12th March 2019

Calamatta Cuschieri
INVESTMENT ADVISORS & STOCKBROKERS

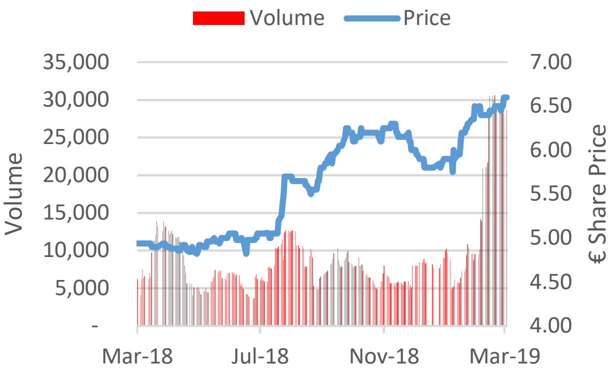
Malta International Airport p.l.c.

Stock Rating: Hold
Price target (1Yr): €6.40

Country	Malta
Industry	Air Transport / Real Estate
Ticker	MIA MV
Price (as at 11/03/2019)	€6.60
Price Target (1 Year)	€6.40
Upside / (downside) to PT	-3.1%
Market Cap	€892.98
Shares Outstanding	135.3m
Free Float	29.9%
Net Dividend Yield	1.8%
Current P/E	29.4x
Forward P/E *	28.1x

*** CC estimates**

1-Year Range:	Exchange MSE
Price Movement & Volume Movement (20 day moving average)	Lowest Price: €4.82
	Highest Price: €6.60



Source: Bloomberg

Executive Summary:

*"We are reaffirming our **Hold** stance on MIA and increasing our 12-month price target from €6.05 to €6.40. Despite MIA's record financial performance for 2018, we believe that the recent increase in share price has captured this as well as the foreseeable growth in earnings of the Company. Nevertheless, given the positive outlook for the aviation sector, coupled up with a strong growth in the property sector, and the upward trend in Malta's tourism sector, we maintain a **Hold** recommendation on the stock."*

Company Overview:

Malta International Airport ("MIA" or "the Company") principal activities are the development, operation and management of Malta International Airport. MIA has a 65-year concession to operate Malta's airport, which commenced on July 2002. MIA has three 100% owned subsidiaries: Airport Parking Limited, Sky Parks Development Limited and Sky Parks Business Centre Limited. Airport Parking Limited operates all the car parks situated on the land leased to MIA. Moreover, the Company is involved in the management and development of real estate for commercial use on the land adjacent to the airport terminal, which is run by Sky Parks Development Limited and Sky Parks Business Centre Limited.

The airport welcomed over 6.8 million passengers in 2018 and handled 17,684 tonnes of cargo. Since opening in 1992, the air terminal has received continuous investment in infrastructure, equipment, personnel, and services. Malta's airport features two runways, can land any class of commercial aircraft, and offer more than 1,500 car parking spaces.

Company Update:

In 2019, Ryanair will base a further aircraft at MIA, resulting in six aircraft in total. In addition to, a new airline Qatar Airways and Air Malta extending its latest German routes into the summer schedule of 2019. Moreover, Wizz Air and Volotea will introduce new routes coupled with a second ship operating from Valletta as part of the fly-cruise program by TUI Cruises, which is a German cruise company, consequently resulting in an increase in charter traffic from Germany.

Dividends – The proposed final net dividend of MIA for 2018 is €0.09 per share, in addition to the interim net dividend of € 0.03 per share paid in September 2018, which will result in a total net dividend of €0.12 per share representing an increase of 20% from previous year, where total net dividend stood at €0.10 per share in 2017.

Market Research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SWOT Analysis

Strengths

- ✓ The airport segment, which accounts for 71% of revenue, operates as a monopoly in one of the fastest growing economies in the European Union.
- ✓ Management has a proven track record in terms of revenue and profitability growth.
- ✓ The structural importance of the airport to Malta's economy puts it in a unique position to have bargaining power with the government, suppliers and consumers alike.
- ✓ Passenger numbers are currently in a steep growth phase, increasing in-line with or beating management expectations.
- ✓ Ryanair, Europe's largest carrier, has a base in Malta and it will base a further aircraft at MIA in 2019.
- ✓ Management is committed to continue to develop the business and diversifying its revenue stream with an investment of circa €100 million.

