Date: 19 February 2021

Calgro M3 - Initiation

***Key message**: A shift back to a simple development model and debt maturity restructuring has left Calgro well positioned to cash in on the development pipeline. The discount to realisable NAV is substantial.*

- Calgro M3 is a developer of integrated residential developments, and developer and manager of memorial parks. Calgro operates in the lower-to-middle segment of the residential property market. The average price of a Calgro home is approx. R450k.
- Calgro is effectively a private sector developer - public sector housing is a small and declining part of the business, although developments cater for government subsidised purchases and rentals.
- Calgro has shifted back to a simple development model that worked well previously. Development projects have been reduced from 15 to 7 over the past year, with a geographic focus will be on the faster growing Gauteng and Western Cape regions. Memorial Parks are starting to contribute meaningfully and provide some relatively stable diversifying revenue compared to the development business.
- Debt maturities have been restructured to a longer-term profile. All debt is accounted for as a current liability due to the accounting treatment of the operating cycle (working capital, construction contracts and work in progress up to 10 years). Debt due in the next 12 months (to Feb 2022) is only R97m of the total debt of R958m.
- Calgro is well within debt covenants with little risk of breach.
- Calgro is traditionally very conservative on accounting for book value – everything is on the balance sheet at cost and this does undervalue the property portfolio by approx. 33%.
- Land invasions remain a risk, but risk mitigation measures have been effective in recent land invasion attempts.
- To value Calgro we place the property portfolio on a 30% discount to the market-adjusted NAV (this equates to a 11% discount to the accounting book value of R1.2bn).
- Our Target Price for Calgro is R6.20. Calgro is trading at a significant discount to realisable NAV.

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Price (19/02/2021):	R1.86
Target Price:	R6.20
Market cap	R274m
Shares in issue	130.97mn

Financial summary

ZARmn (year to February)	FY19A	FY20A	FY21E	FY22E	FY23E
Revenue	997	984	891	1829	2101
Ebitda	-59	46	-27	166	354
Net income	3	5	-61	99	243
Headline EPS (diluted)	-0.19	0.02	-0.43	0.76	1.85
PE Ratio	345.8	72.9	-4.0	2.2	0.9
Dividend	0.00	0.00	0.00	0.00	0.00
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Factset, Company data, Chronux Research estimates

Figure 1 Financial summary

Financial year to February	FY19A	FY20A	FY21E	FY22E	FY23E
Per share data					
Earnings	0.03	0.06	(0.48)	0.78	1.89
Headline earnings (diluted)	**(0.19)**	**0.02**	**(0.43)**	**0.76**	**1.85**
NAV	6.29	6.36	5.80	6.56	8.42
Dividend	0.00	0.00	0.00	0.00	0.00
Valuation ratios					
P/E ratio	345.8	72.9	(4.0)	2.2	0.9
EV/EBITDA	(33.2)	25.6	(35.9)	5.8	2.7
P/B	1.39	0.44	0.29	0.26	0.20
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
Income Statement (ZARmn)					
Sales	997	984	891	1,829	2,101
Operating costs	1,058	942	921	1,675	1,759
EBIT	**(61)**	**42**	**(30)**	**154**	**341**
Net interest expense	24	(24)	(54)	(15)	(4)
Non-operating expenses	16	3	2	0	0
Pretax profit	**(20)**	**21**	**(82)**	**138**	**338**
Tax	25	(8)	20	(39)	(95)
Minorities	2	(0)	0	(0)	(0)
Net income	**3**	**5**	**(61)**	**99**	**243**
Cash flow statement (ZARmn)					
Depreciation/amortisation	1	5	5	5	5
Cash from operations	**(23)**	**18**	**(31)**	**161**	**349**
Changes in working capital	257	436	100	0	0
Other non-cash items	(32)	(111)	(32)	(62)	(106)
Available cash	**202**	**343**	**37**	**100**	**243**
Capital expenditure	(3)	(1)	(1)	(1)	(1)
Acquisitions/disposals	(311)	(173)	(6)	0	0
Investing cash flow	**(314)**	**(174)**	**(7)**	**(1)**	**(1)**
Changes in borrowings	78	(35)	(64)	(107)	(195)
Dividend paid	0	0	0	0	0
Financing cash flow	**78**	**(35)**	**(64)**	**(107)**	**(195)**
Change in cash	(34)	132	(34)	(8)	48
Balance sheet (ZARmn)					
Total assets	**2,911**	**2,755**	**2,615**	**2,635**	**2,711**
Cash and equivalents	123	255	221	213	260
Current assets	2,518	2,351	2,306	2,289	2,410
Fixed assets	12	27	25	25	25
Total liabilities	**2,105**	**1,940**	**1,855**	**1,775**	**1,609**
Long-term liabilities	906	890	1,074	879	596
Current liabilities	1,199	1,050	781	896	1,012
Total shareholders' funds	**807**	**815**	**760**	**859**	**1,102**
Net debt/cash	870	808	750	651	408
Key ratios					
Operating margin	-6.1%	4.2%	-3.4%	8.4%	16.3%
RoE	0.4%	0.6%	-8.0%	11.6%	22.0%
RoIC	-2.1%	1.5%	-1.1%	5.8%	12.6%
Net debt/EBITDA	(31.6)	15.3	(28.1)	3.9	1.2
Net debt/equity	108%	99%	99%	76%	37%

