digital order book stood at 3.13bn in Q1FY26. The company added 4 new clients in Q1FY26, bringing the total to 30 global customers. The company signed Multimillion and multiyear contracts with 2 leading private healthcare services providers in the Middle east in Digital Marketing and MarTech. The company focused on solution building and capability in Cybersecurity and AI.

**Data center can be the biggest opportunity:** The data center and enterprise business share stood at 23% in Q1FY26. The company is launching an AI-optimized data center portfolio and India's first multicore fiber. The convergence of FTTx, data centers, and 5G is driving unprecedented demand for digital infrastructure.

**Order book leads to business visibility over the medium term:** The order book stood at INR 48.88bn (+11.6% YoY) as of Q1FY26. Around INR 7.22bn is expected to be executed in Q2FY26E and the remaining will be executable beyond FY26E.

**Outlook & Valuation:** Sterlite Technologies Optical networking business witnessed strong recovery in Q1FY26, driven by volumes. OFC prices stabilized with aggressive tenders from china signaling robust demand. The inventory largely cleared at global operator levels led to new demand for OFCs. Optical networking margins stood at 14.3% in Q1FY26 and expected to reach 18%-20%, once capacity utilization reaches to 70%. The company is launching an AI-optimized data center portfolio and India's first multicore fiber to capture growing data center demand. We believe, BharatNet and BEAD program would lead to business opportunities. The interconnect attach rates stood at 23% in Q1FY26 and an increase in attach rates would improve the margins. The selective order intake and execution will improve the digital business turned profitability and continue to improve going forward. We believe BharatNet Phase III, BEAD program, telecom capex for 5G, and the upcoming 6G would provide business visibility. We are maintaining a "BUY" rating at a Target Price of INR 148 per share based on DCF; an upside of 26.5%.

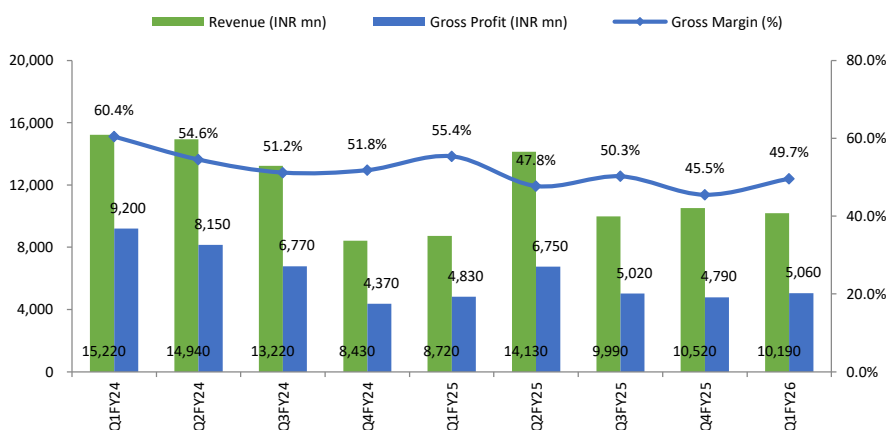
## Q1FY26 Results

## Income statement summary

Particular (INR mn)	Q1FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	8,720	10,520	10,190	16.9%	-3.1%
Net Raw Materials	3,890	5,730	5,130	31.9%	-10.5%
<b>Gross Profit</b>	<b>4,830</b>	<b>4,790</b>	<b>5,060</b>	<b>4.8%</b>	<b>5.6%</b>
<b>Gross Margin (%)</b>	<b>55.4%</b>	<b>45.5%</b>	<b>49.7%</b>	<b>-5.73%</b>	<b>4.12%</b>
Employee Cost	1,640	1,420	1,560	-4.9%	9.9%
Other Expenses	2,550	2,120	2,180	-14.5%	2.8%
<b>EBITDA</b>	<b>640</b>	<b>1,250</b>	<b>1,320</b>	<b>106.3%</b>	<b>5.6%</b>
<b>EBITDA Margin (%)</b>	<b>7.3%</b>	<b>11.9%</b>	<b>13.0%</b>	<b>5.61%</b>	<b>1.07%</b>
Depreciation	780	790	770		
Interest expense	560	650	500		
Other income	80.0	210.0	80.0		
Share of profits associate & JV	-	-	-		
<b>Profit before tax</b>	<b>(620)</b>	<b>20</b>	<b>130</b>		
Taxes	(140)	(30)	30		
<b>PAT</b>	<b>(480)</b>	<b>50</b>	<b>100</b>	<b>-120.8%</b>	<b>100.0%</b>
<b>PAT Margin (%)</b>	<b>-5.5%</b>	<b>0.5%</b>	<b>1.0%</b>	<b>6.49%</b>	<b>0.51%</b>
<b>EPS (INR)</b>	<b>(1.0)</b>	<b>0.1</b>	<b>0.2</b>		

