INVESTMENT IDEA

Cebu Air, Inc. (CEB)

INVESTMENT SUMMARY

- **A dominant player in a growing market**
    - CEB is the country's leading low-cost carrier (LCC) as it holds 60% market share. It anticipates to maintain this position based on the accelerating interest of the rising middle class for both local and international tourism. CEB also boasts of its comprehensive local network and a conservative growth strategy that aided the Company to maintain its profits over the years.

- **More than impressive growth in earnings**
    - In 2015, CEBgrew its consolidated revenues by 8.66% and a record 414.03% growth in consolidated net income. Emphasis is placed on an 8.93% growth in passengers carried in 2015 and a healthy seat load factor of 82.60% during the year. Moreover, the Company's consolidated revenues for 1H 2016 grew by 12.16% while consolidated net income for 1H 2016 soaredby 47.71% from the same period in 2015.CEB also broke the 10 million mark in passenger volume for 1H 2016.

- **Focus on international network and fleet expansion**
    - The Company will be taking advantage of the growth opportunities present through domestic and international network expansion, to cater underserved routes and destinations, and acquisitions of new aircraft, to effectively manage capacity and meet the growing demands of passengers and travelers.

Five-year Financial Forecast (In millions of Php)

	2016F	2017F	2018F	2019F	2020F
Revenues	60,744	65,248	71,347	71,674	77,355
Gross profit	17,593	18,897	20,663	20,758	22,403
EBITDAR	21,179	22,750	24,876	26,889	29,064
EBIT	10,115	10,445	11,113	10,264	10,744
Net income	2,436	2,322	2,324	1,705	1,607

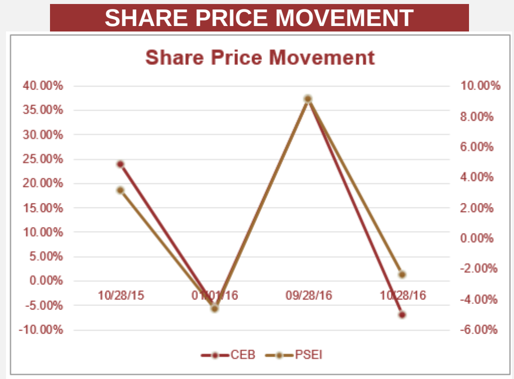
COMPANY CLASSIFICATION

Sector	Services
Subsector	Transportation
Primary Business	Low-cost airline carrier

SHARE DATA

Rating	**HOLD**
Ticker	CEB
Target Price	Php118.90
Share Price	Php107.00
Upside	13.24%

SHARE PRICE MOVEMENT



ABSOLUTE PERFORMANCE

	LTM	YTD	1M
CEB	20.69%	27.50%	-7.08%
PSEi	1.59%	6.51%	-2.40%

MARKET DATA

Market Capitalization	Php63.63 billion
Outstanding Shares	605.95 million
Free Float Level	33.00%
52-week High	Php125.00
52-week Low	Php74.50
P/E ratio (adjusted)	9.53x

INVESTMENT IDEA

Puregold Price Club, Inc. (PGOLD)

INVESTMENT SUMMARY

- **Attractive industry with a positive outlook**
  - Philippine retailers remain confident of growth in 2016 and in the coming years because ofthe establishment of the ASEAN Economic Community which aims to create a single market with little to no barriers to the movement of investments, goods, and labor.In addition, analysts believe that the growth of the Philippine economy can be sustained into 2017 on the back of robust private consumption and household spending.

- **Impressive operating results**
  - PGOLD hit its revenue target in 2015 and grew by 14.73%. Emphasis is also placed on same-store sales growth at 3.80% in 2015, as compared to the same period in 2014. Moreover, the Company's consolidated net revenue for 1H 2016 grew by 18.12% while net income for 1H 2016 grew by 12.98% from the same period last year.Same-store growth was at 7.0% for 1H 2016.

- **Strong growth and expansion prospects**
  - To achieve its objective of building a network of 500 stores by 2020, the Company brought its business to Visayas and Mindanao and other outlying areas where PGOLD is not yet well represented; continued to acquire small supermarkets across the country; and began operating convenience stores through a tie-up with Japan's Lawson.