Source: Factset, Company data, Chronux Research estimates

Valuation

- We value Calgro M3 on a Sum-of-the-Parts basis, using a combination of NAV (residential property development portfolio) and EBITDA multiples (Memorial Parks) to value the operational divisions.

Figure 2 Valuation (using FY22 EBITDA)

ZARm	Comment	FY22 EBITDA	EV/EBITDA Multiple	Enterprise Value
Memorial parks	3-5X multiple for annuity-type income	42	4.0x	167
Enterprise Value		**42**	**4.0**	**167**
		NAV	Discount	
Residential Property	NAV	1773	30%	1241
Kwanobuhle	NAV	175	30%	123
Other investments	From balance sheet			61
Minorities	From balance sheet			(1)
Net (debt)/cash	From balance sheet			(780)
Equity value				**812**
Number of shares ('m)				131.0
Valuation (ZAR per share)				**6.20**

Source: Company data, Chronux Research estimates

- **Residential Property Developments:** we value this division on a NAV basis given the nature of the property development model.
- Calgro is traditionally very conservative on accounting for book value – everything is on the balance sheet at cost and this does undervalue the property portfolio by approx. 33%.
- Management does provide their market-adjusted valuation for the property portfolio. We believe that the values provided are realistic and based on recent sales experience.

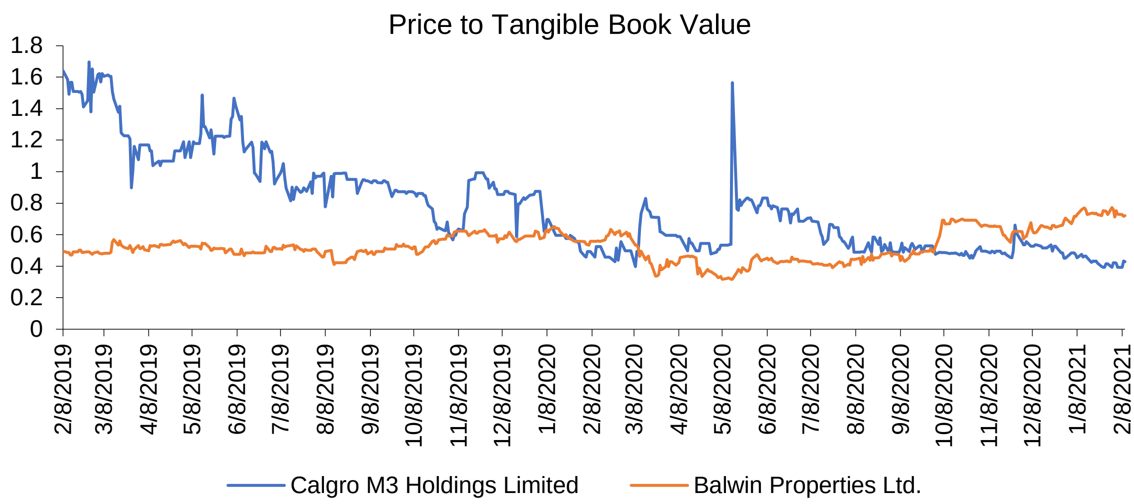
Figure 3 Residential Property Development NAV