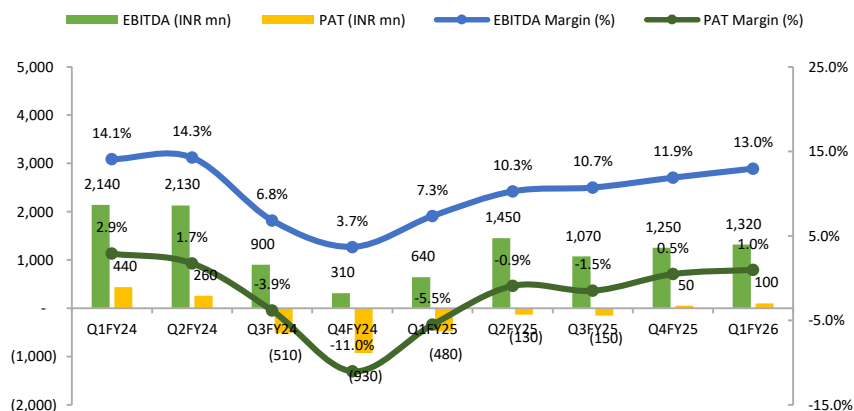
Source: Company Reports, Arianth Capital Research

**Exhibit 1: Gross margins contracted by 573 bps YoY (up by 412 bps QoQ) to 49.7% in Q1FY26 due to higher raw material costs.**



Source: Company Reports, Arianth Capital Research

**Exhibit 2: EBITDA margin improved by 561 bps YoY (up by 107 bps QoQ) to 13% in Q1FY26. RM costs impacted margins, however employee cost and other expenses reduced in-terms of sales led to higher margins.**



Source: Company Reports, Arianth Capital Research

**Q1FY26 Concall Highlights****Optical networking business**

- Optical networking business margins improved to 14.3%, due to higher capacity utilization, cost leadership initiatives, and operational efficiencies.
- The margins are expected to reach 18%-20%, once capacity utilization rates reach 70%.

**Order book**

- The order book stood at INR 48.88bn in Q1FY26. The order intake stood at INR 15.29bn in Q1FY26.

**Optical connectivity attach rate**

- The optical connectivity attach rate stood at 23% in Q1FY26.

**Capacity utilization**

- The company aims to leverage these capacities to meet growing demand in North America and Europe, supported by favorable trade dynamics and local manufacturing advantages.
- The company has completed capacity expansions and is now focusing on improving utilization. The US facility is operating above 30% utilization and is expected to improve further.

**Market share**

- OFC market share (ex.China) stood at 7% vs 6% in Q1FY25. The market share gains are driven by FTTx, AI-enabled data centers, and 5G deployments.

**Industry**

- Global optical fiber demand is projected 2% YoY in 2025, signaling a positive turnaround after two years of decline.
- The government programs like the US BEAD initiative (~ \$100bn) and BharatNet Phase III (~\$2.5bn) are expected to drive multi-year growth in digital infrastructure.

**Pricing**

- OFC pricing stabilized, with China's aggressive tenders (China Mobile's 98.8mn fiber km) signaling robust demand.
- The company's strategic focus on diversifying its geographic presence has insulated it from pricing volatility in markets like China.

**STL Digital**

- STL Digital order book stood at 3.13bn in Q1FY26.
- In STL Digital, the company added 4 new clients in Q1FY26, bringing the total to 30 global customers.