Weaknesses

- × MIA operates in the air transport industry, which is a volatile industry.
- × In order to grow, MIA operates in a capital intensive industry, dampening the level of free cashflow available to shareholders.
- × Indirectly, MIA is impacted by the change in the price of oil, as oil prices directly affect the viability of the routes an airline operates.
- × Highly dependent on strategic decisions of airlines, especially Ryanair being the airline that carried the highest number of passengers in 2018.

Opportunities

- o Passenger growth and demand for airport services remains strong and on an upward trajectory.
- o The execution of the approved master plan has the potential to significantly increase and diversify the revenue streams of the Company.
- o Low cost carriers introducing new routes.
- o The demand for top tier office space is currently strong and is not expected to taper in the foreseeable future.
- o The Maltese economy as a whole is projected to maintain its current sustainable growth in the coming years.
- o Management can elect to part finance its capital expenditure through debt, thus benefitting from a lower cost of capital and be able to increase the return to its shareholders.

Threats

- ! Change in government policy on the expansion of Air Malta's operations.
- ! Downturn in the Real Estate industry.
- ! Political Changes:

  Brexit – The UK is Malta's biggest market in terms of passenger movements. Brexit could have a significant impact on passenger numbers if tariffs, charges etc. are imposed on persons travelling from/to the UK. Airlines are reportedly already more cautious in this respect.
- ! Reduction of the economic growth for the Euro Area by the European Union.
- ! The inherent limitation of land capacity in the Maltese Islands will have an implication on future passengers' growth, with side effects such as overcrowded beaches, air and noise pollution, and traffic congestion already being experienced. As a result, the long-term growth is expected to be restrained.

Investment Stance

We are reaffirming our **Hold** stance on MIA and increasing our 12-month price target from €6.05 to €6.40. Despite MIA's record financial performance for 2018, we believe that the recent increase in share price has captured this as well as the foreseeable growth in earnings of the Company. Nevertheless, given the positive outlook for the aviation sector, coupled up with a strong growth in the property sector, and the upward trend in Malta's tourism sector, we maintain a **Hold** recommendation on the stock. Our assumptions and expectations in relation to the Masterplan (an investment of circa €100 million) is that (a) the construction of the Multi-Storey Car Park (€20 million investment) will be finalised and operational by mid-2020, (b) the Terminal Expansion (€40 million investment) and (c) Skyparks II (€40 million investment) are estimated to be completed by year 2025. The Masterplan is expected to increase earnings considerably in the foreseeable future given the continuous increase in passengers' growth and the current growth in demand for high quality office retail space. Despite this, given the length of time to completion, this falls outside of the forecasted period in our analysis.

In arriving at our price target, we took into consideration the change in business model experienced by MIA in the last five years, where the 5-year long-term average P/E ratio stands at 26.5x. Currently MIA is trading at 29.4x earnings therefore the Company is currently trading at a higher P/E ratio, which reflects the exceptional growth in MIA's operations and the expected future returns from the various planned projects. Our estimates account for a P/E ratio of 28.1x, considering the potential returns of the Masterplan. Over the long-term, we would expect P/E levels to return to its long run average of 26.5x.

We are confident that the Company's financial performance will be in-line with its earnings projections for 2019. The airport has witnessed a double-digit growth in traffic in the last three years, in addition to an increase in the number of operating airlines, with a constant seat load factor and a healthy growth in its other revenue streams. Albeit, we do agree with management's outlook that in 2019 there will be a decrease in the growth rate of traffic movements. We would expect MIA's revenue growth to normalise in the medium term.

Masterplan

The Masterplan is an investment program through which MIA will develop its terminal infrastructure, as well as the surrounding airport campus. As described above, this program will see the Company investing at least €100 million and will involve the building of a Multi-Storey Car Park, construction of SkyParks II and the expansion of the Airport's Terminal. The Multi-Storey Car Park will cater for an additional 1,300 car parking spaces, with the commencement of construction works in the last quarter of 2018.

SkyParks II, which will complement the existing SkyParks building, will house both office and commercial space, in addition to a business hotel. The hotel is envisaged to have a footprint of 1,400 sqm and a rating of at least 4-stars. The 100-room hotel will mainly attract business travellers and will enable them to maximise their time in Malta. Currently the Company is evaluating designs submitted from prospective bidders for the design of SkyParks II early this year in February 2019. There is no clear indication of the completion of SkyParks II, but management is predicting that this will be completed by 2025.