Five-year Financial Forecast (In millions of Php)

	2016F	2017F	2018F	2019F	2020F
Revenues	111,465	126,316	139,531	157,434	176,650
Gross profit	18,462	20,921	23,110	26,075	29,258
EBIT	8,282	9,388	10,333	11,659	13,071
Net income	5,761	6,531	7,188	8,110	9,093

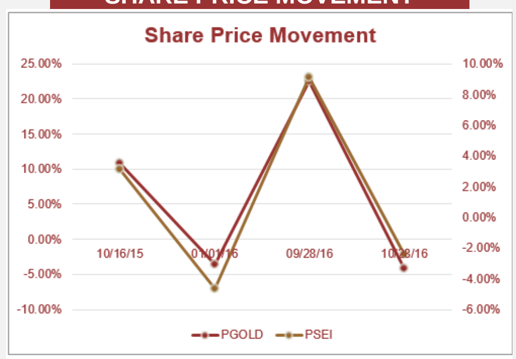
COMPANY CLASSIFICATION

Sector	Services
Subsector	Retail
Primary Business	Hypermarkets and Supermarkets

SHARE DATA

Rating	**HOLD**
Ticker	PGOLD
Target Price	Php42.76
Share Price	Php40.75
Upside	4.93%

SHARE PRICE MOVEMENT



ABSOLUTE PERFORMANCE

	LTM	YTD	1M
PGOLD	13.19%	17.44%	-4.12%
PSEi	1.59%	6.51%	-2.40%

MARKET DATA

Market Capitalization	Php112.69 billion
Outstanding Shares	2.77 billion
Free Float Level	33.00%
52-week High	Php49.20
52-week Low	Php30.50
P/E ratio (adjusted)	22.05x

INVESTMENT IDEA

Megawide Construction Corporation (MWIDE)

INVESTMENT SUMMARY

We recommend a BUY rating for MWIDE primarily because of its strong valuation, supported by strong growth and expansion and an attractive industry analysis.

- **Attractive industry with a positive outlook**
  - Construction growthin the country is expected to remain relatively highin the coming years as construction works are seen growing over 50% by 2020 – supported by greater emphasis on infrastructure development and continued expansion of residential and commercial buildings.

- **Impressive operating results**
  - MWIDE's net income in 1H16 grew 43.2% year-on-year which wasfueled by strong revenues from construction and double-digit growth from its airport operations. The Company's consolidated net revenue for 1H 2016 grew by 74.0% year-on-year which was attributable to its solid earnings - aeronautical, commercial and rental.

- **Strong growth and expansion prospects**
  - MWIDE also won new contracts which include Phase 2 of the Meridian Park of Double Dragon (PSE:DD), 10 West, St. Moritz, Southeast Asean Campus of Megaworld (PSE:MEG), and the 8990's (PSE:HOUSE) condominium projectsin Tondo and Cubao.

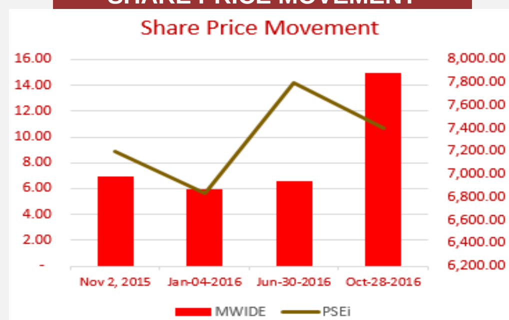
COMPANY CLASSIFICATION

Sector	Industrial
Subsector	Construction, Infra. & Allied Services
Primary Business	General Construction

SHARE DATA

Rating	**BUY**
Ticker	MWIDE
Target Price	Php19.25
Share Price	Php15.00
Downside	22.08%

SHARE PRICE MOVEMENT



ABSOLUTE PERFORMANCE

	LTM	YTD	1M
PGOLD	105.48%	141.94%	-5.54%
PSEi	1.59%	6.51%	-2.40%

MARKET DATA

Market Capitalization	Php32.08 billion
Outstanding Shares	2.14 billion
Free Float Level	30.9%
52-week High	Php16.80
52-week Low	Php5.40
P/E ratio (adjusted)	25.25x

INVESTMENT IDEA

Energy Development Corporation (EDC)

INVESTMENT SUMMARY

We recommend a BUY rating for EDC primarily because of its strong valuation, supported by stable growth and expansion.

- **Stable operating results**
  - Despite weak WESM prices, EDC's net income in 1H16 grew 0.6% year-on-year which wasmainly attributable to its FG Hydro, which also offsets weaker performance from its Burgos Wind due to El Nino.

- **Strong growth and expansion prospects**
  - EDC is looking for 7 potential wind projects in Luzon (4) and Visayas (3). These 1.72 GW potential capacity projects will add to the Company's existing and under construction wind projects. The Company is committed to support the government's drive by increasing its focus on renewable energy investments.