**Data center**

- The data center and enterprise business share stood at 23% in Q1FY26. The company is launching an AI-optimized data center portfolio and India's first multicore fiber.
- The convergence of FTTx, data centers, and 5G is driving unprecedented demand for digital infrastructure.

**Q1FY26 Concall Highlights****Inventories**

- Inventory liquidation is largely completed, with improved demand-supply dynamics supporting growth.

**Net-debt to EBITDA**

- The company aims to reduce net debt-to-EBITDA below 2x through consistent cash generation.

**De-merger**

- The demerger of STL Networks Ltd is complete, with regulatory approvals underway for its expected listing by August 2025.

**International markets**

- Europe's revenue share stood at 49% and North America's share stood at 31% in Q1FY26. The demand is from fiber deployments and data center expansions.
- The US market showed promising growth, supported by local manufacturing capabilities and favorable demand trends.

**Employee costs**

- Employee costs increased due to investments in high-growth areas like data centers, but the target is to maintain these costs at 10-12% of revenue annually.

**BharatNet**

- The company is strategically engaging with winners of BharatNet Phase III projects, supplying optical fiber cables, and collaborating with bidders.

**Other highlights**

- The growth drivers include fiber-to-the-home (FTTx) deployments, 5G rollouts, and data center expansions.
- Multicore fiber offers 4-7x higher capacity within the same footprint, targeting AI data centers and 5G networks.
- The company is piloting green hydrogen for sustainable manufacturing and has introduced hollow-core fiber and AI-powered fiber sensing technologies.
- The company filed 76 new patents and has 740 patents.

**Outlook & Valuation:** Sterlite Technologies Optical networking business witnessed strong recovery in Q1FY26, driven by volumes. OFC prices stabilized with aggressive tenders from china signaling robust demand. The inventory largely cleared at global operator levels led to new demand for OFCs. Optical networking margins stood at 14.3% in Q1FY26 and expected to reach 18%-20%, once capacity utilization reaches to 70%. The company is launching an AI-optimized data center portfolio and India's first multicore fiber to capture growing data center demand. We believe, BharatNet and BEAD program would lead to business opportunities. The interconnect attach rates stood at 23% in Q1FY26 and an increase in attach rates would improve the margins. The selective order intake and execution will improve the digital business turned profitability and continue to improve going forward. We believe BharatNet Phase III, BEAD program, telecom capex for 5G, and the upcoming 6G would provide business visibility. We are maintaining a "BUY" rating at a Target Price of INR 148 per share based on DCF; an upside of 26.5%.

#### DCF Valuation

##### Valuation Assumptions

g (World Economic Growth)	3.5%
Rf	6.4%
Rm	11%
Beta	1.1
CMP	117

##### Valuation Data

Total Debt (long term borrowings) (2024)	9,330
Cash & Cash Equivalents (2024)	4,680
Number of Diluted Shares (2024)	490
Tax Rate (2025)	25%
Interest Expense Rate (2025)	8.5%
MV of Equity	57,330
Total Debt	9,330
<b>Total Capital</b>	<b>66,660</b>

##### WACC

We	86.0%
Wd	14.0%
Ke	11.5%
Kd	6.4%
<b>WACC</b>	<b>10.8%</b>

FCFF & Target Price												
FCFF & Target Price	Explicit Forecast Period						Linear Decline Phase				Terminal Yr	
Particular (INR mn)	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
EBIT * (1-Tax Rate)	1,641	2,036	2,703	3,516	4,147	4,734	5,319	5,883	6,402	6,854	7,215	7,468
Dep	3,319	3,466	3,586	3,708	3,830	3,954	4,678	4,707	5,122	5,483	5,772	5,974
Purchase of Assets	(3,082)	(2,608)	(2,129)	(2,150)	(2,172)	(2,194)	(2,626)	(1,471)	(1,601)	(1,713)	(1,804)	(1,867)
Changes in Working Capital	111	(949)	(1,299)	(1,677)	(2,105)	(732)	(798)	(882)	(960)	(1,028)	(1,082)	(1,120)
FCFF	1,990	1,945	2,860	3,396	3,700	5,762	6,574	8,236	8,963	9,595	10,101	10,455
Terminal Value											1,44,201	
<b>Total Cash Flow</b>	<b>1,990</b>	<b>1,945</b>	<b>2,860</b>	<b>3,396</b>	<b>3,700</b>	<b>5,762</b>	<b>6,574</b>	<b>8,236</b>	<b>8,963</b>	<b>9,595</b>	<b>1,54,303</b>	