Opportunities	Total No.	Effective No.	Market Value (ZAR)	Total (ZAR)
Mid to high-end portfolio - serviced and unserviced land	690	690	349,326	241,174,475
Low to mid-end portfolio - serviced opportunities	9623	8674	119,670	1,038,024,102
Partially serviced and unserviced opportunities				
- projects underway	9429	6803	48,000	326,538,173
- projects not started	16944	11132	16,944	166,980,000
Total	**36686**	**27299**	**533,940**	**1,772,716,750**
KwaNobuhle development (BV R97.4m)				175,000,000
Total property portfolio				**1,947,716,750**
Construction contracts				
Infrastructure				*29,180,561*
Serviced land				*604,502,995*
Inventories excluding Memorial Parks				360,324,504
Investment in joint ventures (excluding Residential Rental Investments)				32,688,142
Loans to joint ventures and associates				201,466,505
Balance sheet costs of property portfolio				**1,228,162,707**
Additional value not in balance sheet				**719,554,043**

Source: Company data, Chronux Research estimates

- The adjusted property portfolio valuation adds R720m to the book value of Calgro of R1.23bn.
- The Price/Tangible Book Value for Calgro and peer Balwin Properties is shown in the following chart.

Figure 4 Price to Tangible Book Value



Source: Company data, Chronux Research estimates

- Calgro has traded at a Price/Book well above the current 0.43 times, and we do not believe that this is a justified valuation.
- Balwin Properties is currently trading at a Price/Book of 0.72. The two companies are similar in basic structure but differ in the target market, with Balwin focussing on a higher market segment (R750k – R2m).
- Calgro is arguably in a stronger market segment, with Balwin shifting development focus to lower income segments.
- We believe that a 30% discount to the market-adjusted NAV of R1.95bn is appropriate for Calgro's property portfolio (this equates to a 11% discount to the accounting book value of R1.2bn).
- The Kwanobuhle property is included at a 30% discount to the management valuation of R175m (book value R97.4m).
- **Memorial Parks:** we value the Memorial Parks on an EBITDA multiple basis as the business follows a simpler inventory/sales model. We believe that the relatively stable and growing revenue stream should attract at least a 4x EBITDA multiple.
- **Net debt:** net debt is currently R780m.

Key Risks to Valuation

- **Upside**: increased government use of private sector to deliver subsidised housing and land/infrastructure funding assistance, converting current pipeline to sales with minimal extra development costs, Memorial Park growth.
- **Downside**: further land invasions, locking up cash in property and infrastructure for too long, government inactivity in housing.

Land Invasion Risk

- Calgro has experienced land invasions/attempted land invasions over recent years, with the latest attempt in January 2021.
- This is a serious risk that has had a significant impact on costs and development progress.
- Land invasions occur where the perception is that units are government funded. For Calgro this is generally the RDP/CRU units. General community anger over the slow government housing program is mixed with a criminal element.
- Calgro has developed a stable response to land invasions and through experience is now able to better protect and/or remove illegal invaders immediately.
- Risk mitigation measures include:
  - Increased security on all sites under development – this is costing R2.5m per month
  - Surveillance of all undeveloped properties on a daily basis
  - Retainer agreement with Red Ants and security companies to have immediate capacity available if required (within one hour)
  - Interdict obtained for the whole of Fleurhof to prohibit illegal occupation
  - Legal teams permanently on standby to obtain urgent court action if required
  - Engagement with local councillors and metros to assist with community meetings and interaction
  - Informant network early warning system
- Calgro has very good relationships with municipalities and recent invasions have been dealt with quickly and efficiently.
- Calgro is also reducing its exposure to government funded work and being careful not to market itself as such.
- Risk mitigation measures have been effective in recent land invasion attempts.