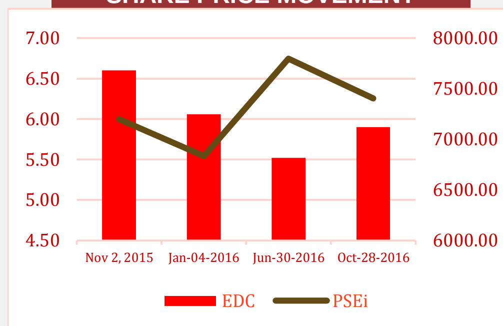
COMPANY CLASSIFICATION

Sector	Industrial
Subsector	Electricity, Energy, Power & Water
Primary Business	Energy exploration & development

SHARE DATA

Rating	**BUY**
Ticker	EDC
Target Price	Php7.10
Share Price	Php5.90
Downside	20.34%

SHARE PRICE MOVEMENT



ABSOLUTE PERFORMANCE

	LTM	YTD	1M
PGOLD	-7.23%	-2.89%	-0.17%
PSEi	1.59%	6.51%	-2.40%

MARKET DATA

Market Capitalization	Php110.17 billion
Outstanding Shares	18.74 billion
Free Float Level	49.24%
52-week High	Php6.70
52-week Low	Php5.15
P/E ratio (adjusted)	25.25x

INVESTMENT PROPOSAL

Metro Retail Stores Group, Inc. (MRSGI)

A. INVESTMENT SUMMARY

We are recommending a **BUY** rating for MRSGI. This conclusion is based on the following:

- **A growing industry with a positive outlook**
  - Philippine retailers remain confident of growth in 2016 and in the coming yearsbecause ofthe establishment of the ASEAN Economic Community which aims to create a single market with little to no barriers to the movement of investments, goods, and labor.In addition, analysts believe that the growth of the Philippine economy can be sustained into 2017 on the back of robust private consumption and household spending.

- **Impressive operating results**
  - MRSGI's net sales in 2015 rose by 14.28% while same-store sales grewby8.80% in 2015. Moreover, the Company's net sales and net income for 1H 2016 grew by 8.03% and 23.99%, respectively, from the same period in 2015. Same-store growth was at 5.0% for 1H 2016.

- **Strong growth and expansion prospects**
  - The Company is will be earmarking approximately Php10.00 billion over the next five years to sustain robust growth and strengthen its position in the retail industry.

- **Improvement of logistics and supply chain management**
  - MRSGI is ramping up its logistics and supply chain modernization program with warehouses with advanced storage and security features and delivery trucks with tracking devices.

Five-year Financial Forecast (In millions of Php)

	2016F	2017F	2018F	2019F	2020F
Revenues	36,045	40,808	46,172	51,880	58,577
Gross profit	7,444	8,427	9,535	10,714	12,097
EBIT	1,222	1,383	1,565	1,759	1,986
Net income	838	949	1,074	1,206	1,362

COMPANY CLASSIFICATION

Sector	Services
Subsector	Retail
Primary Business	Hypermarkets and Department Stores

SHARE DATA

Rating	**BUY**
Ticker	MSRGI
Target Price	Php6.91
Share Price	Php4.83
Upside	45.86%

SHARE PRICE MOVEMENT

ABSOLUTE PERFORMANCE

	LTM*	YTD	1M
MRSGI	18.50%	19.10%	-16.11%
PSEi	1.59%	6.51%	-2.40%

** MRSGI became listed only on November 24, 2015.*

MARKET DATA

Market Capitalization	Php16.26 billion
Outstanding Shares	3.43 billion
Free Float Level	26.95%
52-week High	Php5.93
52-week Low	Php2.95
P/E ratio (adjusted)	18.58x

B. COMPANY OVERVIEW

MRSGI was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 28, 2003. The Company is 72.17%-owned by Vicsal Development Corporation (VDC), 0.72%-owned by Value Shop Stores, Inc., and the rest by the public. The Company opened its first store in Cebu City in 1982 and have steadily grown to become a market leader in the Visayas region. After focusing on steady growth in the Visayas during the first two decades of operations, MRSGI openeda department store and supermarket in Legazpi City in 2001, followed by the opening of a department store and supermarket in Lucena City in 2003 and by the opening of a department store and supermarket at Metro Market! Market! at the Bonifacio Global City in Taguig in Metro Manila in 2004.

On June 16, 2014, the Board of Directors (BOD) approved its change in corporate name from Valueshop Market Market, Inc. to Metro Retail Stores Group, Inc. Pursuant to the BOD approval, the Company applied for SEC approval on June 27, 2014 which was subsequently approved by the SEC on July 3, 2014. The Company began commercial operations on November 19, 2004.The Company's common stock was listed with the Philippine Stock Exchange onNovember 24, 2015.