Enterprise Value (EV)	77,161
Less: Debt	9,330
Add: Cash	4,680
Equity Value	72,511

**Equity Value per share (INR) 148**

**% Returns 26.5%**

**Rating BUY**

#### Sensitivity Analysis

		Terminal Growth (%)								
148		2.5%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%	4.3%	4.5%
WACC (%)	9.8%	158	163	168	173	179	185	192	199	208
	10.0%	151	156	160	165	170	176	182	189	196
	10.3%	145	149	153	157	162	167	173	179	186
	10.5%	139	142	146	150	155	160	165	170	176
	10.8%	133	137	140	144	148	152	157	162	167
	11.0%	128	131	134	138	142	146	150	154	159
	11.3%	123	126	129	132	136	139	143	147	152
	11.5%	118	121	124	127	130	133	137	141	145
	11.8%	114	117	119	122	125	128	131	135	139

Source: Company reports, Arianth Capital Research

## Financial Statements

## Income statement summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenue	48,252	57,543	69,250	40,830	39,960	46,158	50,540
Net Raw Materials	23,949	28,646	32,990	16,850	20,010	23,775	25,981
Employee Cost	6,474	8,707	9,120	7,160	6,100	6,592	7,168
Other Expenses	9,722	14,842	18,240	12,080	9,690	10,278	11,203
<b>EBITDA</b>	<b>8,107</b>	<b>5,348</b>	<b>8,900</b>	<b>4,740</b>	<b>4,160</b>	<b>5,513</b>	<b>6,188</b>
<b>EBITDA Margin (%)</b>	<b>16.8%</b>	<b>9.3%</b>	<b>12.9%</b>	<b>11.6%</b>	<b>10.4%</b>	<b>11.9%</b>	<b>12.2%</b>
Depreciation	(2,853)	(3,255)	(3,090)	(3,140)	(3,160)	(3,319)	(3,466)
Interest expense	(2,030)	(2,414)	(3,110)	(2,930)	(2,410)	(1,695)	(1,620)
Other income	430	593	410	530	360	462	505
<b>Profit before tax</b>	<b>3,802</b>	<b>482</b>	<b>3,150</b>	<b>(760)</b>	<b>(1,050)</b>	<b>961</b>	<b>1,608</b>
Taxes	(1,113)	(147)	(840)	50	330	(213)	(382)
<b>PAT</b>	<b>2,690</b>	<b>334</b>	<b>2,310</b>	<b>(710)</b>	<b>(720)</b>	<b>748</b>	<b>1,225</b>
<b>PAT Margin (%)</b>	<b>5.6%</b>	<b>0.6%</b>	<b>3.3%</b>	<b>-1.7%</b>	<b>-1.8%</b>	<b>1.6%</b>	<b>2.4%</b>
Other Comprehensive income	415	107	(140)	290	200	-	-
<b>Net profit</b>	<b>3,105</b>	<b>441</b>	<b>2,170</b>	<b>(420)</b>	<b>(520)</b>	<b>748</b>	<b>1,225</b>
EPS (INR)	6.8	0.8	5.8	(1.8)	(1.5)	1.5	2.5