In earlier plans, the terminal was envisaged to have a lateral expansion followed by a vertical expansion onto the main car park. Recently management indicated that they are currently reviewing these plans in order to arrive at the most efficient and effective way of expanding the terminal. No indication is currently available of the commencement of works for this expansion, however it was pointed out that this is critical for the airport to accommodate the substantial passenger movements in the future.

Valuation

Our one-year price target is €6.40. The price target is calculated using a Price Earnings Model with a P/E ratio of 27.50x. We have substantiated our target using a Free Cash Flow to Equity model with a cost of equity of 7.3%. This translates to a forward P/E of 28.1x earnings. The cost of equity is based on the local equity risk premium and caters for the monopolistic position that the Company benefits from.

	FY 2017	FY 2018	2019F	2020P	2021P
	€	€	€	€	€
Revenue	82,369,154	92,191,719	96,647,238	102,377,933	109,679,842
Staff Costs	(8,045,386)	(9,747,167)	(10,225,396)	(10,778,692)	(11,358,657)
Other operating Expenses	(25,750,264)	(28,014,126)	(29,380,760)	(31,122,892)	(32,684,593)
EBITDA	**48,573,504**	**54,430,426**	**57,041,081**	**60,476,350**	**65,636,592**
Depreciation & Amortisation	(7,410,628)	(7,384,403)	(8,037,500)	(8,573,523)	(8,787,933)
EBIT	**41,162,876**	**47,046,023**	**49,003,582**	**51,902,826**	**56,848,659**
Deferred Income	208,765	208,765	208,765	208,765	208,765
Investment income	4,406	(7,021)	5,000	5,000	5,000
Finance Costs	(3,808,536)	(148,915)	-	-	-
Profit Before Tax	**37,567,511**	**47,098,852**	**49,217,347**	**52,116,591**	**57,062,424**
Income tax expense	(13,417,031)	(16,763,212)	(17,451,526)	(18,479,543)	(20,233,240)
Profit Available to Ordinary Equity holders	**24,150,480**	**30,335,640**	**31,765,820**	**33,637,048**	**36,829,184**
Earnings Per Share	0.178	0.224	0.235	0.249	0.272
Normalised Profit after tax	26,955,230[1]	30,335,640	31,765,820	33,637,048	36,829,184
Normalised Earnings Per Share	0.199	0.224	0.235	0.249	0.272

Source: Audited Financial Statements and CC Estimates

Key Assumptions - Masterplan

- **Multi-Storey Carpark** - The carpark is earmarked for completion by mid-2020 and will offer an additional 1,300 parking spaces. Based on current car park revenue, the yearly revenue contribution of this carpark will be of €2.2 million. In 2020, the valuation accounts for 50% of this revenue that is €1.1 million, which represents half-year contribution. From 2021 onwards, the valuation accounts for the whole €2.2 million.

- **SkyParks II** - The second SkyParks project will also consist of a 4-star business hotel in addition to the office space. The hotel will be leased to a management company and based on industry practise we assumed this to be 20% of the hotel revenue, where this is based on the average daily rate of 4-star hotels adjusted for the prospective future growth at a 70% occupancy level. The rate per sqm for the office space was based on the current SkyParks rate, also adjusted for the potential growth in the property market at a 90% occupancy level. Potential date of completion is 2025 and accordingly the respective cash flows of the project will commence from 2026. The present value of the future cash flows amounts to €9.9 million, where we have used a discount rate of 10.3%, which captures the long-term risk associated with the project.

- **Terminal Expansion** - Management are currently in consultation with an architecture firm on the most efficient way to expand the terminal. No indication was given on the commencement date for this project, however it was mentioned that management sees the expansion as inevitable given the growth in traffic. Consequently, we assumed the project will be complete in 2025, and cash flows to commence from 2026. The rate per sqm for the commercial space was based on the current rate adjusted for the potential growth of the property market at a 90% occupancy level. The commercial area was estimated from

[1] In 2017, MIA incurred a one-off early repayment fee on its outstanding loans amounting to €2.78 million, in addition to a one-off charge to the lease payments reflecting the effect of a recalibration of prior years' passenger movements amounting to €1.54 million.

previous plans submitted to the Planning Authority. The present value of the terminal expansion is €13.4 million using the same discount rate of SkyParks II of 10.3%.