The Company operates under the name and style of various business formats. The *Supermarket* business is operated under two brand names:*"Metro Supermarket"* and *"Metro Fresh N Easy."*The latter is used for smaller scale supermarkets serving as neighborhood stores. It currently operates 24 supermarkets in Visayas, Metro Manila, and the rest of Luzon.The *Department Stores* are operated under the *"Metro Department Store"* brand name and targets end-user consumers in the lower- to middle-income market group.The *Hypermarkets*, operating under the brand name, *"Super Metro,"* are a hybrid between our supermarkets and department stores, providing a broad assortment of basic everyday products at value prices. These hypermarkets are supported by the same distribution centers as our supermarkets and department stores.

In total, MRSGI had a total of nine stores in Metro Manila and 11 stores in other parts of Luzon, bringing the total store count in the Philippines to 46, with a total net selling space of approximately 201,895 square meters.

	No. of Stores	Total net selling space*
Supermarkets	24	42,298
Department Stores	10	110,521
Hypermarkets	12	49,076
Total	46	201,895

** Net selling space is the area of the store where items are displayed, excluding the backroom and warehouse.*

C. FINANCIAL ANALYSIS

Financial highlights (amounts in millions)

	2012	2013	2014	2015
Total assets	Php5,606	Php7,376	Php8,084	Php11,672
Total liabilities	3,595	4,751	5,097	5,226
Total equity	2,011	2,625	2,987	6,445
Revenues	22,621	25,558	28,485	32,553
Gross profit	4,619	5,516	6,043	6,723
EBIT	835	894	920	1,104
Net income for the year	581	613	629	759

Common size financial highlights

	2012	2013	2014	2015
Total assets	100.00%	100.00%	100.00%	100.00%
Total liabilities	64.13%	64.41%	63.05%	44.78%
Total equity	35.87%	35.59%	36.95%	55.22%
Revenues	100.00%	100.00%	100.00%	100.00%
Gross profit	20.42%	21.58%	21.22%	20.65%
EBIT	3.69%	3.50%	3.23%	3.39%
Net income for the year	2.57%	2.40%	2.21%	2.33%

Year-on-year growth

	2013	2014	2015
Total assets	31.57%	9.60%	44.38%
Total liabilities	32.15%	7.29%	2.53%
Total equity	30.54%	13.77%	115.80%
Revenues	12.98%	11.46%	14.28%
Gross profit	19.42%	9.55%	11.24%
EBIT	7.10%	2.82%	20.01%
Net income for the year	5.55%	2.52%	20.61%

Selected ratios

	2012	2013	2014	2015
Current ratio	1.47x	1.38x	1.41x	2.12x
Inventory turnover	NA	7.38x	7.06x	7.54x
Fixed assets turnover	NA	23.14x	21.74x	21.72x
Debt to equity ratio	13.71%	56.99%	46.82%	19.42%
Earnings per share	0.23	0.24	0.25	0.22
Price earnings ratio	NA	NA	NA	17.99x
Return on assets	10.37%	8.32%	7.78%	6.50%
Return on equity	28.90%	23.37%	21.06%	11.77%

Results of operations

Overall profitability for 2015 exceeded shareholders' expectations

MRSGI posted net income of Php759million in 2015 at 2.33% net margin and an increase of 20.61% from Php629million at 2.21% net margin in 2014. The significant increase in net income is mainly due to the increase of overall same-store sales of 8.8% and the opening of two new hypermarkets and one new supermarket, coupled with management's operating efficiencies by managing its costs and expenses (see **Exhibit 4a**).

Increase in sales growth and same-store growth

The increase in same-store growth in 2015 is mainly brought about by same-store sales growth of 8.80% and salesgrowth of 14.28% from new store openings in 2015. On the other hand, while there were only three stores opened during the year, it was still compensated by the increase in total net retail space from 192,496 square meters in 2014 to 201,895 in 2015 or a 4.84% increase (see **Exhibit 4b**).

Financial position

Overall financial position for grew stronger in 2015

Total assets increased to Php11.67 billion or 44.38% in 2015 from Php8.08 billion in 2014. Emphasis is placed on MRSGI's key growth driver – its expansion through new storeopenings. The graph below also shows the key assets of the Company, merchandise inventories and property, plant, and equipment (PPE) [see **Exhibit 5**]. PPE increased by Php0.30 billion or 21.91% in 2015 as a result of capital expenditures pertaining to new stores put up during the year. In addition, merchandise inventories increased by Php0.51 billion or 16.15% mainly due to stocking requirements for new stores during the year.