Source: Company Reports, Arianth Capital Research

## Balance sheet summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity capital	793	796	800	800	980	980	980
Reserves	19,081	18,771	20,110	19,430	18,920	19,668	20,832
<b>Net worth</b>	<b>19,874</b>	<b>19,567</b>	<b>20,910</b>	<b>20,230</b>	<b>19,900</b>	<b>20,648</b>	<b>21,812</b>
Minority Interest	981	857	40	-	-	-	-
Provisions	110	253	660	390	410	126	138
Debt	35,279	37,857	41,030	35,820	20,220	19,660	18,460
Other non-current liabilities	1,567	1,303	980	770	940	692	758
<b>Total Liabilities</b>	<b>57,811</b>	<b>59,837</b>	<b>63,620</b>	<b>57,210</b>	<b>41,470</b>	<b>41,127</b>	<b>41,169</b>
Fixed assets	27,828	28,554	28,540	28,390	26,710	26,121	25,237
Capital Work In Progress	2,272	1,424	1,290	620	230	582	608
Other Intangible assets	991	1,866	1,670	1,420	910	910	910
Goodwill	2,921	2,960	2,250	2,280	1,660	1,660	1,660
Investments	1,319	1,096	1,070	960	990	1,154	1,264
Other non current assets	569	1,695	1,740	3,200	1,920	2,077	2,274
<b>Net working capital</b>	<b>17,251</b>	<b>15,849</b>	<b>20,410</b>	<b>14,600</b>	<b>3,560</b>	<b>3,449</b>	<b>4,398</b>
Inventories	6,264	9,202	8,320	8,220	7,360	6,839	6,976
Sundry debtors	14,514	17,065	18,220	15,980	8,260	12,393	13,431
Loans & Advances	148	45	30	10	-	46	51
Other current assets	19,240	17,151	18,870	16,490	1,740	2,529	2,769
Sundry creditors	(19,437)	(24,200)	(21,520)	(21,780)	(10,280)	(15,590)	(15,797)
Other current liabilities & Prov	(3,479)	(3,413)	(3,510)	(4,320)	(3,520)	(2,770)	(3,032)
Cash	2,484	5,296	5,070	4,030	4,680	4,251	3,807
Other Financial Assets	2,177	1,096	1,580	1,710	810	923	1,011
<b>Total Assets</b>	<b>57,811</b>	<b>59,837</b>	<b>63,620</b>	<b>57,210</b>	<b>41,470</b>	<b>41,127</b>	<b>41,169</b>

Source: Company Reports, Arianth Capital Research

## Du-Pont Analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Tax burden (x)	0.7	0.7	0.7	0.9	0.7	0.8	0.8
Interest burden (x)	0.7	0.2	0.5	(0.5)	(1.1)	0.4	0.6
EBIT margin (x)	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Asset turnover (x)	0.7	0.7	0.9	0.5	0.6	0.9	0.9
Financial leverage (x)	3.5	3.9	4.0	3.9	3.2	2.6	2.6
<b>RoE (%)</b>	<b>13.8%</b>	<b>1.7%</b>	<b>11.4%</b>	<b>-3.5%</b>	<b>-3.6%</b>	<b>3.7%</b>	<b>5.8%</b>

Source: Company Reports, Arianth Capital Research

## Financial Statements

## Cashflow summary

Y/e 31 Mar (INR mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Profit before tax	3,802	482	3,150	(760)	(1,050)	961	1,608
Depreciation	2,853	3,255	3,090	3,140	3,160	3,319	3,466
Tax paid	(1,113)	(147)	(840)	50	330	(213)	(382)
Working capital Δ	(2,034)	1,401	(4,561)	5,810	11,040	111	(949)
Change in Goodwill	(1,703)	(40)	710	(30)	620	-	-
<b>Operating cashflow</b>	<b>1,805</b>	<b>4,951</b>	<b>1,550</b>	<b>8,210</b>	<b>14,100</b>	<b>4,179</b>	<b>3,742</b>
Capital expenditure	(3,222)	(3,133)	(2,942)	(2,320)	(1,090)	(3,082)	(2,608)
<b>Free cash flow</b>	<b>(1,417)</b>	<b>1,818</b>	<b>(1,392)</b>	<b>5,890</b>	<b>13,010</b>	<b>1,097</b>	<b>1,134</b>
Equity raised	(687)	29	(1,584)	400	390	(0)	0
Investments	(167)	223	26	110	(30)	(164)	(110)
Others	1,062	(920)	(333)	(1,340)	2,690	(270)	(285)
Debt financing/disposal	2,246	2,578	3,173	(5,210)	(15,600)	(560)	(1,200)
Dividends paid	(1,378)	(794)	(200)	(410)	-	-	(61)
Other items	378	(121)	84	(480)	190	(531)	78
<b>Net Δ in cash</b>	<b>38</b>	<b>2,812</b>	<b>(226)</b>	<b>(1,040)</b>	<b>650</b>	<b>(429)</b>	<b>(444)</b>
<b>Opening Cash Flow</b>	<b>2,445</b>	<b>2,484</b>	<b>5,296</b>	<b>5,070</b>	<b>4,030</b>	<b>4,680</b>	<b>4,251</b>
<b>Closing Cash Flow</b>	<b>2,484</b>	<b>5,296</b>	<b>5,070</b>	<b>4,030</b>	<b>4,680</b>	<b>4,251</b>	<b>3,807</b>