- **SkyParks III -** SkyParks III is currently included in the Masterplan, however currently there is no reasonable project commencement date as management will initially focus on the completion of SkyParks II. Given the long term nature and related potential delays/changes to the Company's plans, the present value of SkyParks III was not included as part of our model.

Investment Thesis Variables

FY2018 Estimates	Management Guidance	Calamatta Cuschieri
Passengers	7,200,000	7,100,000
Revenue	€96,000,000	€96,600,000
EBITDA	€59,000,000	€57,000,000
Net Profit	€31,000,000	€31,800,000

Source: Company Announcements and CC Estimates

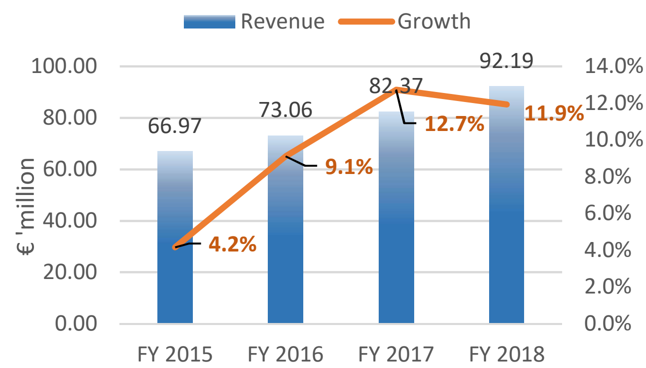
- **Revenue**

Segment	2018	2019F*	2020F*
	€'s	**€'s**	**€'s**
Airport	65,538,107	68,126,862	71,175,539
Retail and Property	26,318,723	28,161,034	30,843,052
Other	334,889	359,342	359,342
Total	**92,191,719**	**96,647,238**	**102,377,933**

*Calamatta Cuschieri forecasts

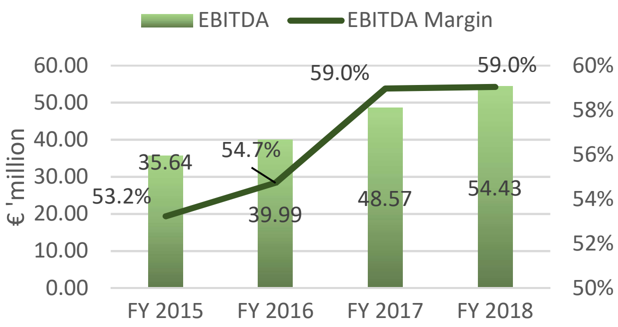
Source: Audited Financial Statements and CC Estimates

We expect revenue to increase to €96.6 million in 2019 from €92.2 million in 2018 or an increase of 4.8%, mainly driven by an increase in the Airport segment of €2.6 million. We expect traffic to sustain its growth in 2019, albeit at a slower rate of 5.0% when compared to 2018 where growth stood at 13.2%. Revenue per passenger has decreased by 1.9% in 2018 and is expected to decline marginally in 2019 by 1.0% due to discounts on fees given to airlines during the shoulder months. We are anticipating growth in passenger numbers to be at the same level in 2020 to the projected growth of 5.0% in 2019.



Source: Financial Statements / CC Estimates

The Retail and Property segment grew significantly by 14.5% in 2018. This was mainly due to an excess growth in the VIP Lounge and a growth in the income generated from commercial outlets operating within the airport. The abnormal growth of the VIP Lounge in 2018 is the result of it being partly closed in 2017 for renovation purposes. The growth in commercial space income is a reflection of the substantial growth in the passenger movements as intimated above. Adjusting the growth of the VIP Lounge and taking into account the slower growth anticipated in the passenger movements, we are forecasting a 7.0% growth in the Retail and Property segment for 2019. Our forecasted revenue for 2019 is in-line with that of management as shown in the above table.