Increase in current ratio

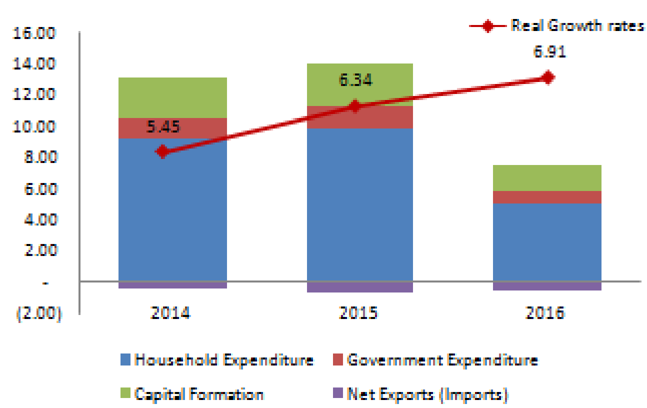
MRSGIwas able to effectively manage incurrence of liabilities over the years. Current ratio significantly improved from 1.41x in 2014 to 2.12x in 2015mainly because the Company was able to pay a significant portion of its short-term notes payable in 2015. In addition, the increase in the current ratio shows that the Company was able to invest enough current assets that can cover for its other currently maturing obligations.

Increase in inventory turnover

The increase in this ratio shows that whilethere were additional stocking requirements for newly opened stores during the year, most of the inventories were sold quicker in 2015 than in 2014. This can be attributable to a bigger average basket size in 2015 amounting to Php545.30 million or a 6.72% increase from 2014. Average basket size the amount of net sales divided by the number of transactions for a given period.

D. MACROECONOMIC ENVIRONMENT

The Philippines in general has had stable growth over the past years. This is due to increased consumer spending, foreign currency remittances and foreign investments. GDP growth rate has been increasing with 6.91% in 2015. Furthermore, the household consumption has increased by 5.13% with retail sale increase of 2.78%.



NOTE: 2016 figures only from Q1-Q2.

E. RISKS IDENTIFIED

The Company considers the following as key risks that have potential impact on its financial position and results of operations in the coming years:

Difficulty in implementing its growth strategy

The Company's growth is dependent on its strategy to continue to establish and successfully operate these stores in new locations in the country. Success factors include, among others, the favorable economic conditions and regulatory environment and the identification of strategic locations for its new store openings.

A significant part of their expansion strategy is to open new stores in suitable locations in various areas in the Philippines, including those where they have limited presence. MRSGI anticipates risks that may hinder their strategy such as inability to identify and procure suitable sites for new stores, inability of new stores to be successful or profitable, and inability of their existing stores to operate profitably if the current retail environment becomes less favorable.

Increased competition from other retail companies in the Philippines

The retail industry in the country is highly competitive. With the improving economy of the country together with the rising income levels of consumers in general, retailers will face tighter competition particularly on essential goods and services. MRSGI looks at SM, RRHI, and PGOLD as its main competitors in the business on the basis of product selection, product quality, acquisition or development of new brands, customer service, price, store location or a combination of these factors.

The Company anticipates that competition from new market entrants, strategic alliances between local and foreign operators, and aggressive expansion strategies of competitors.

Significant reliance on distributors, service providers and distribution networks of multinational suppliers for logistics requirements

MRSGI rely heavily on its distributors, service providers, and other distribution networks for transportation, warehousing and delivery of products to the stores. Any deterioration in the relationships between distributors and third-party service providers or other changes relating to these parties, including changes in supply and distribution chains, could have an adverse effect on the business, financial position and results of operations.

In addition, there can be no assurance that MRSGI will be able to effectively coordinate its logistics strategy to the degree necessary for the realization of their growth plans. As the Company continues to expand, it will need to ensure that they are able to secure efficient distributors and service providers for stores to be opened in new locations.

F. OUTLOOK

Growth through new store openings

It was announced in the annual stockholders' meeting held in May 2016 that the Company will spending as much as Php10 billion over the next five years to double its footprint in a bid to sustain robust growth and strengthen its position in the industry.MRSGI plans to bank on its gains and bring its best-in-class products and services to more areas underserved by modern retail. Specifically, the Company would like to expand its network to 800,000 square meters in terms of gross floor area. As of date, MRSGI has already reached 40% of the target which will open in the next two years.