Source: Company Reports, Arianth Capital Research

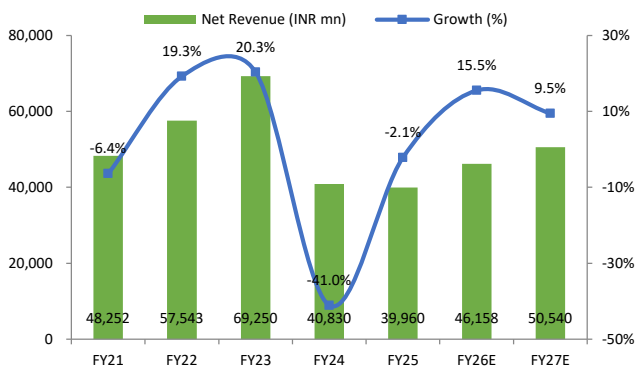
## Ratio analysis

Y/e 31 Mar	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Growth matrix (%)</b>							
Revenue growth	-6.4%	19.3%	20.3%	-41.0%	-2.1%	15.5%	9.5%
Op profit growth	-24.2%	-34.0%	66.4%	-46.7%	-12.2%	32.5%	12.2%
<b>Profitability ratios (%)</b>							
OPM	16.8%	9.3%	12.9%	11.6%	10.4%	11.9%	12.2%
Net profit margin	5.6%	0.6%	3.3%	-1.7%	-1.8%	1.6%	2.4%
RoCE	7.5%	3.3%	7.6%	1.9%	5.1%	6.1%	7.7%
RoNW	13.8%	1.7%	11.4%	-3.6%	3.7%	5.8%	8.8%
RoA	4.7%	0.6%	3.6%	-1.7%	1.8%	3.0%	4.7%
<b>Per share ratios (INR)</b>							
EPS	7.8	1.1	5.4	-	-	1.5	2.5
Dividend per share	3.5	2.0	0.5	1.0	-	-	0.1
Cash EPS	14.0	9.0	13.5	6.1	5.0	8.3	9.6
Book value per share	50.1	49.2	52.3	50.6	40.6	42.1	44.5
<b>Valuation ratios (x)</b>							
P/E	14.9	105.5	21.6	-	-	76.6	46.8
P/CEPS	8.4	13.0	8.7	19.3	23.5	14.1	12.2
P/B	2.3	2.4	2.2	2.3	2.9	2.8	2.6
EV/EBITDA	9.6	14.6	9.2	16.4	17.3	13.0	11.4
<b>Payout (%)</b>							
Dividend payout	51.2%	237.5%	8.7%	-	0.0%	0.0%	5.0%
Tax payout	29.3%	30.6%	26.7%	6.6%	31.4%	22.1%	23.8%
<b>Liquidity ratios</b>							
Debtor days	114	100	93	153	111	82	93
Inventory days	82	99	97	179	142	109	97
Creditor days	153	153	138	219	163	116	129
WC Days	43	46	52	113	89	74	61
<b>Leverage ratios (x)</b>							
Interest coverage	2.6	0.9	1.9	0.5	0.4	1.3	1.7
Net debt / equity	1.7	1.7	1.7	1.6	0.8	0.7	0.7
Net debt / op. profit	4.0	6.1	4.0	6.7	3.7	2.8	2.4