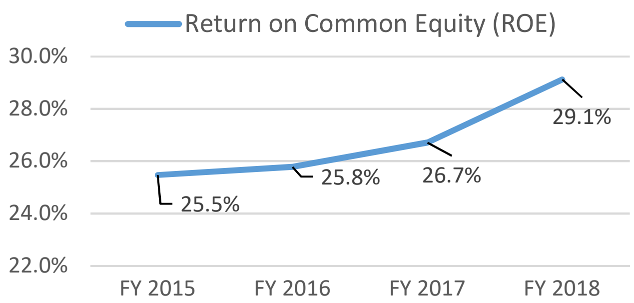
Source: Financial Statements / CC Estimates

EBITDA – EBITDA increased to €54.4 million (59% margin) in 2018 from €48.6 million (59% margin) in 2017. We are forecasting EBITDA to increase to €57.0 million on a margin of 59%. Increase in expenses were mainly characterised by an increase in staff costs, advertising costs, and legal and professional fees. Further to the signing of a collective agreement, which will see wages increase by 3.5% yearly for the period 2018 to 2020, the increase in staff costs in 2018 was also affected by onboarding additional employees. The average number of employees stood at 340 in 2018, representing an increase of 33 employees from 2017. MIA carried out an aggressive advertising campaign resulting in marketing costs to increase by 20.7% or €1.0 million. In 2019, staff costs are estimated to increase as a result of onboarding additional workers, in addition to the 3.5% yearly growth in wages as per the collective agreement.

- **Depreciation** – Depreciation is expected to increase to €8.0 million in 2018 compared to €7.4 million in 2018 as a result of the ongoing capital expenditure program and increase in depreciable fixed assets. In 2019, the capex is estimated to amount to €21.0 million out of which €11.0 million relate to the multi-storey car park.

- **Finance Costs** –In the beginning of 2018 MIA repaid all its outstanding debt amounting to €33.0m and incurred interest expense of €0.1 million. Consequently, the Company has no leverage and we estimate that moving forward finance costs will be nil, considering the current plans of the Company is to finance capital expenditure through accumulated retained earnings. Management mentioned that it might opt for debt to fund the construction of SkyParks II.

- **Net Profit and Earnings per Share (EPS)** – We are forecasting net profit to increase to €31.8 million in 2019 compared to €30.3 million in 2018. This translates to an EPS of €0.235 compared to an EPS €0.224 in 2018, that is a growth of 4.7%. Return on Common Equity has continuously increased, with equity shareholders having a healthy return of 29.1% for 2018, which is significantly higher than the ROE of equity holders as at 2017 amounting to 26.7%.



Source: Financial Statements / CC Estimates

- **Dividends** – After considering the capital expenditure requirements of both a recurring nature as well as the implementation of the master plan, we estimate that MIA should be in a strong position to continue to distribute around 55% of its net profit in the foreseeable future. This is in-line with the payout ratio of the last two years, were in 2018 the payout ratio stood at 53.5% and in 2017 the payout ratio stood at 56.0%. MIA's has a conservative approach towards financing its growth. Management prefer to retain excess liquidity to be able to finance its capital projects, which explains the payout ratio of the 55% level.