The motivation to expand is mainly influenced by the impressive earnings for 2015. The Company expects to maintain its profit growth rate of 20.61%, driven by an increase in sales of at least 12% to 14%, high single digit same-store sales growth, and continued rationalization of operating expenses. These strategic initiatives will allow MRSGI not only to achieve its financial goals, accelerate growth and increase operational efficiency but more importantly elevate the quality of service they provide to their loyal customers.

Improvement in logistics and supply chain management

To strengthen its nationwide logistics and distribution network, MRSGI will inaugurate new supply and distribution facilities, as well as expand their in-house delivery fleet. In the coming years, the Company is looking to add more facilities for logistics and distribution, which will enable us to further bolster their in-house supply chain capabilities.

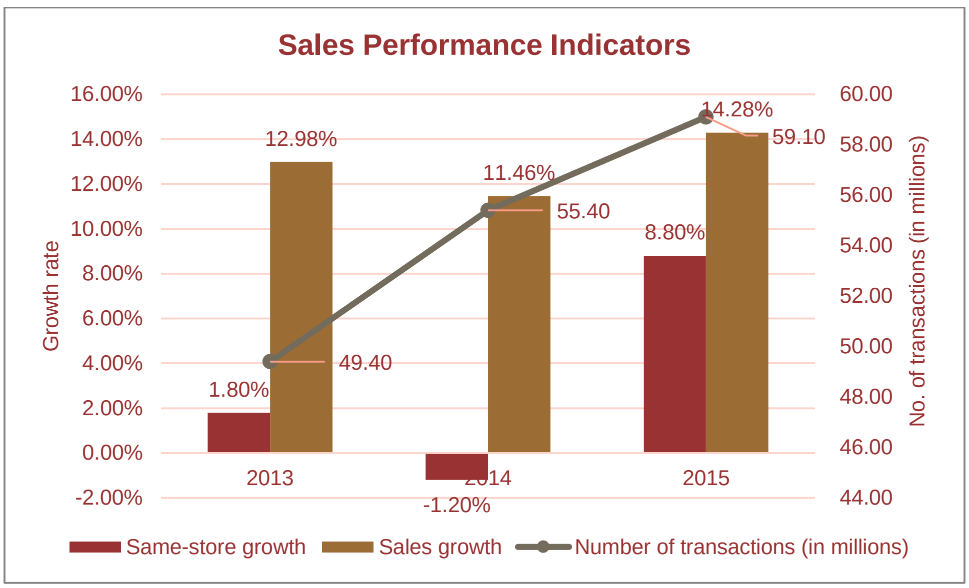
Further accelerating the modernization of their supply chain and logistics capabilities, they will be acquiring new delivery trucks to bolster in-house and institutional selling delivery fleet. Each truck is equipped with tracking devices that will enable real-time monitoring from the company's control center, to ensure timely delivery of goods and improve overall cost efficiency.

G. VALUATION

Using the average implied value of Php7.98 from the valuation methods used and the S&P Capital IQ mean value estimate of Php5.85, we arrive at a target price of **Php6.91**, which is a **45.86% upside** from the current share price of **Php4.83**.Hence, a **BUY** rating is recommended for MRSGI because of its impressive profitability track record and our belief that it will achieve its growth prospects within the five-year horizon that is backed by a bright outlook in the retail industry and the foreseen rise in consumer spending.

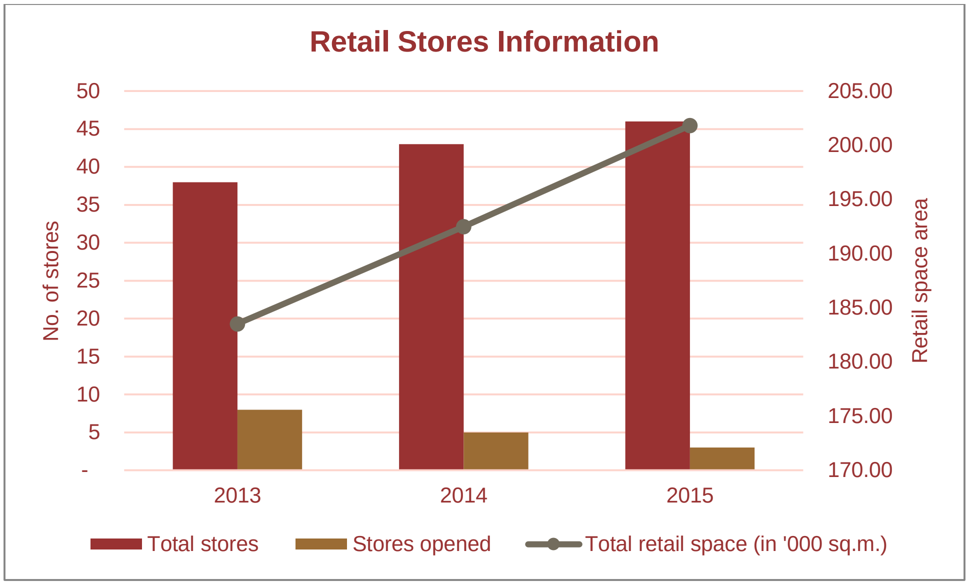
The range of share prices for MRSGI is presented in **Exhibit 6**. The highest share price is at **Php18.98** from the TEV/Revenue multiple while the lowest share price is at **Php4.18**also derived from the TEV/Revenue multiple. See **Exhibit 7** for the details of the discounted cash flow analysis.