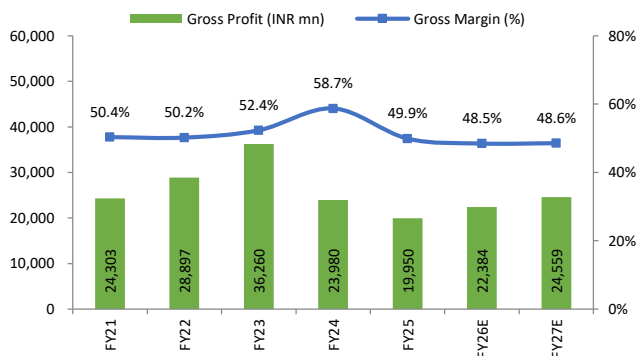
Source: Company Reports, Arianth Capital Research

## Story in Charts

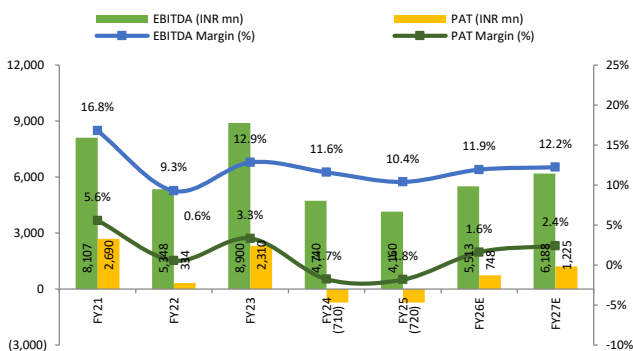
**Exhibit 3: Inventories largely cleared at global operator levels leads to new demand. BharatNet and BEAD would be a key triggers. Revenue is expected to grow 12.5% CAGR over the period of FY25-27E.**



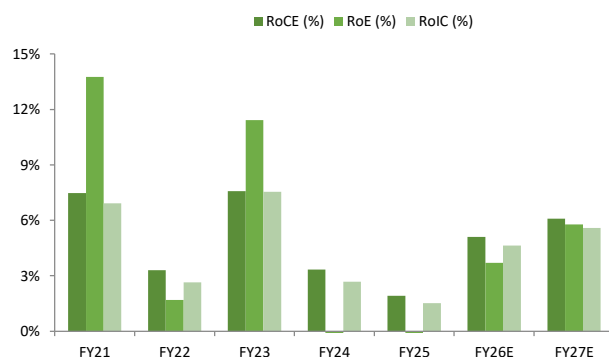
**Exhibit 4: Softening of RM costs will lead to recovery in gross margins.**



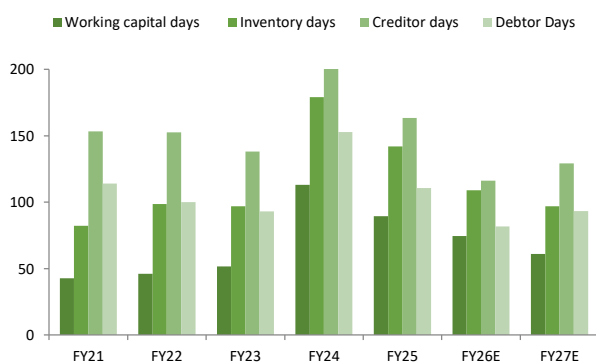
**Exhibit 5: Growth in EBITDA & PAT levels**



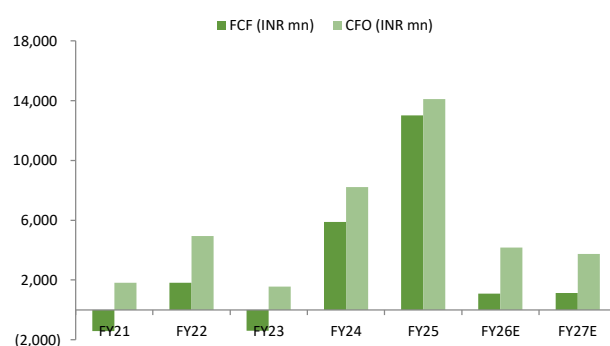
**Exhibit 6: Return ratios to be improve**



**Exhibit 7: Working capital days to be improve**



**Exhibit 8: Cash flows to be improve**



Source: Company reports, Arianth Capital Research



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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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