Key Financial Indicators

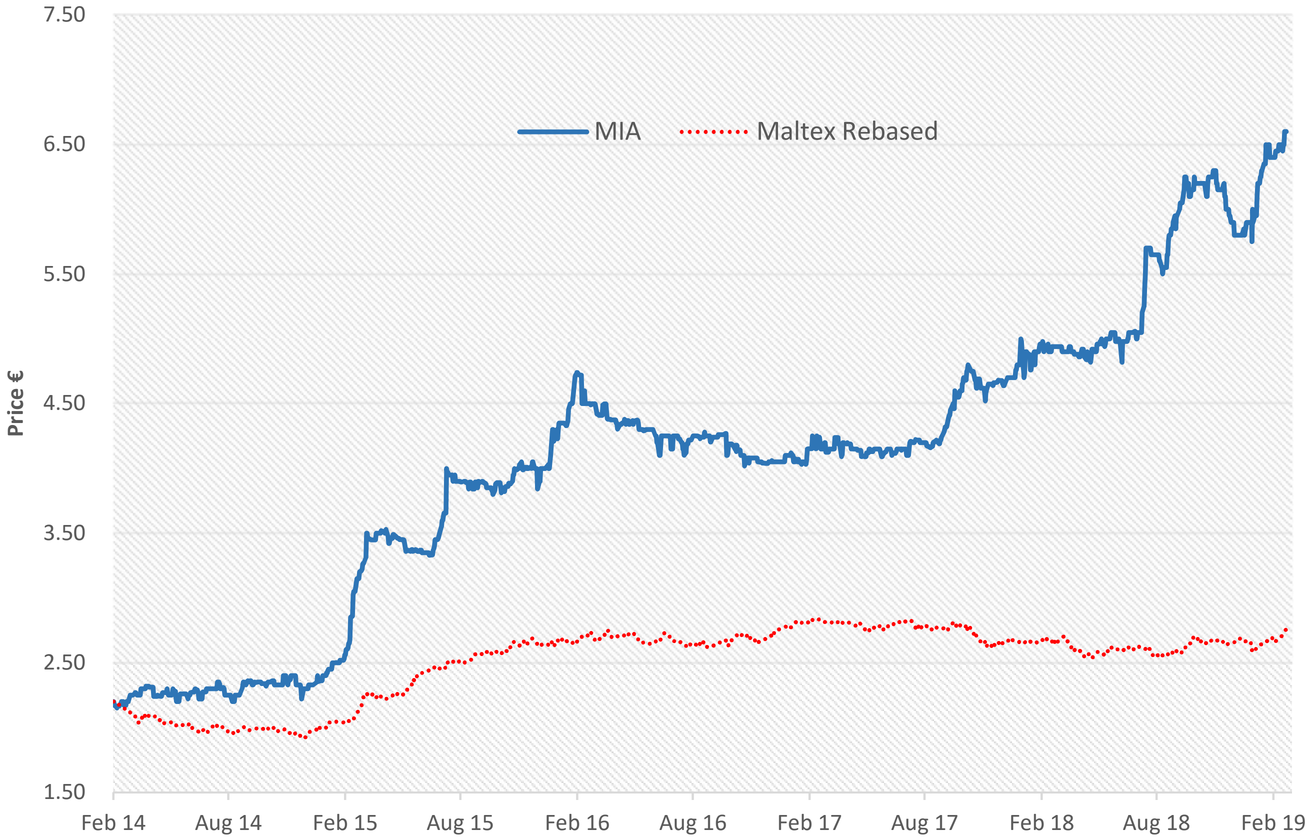
	2015	2016	2017	2018
Income Statement				
Revenue	66.97	73.06	82.37	92.19
Growth in Revenue (YoY)	4.16%	9.11%	12.73%	11.93%
EBITDA	35.64	39.99	48.57	54.43
EBITDA Margin (EBITDA / Revenue)	53.23%	54.73%	58.97%	59.04%
Operating Income (EBIT)	29.00	33.15	41.16	47.05
Operating (EBIT) Margin (EBIT / Revenue)	43.31%	45.36%	49.97%	51.03%
Net Income	19.27	20.98	24.15	30.34
Net Margin (Net Income / Revenue)	28.78%	28.72%	29.32%	32.90%
Earnings per Share (EPS)	0.14	0.16	0.18	0.22
Growth in EPS (YoY)	14.51%	8.88%	15.10%	25.61%
Dividend per Share (Net Dividends / Shares Outstanding)	0.11	0.10	0.10	0.12
Growth in Dividends (YoY)	46.67%	-9.09%	0.00%	20.00%
Sustainable Growth Rate in Dividends	5.80%	9.16%	11.75%	13.53%
Dividends Yield (Dividend per Share / Share Price) Year-end	2.73%	2.47%	2.13%	2.07%
Balance Sheet				
Cash and Cash Equivalents	39.64	36.55	38.40	20.25
Current Assets	52.26	52.27	54.68	41.14
Non-Current Assets	119.66	120.10	128.17	128.67
Total Assets	171.91	172.36	182.85	169.81
Current Liabilities	52.50	33.14	45.95	47.92
Non-Current Liabilities	41.73	54.12	41.15	9.28
Total Debt	57.10	46.35	33.02	-
Total Equity	77.69	85.10	95.75	112.61
Net Debt	17.45	9.80	n/a	n/a
Shares Outstanding	135.30	135.30	135.30	135.30
Cash flow				
Cash Flow from Operating Activities (CFO)	29.52	27.30	42.70	36.83
Capex	(7.28)	(7.16)	(14.02)	(8.45)
Free Cash Flow (FCF)	22.25	20.14	28.69	28.38
Cash Flow from Investing Activities	(3.27)	(6.11)	(13.99)	(8.43)
Cash Flow from Financing Activities	(17.34)	(24.28)	(26.86)	(46.55)
Ratios				
Profitability				
Return on Common Equity (Net Income / Common Equity)	25.47%	25.78%	26.71%	29.12%
Return on Assets (Net Income / Total Assets)	11.21%	12.17%	13.21%	17.86%
Solvency				
Gearing Ratio Level 1 (Net Debt / Total Equity)	22.47%	11.51%	n/a	n/a[2]
Gearing Ratio Level 2 (Total Liabilities / Total Assets)	54.81%	50.63%	47.64%	33.68%
Net Debt / EBITDA	0.49	0.25	(0.11)	(0.37)
Current Ratio (Current Assets / Current Liabilities)	1.00	1.58	1.19	0.86
Quick Ratio (Acid Test Ratio)	0.98	1.55	1.17	0.84
Interest Coverage Ratio (EBITDA)	27.68	41.35	12.77	365.51
Cash from Operations / EBIT	1.02	0.82	1.04	0.78