Exhibit 1a: Sales Performance Indicators



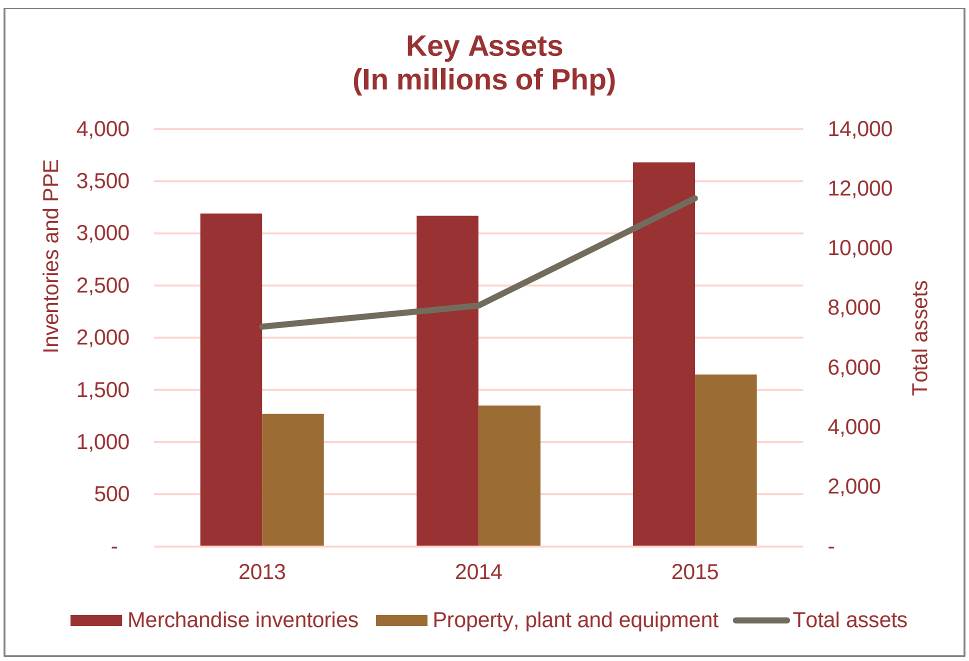
Source: SEC 17-A Annual Report for 2015

Exhibit 1b: Retail Stores Information



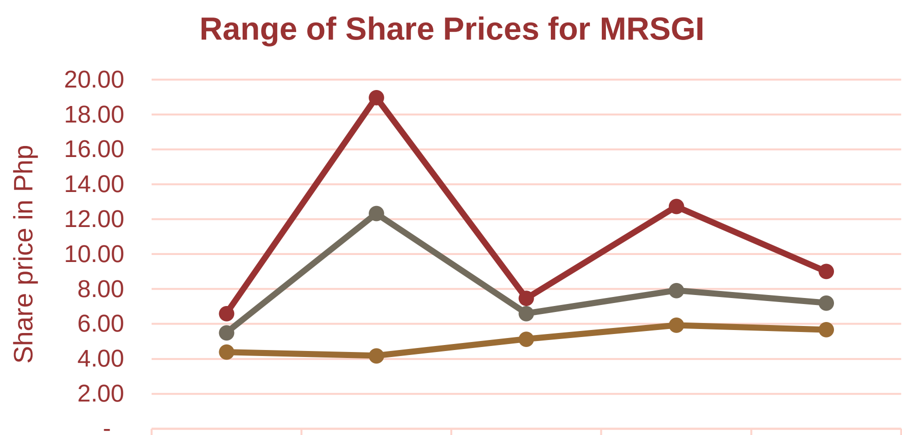
Source: SEC 17-A Annual Report for 2015

Exhibit 2: Key Assets



Source: SEC 17-A Annual Report for 2015

Exhibit 3: Range of Share Prices



	DCF	TEV/ Revenues	TEV/ EBITDA	TEV/EBIT	P/E
High	6.60	18.98	7.47	12.74	9.02
Low	4.39	4.18	5.13	5.93	5.67
Mean	5.50	12.33	6.60	7.92	7.21