Debt

- Calgro has relatively high debt (net debt: equity of 1.04 times on 31 August 2020). The DSCR was comfortable at 3.69 times on 31 August 2020.
- Calgro has a mix of corporate debt and two loans from development agencies Proparco and the NHFC. The debt breakdown on 31 August 2020 is shown in the following table.
- Corporate debt makes up 40% of debt, with a Proparco loan (R387m) and NHFC facility (R215m) making up the remainder. All debt is variable.

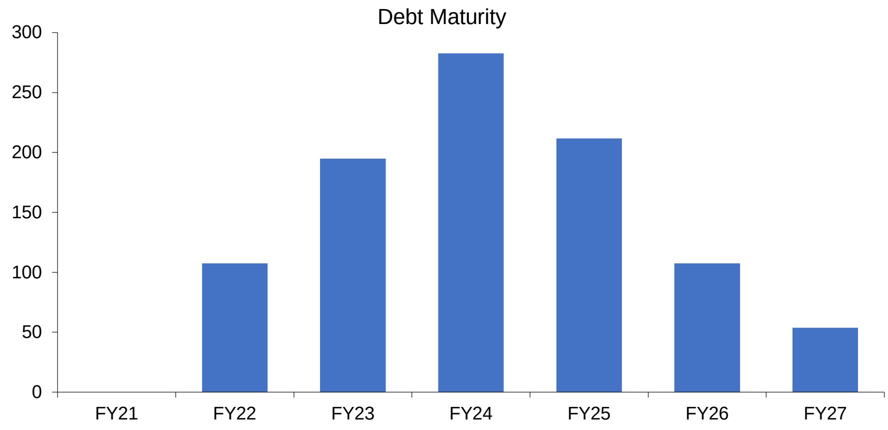
Figure 5 Calgro Debt

Balance at 31 August 2020	1,031,000,000
New Debt	**315,000,000**
NHFC facility (6 year)	215,000,000
CGR 48 - Ashburton (3 year)	50,000,000
CGR 49 - Ashburton (4 year)	50,000,000
Bonds Repaid	(314,000,000)
CGR 33	(59,000,000)
CGR 21 - Taquanta (early)	(70,000,000)
CGR 44 - SAC	(104,000,000)
CGR 39 - Ashburton (early)	(30,000,000)
CGR 40 - Ashburton (early)	(51,000,000)
Balance at 1 October 2020	**1,032,000,000**
Remaining early settlement	(100,000,000)
New 3 & 4 year instruments	81,000,000
Balance of debt outstanding	**1,013,000,000**
2021 Financial year	55,000,000
2022 Financial year	107,400,000
2023 Financial year	194,800,000
2024 Financial year	289,800,000
2025 Financial year	203,750,000
2026 Financial year	107,500,000
2027 Financial year	53,750,000

Source: Company data, Chronux Research estimates

- Short-term debt has been restructured in the interim period (it was high at the end of FY20) and the debt maturity profile now looks relatively comfortable.
- The R55m due in FY21 as per the table above has now been paid, lowering total debt to R958m. The current debt maturity profile is shown below.