Source: Audited Financial Statements and Interim Results

[2] MIA had a negative Net Debt both in 2017 and 2018, thus Gearing Ratio Level 1 and Net Debt are not applicable

Historical 1 Year Price Target

Reference	Date	Price	Price Target	Analyst	Recommendation
MIA MV	22.04.2016	€4.33	€4.11	Simon Psaila	Hold
MIA MV	17.03.2017	€4.125	€4.49	Simon Psaila	Buy
MIA MV	04.09.2017	€4.20	€4.50	Simon Psaila	Buy
MIA MV	09.11.2018	€6.25	€6.05	Simon Psaila & Rowen Bonello	Hold
MIA MV	12.03.2019	€6.60	€6.40	Simon Psaila & Rowen Bonello	Hold



Source: Bloomberg

Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
Growth in Revenue (YoY)	This represents the growth in revenue when compared with previous financial year.
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by total assets.
Earnings per Share (EPS)	Earnings per share (EPS) is the amount of earnings per outstanding share of a Group's/Company's share capital. It is computed by dividing net income by total shares outstanding as at statement of financial position date.
Growth in EPS (YoY)	This represents the growth in Earnings per Share (EPS) when compared with previous financial year.
Dividends Ratios	
Net Dividends	Net dividends represent the net amount of dividends in respect of a Group's/Company's fiscal year.
Dividend per Share	Dividend per Share is the amount of dividends per outstanding share of a Group's/Company's share capital. It is computed by dividing net dividends by total shares outstanding as at statement of financial position date.
Growth in Dividends (YoY)	This represents the growth in dividends when compared with previous financial year.
Sustainable Growth Rate in Dividends	This ratio indicates the sustainable growth rate of dividends given the profitability of the Group/Company and the respective level of dividends distribution.

Dividends Yield as at year-end	This ratio indicates how much a Group/Company pays out in dividends each fiscal year relative to its share price. It is computed by the dividing the Dividend per Share by the share price as at year-end.
Cash Flow Statement	
Cash Flow from Operating Activities (CFO)	Cash generated from the principal revenue producing activities of the Group/Company.
Cash Flow from Investing Activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.
Cash Flow from Financing Activities	Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.
Capex	Represents the capital expenditure incurred by the Group/Company in a financial year.
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Assets	What the Group/Company owns which can de further classified into Non-Current Assets and Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Inventory	Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.
Cash and Cash Equivalents	Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.
Total Equity	Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.
Total Liabilities	What the Group/Company owes which can de further classified into Non-Current Liabilities and Current Liabilities.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Total Debt	All debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Current Liabilities	Obligations which are due within one financial year.
Shares Outstanding	Outstanding shares refer to the Group/Company stock currently held by all its shareholders.
Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.

Gearing Ratio Gearing Ratio Level 1 Gearing Ratio Level 2	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. Is calculated by dividing Net Debt by Total Equity. Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.
Cash from Operations / EBIT	This ratio measures the ability of the Group/Company to convert its earnings into cash.

Explanation of Equity Research Ratings

Buy: Based on a current 12- month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, we do not recommend either a Buy or Sell. Current shareholders should consider buying on dips and selling on peaks.

Newly issued research recommendations and target prices supersede previously published research.

Disclaimer