Exhibit 4: DCF Analysis

Shares outstanding	3,429	Interest rate	2.26%
Share price	4.74	Tax rate	30.00%
Market value equity	16,255	After-tax rate	70.00%
		After-tax cost of debt	**1.58%**
Short-term debt	-		
Long-term debt	304	Beta	0.68
Book value of debt	304	Market risk premium	7.94%
		Risk-free rate	4.33%
Weight of debt	**1.84%**	**Cost of equity**	**9.75%**
Weight of equity	**98.16%**		
		WACC	**9.60%**

Note: Market risk premium was obtained through a compilation made by New York University Stern School of Business. Risk-free rate is for 20-year Philippine government bonds. Beta was computed with reference to the five-year historical share prices of MRSGI and thePSEi.

DCF of assets: Optimistic *(In millions of Php)*

	2016	2017	2018	2019	2020
EBIT	1,222	1,383	1,565	1,759	1,986
Add depreciation	482	579	689	813	953
Less taxes	(359)	(407)	(460)	(517)	(584)
Operating cash flows	**1,344**	**1,556**	**1,795**	**2,055**	**2,355**
Less capital expenditures	(688)	(779)	(881)	(990)	(1,118)
Less change in NWC	(58)	(273)	(308)	(327)	(384)
Free cash flows	**599**	**504**	**606**	**738**	**853**
Terminal value (TV)	-	-	-	-	27,458
Free cash flows with TV	**599**	**504**	**606**	**738**	**28,311**
Present value factor	1.0960	1.2013	1.3167	1.4431	1.5817
DCF value of assets	**546**	**419**	**460**	**511**	**17,899**

Total enterprise value	**19,836**
Less book value of debt, net of excess cash	(2,812)
Equity value	**22,648**
Divide by number of shares	3,429
Share price per DCF analysis	**6.60**
Current share price	4.74
Upside	**1.86**
% upside	**39.33%**

Other assumptions:

- *Growth for 2016 to 2018 was based on estimates presented in S&P Capital IQ. Growth rates used for 2019 and 2020 of 12.36% and 12.91%, respectively, are the average of the growth rates of the three years preceding them.*
- *Percentage of capital expenditures (1.91%) was based on the planned amount of expenditure for 2016 divided by forecasted 2016 revenues. Same method was used to estimate percentage of depreciation over gross property, plant, and equipment (12.52%). Same percentages were used from 2017 to 2020.*
- *Terminal growth rate used was based on forecasted GDP growth rate of 6.30% from 2017 to 2020.*

Exhibit 4: DCF Analysis (cont'd.)

DCF of assets: Pessimistic *(In millions of Php)*

	2016	2017	2018	2019	2020
EBIT	1,222	1,383	1,565	1,759	1,976
Add depreciation	482	579	689	813	953
Less taxes	(359)	(407)	(460)	(517)	(581)
Operating cash flows	**1,344**	**1,556**	**1,795**	**2,055**	**2,349**
Less capital expenditures	(688)	(779)	(881)	(990)	(1,118)
Less change in NWC	(58)	(273)	(308)	(327)	(368)
Free cash flows	**599**	**504**	**606**	**738**	**863**
Terminal value (TV)	-	-	-	-	15,432
Free cash flows with TV	**599**	**504**	**606**	**738**	**16,295**
Present value factor	1.0960	1.2013	1.3167	1.4431	1.5817
DCF value of assets	**546**	**419**	**460**	**511**	**10,302**

Total enterprise value	**12,239**
Less book value of debt, net of excess cash	(2,812)
Equity value	**15,051**
Divide by number of shares	3,429
Share price per DCF analysis	**4.39**
Current share price	4.74
Downside	**(0.35)**
% downside	**-7.41%**

Other assumptions:

- *Growth for 2016 to 2018 was based on estimates presented in S&P Capital IQ. Growth rates used for 2019 and 2020 of 12.36% and 12.91%, respectively, are the average of the growth rates of the three years preceding them.*
- *Percentage of capital expenditures (1.91%) was based on the planned amount of expenditure for 2016 divided by forecasted 2016 revenues. Same method was used to estimate percentage of depreciation over gross property, plant, and equipment (12.52%). Same percentages were used from 2017 to 2020.*
- *Terminal growth rate used was based on forecasted inflation rate of 3.80% from 2017 to 2020.*