Figure 6 Calgro Debt Maturity

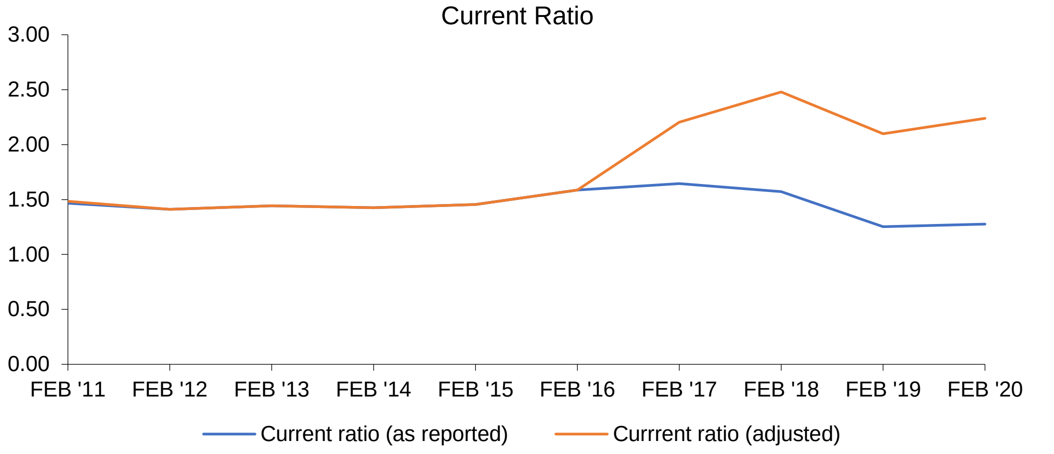


Source: Company data, Chronux Research estimates

- All debt is accounted for as a current liability due to the accounting treatment of the operating cycle (working capital, construction contracts and work in progress up to 10 years). Debt due in the next 12 months (to Feb 2022) is only R153m of the total debt of R1.01bn.

- In our financials we do adjust the debt to reflect only the portion due in the next 12 months as a current liability. Current assets do cover current liabilities under both methodologies – the Current Ratio does not suggest any liquidity issues.

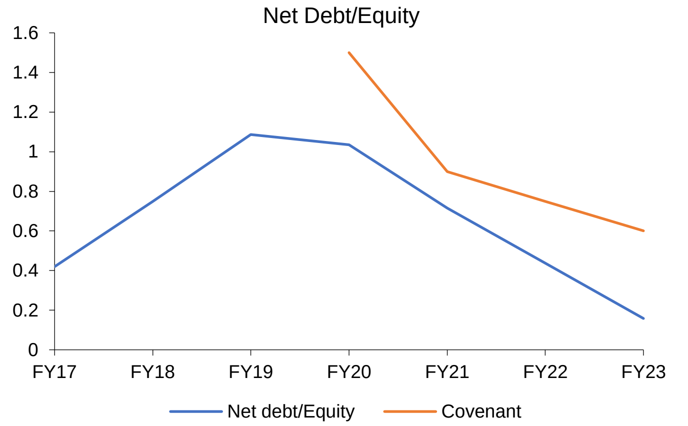
Figure 7 Current Ratio



Source: Company data, Chronux Research estimates

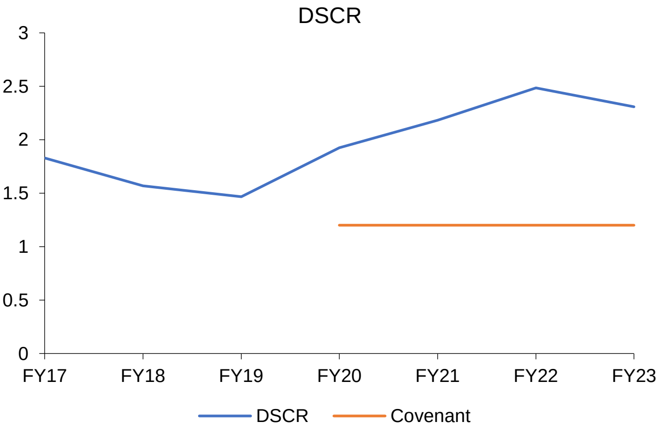
- Calgro is well within debt covenants with little risk of breach.

Figure 8 Net debt: Equity



Source: Company data, Chronux Research estimates

Figure 9 DSCR



Source: Company data, Chronux Research estimates

Group History and Strategy

- Calgro is a developer of low- to middle income housing.
- Experience over the years has taught Calgro to operate on the following basic principles:
    - Don't buy expensive land
    - Don't rely on government subsidised housing

Difficult last three years

- Calgro has had a difficult three years from FY18 to FY20 as several exogenous factors impacted the progress of the development pipeline and added significantly to costs.
- Key developments were:
    - Land invasions at flagship Scottsdene and Fleurhof sites
        - This resulted in increased security costs and damages
    - Delayed electrification at Fleurhof causing standing time
    - Closure of the in-house construction company
        - Fixed costs too high and scale too small to justify in-house operation
        - Construction managers retained
    - Lack of working capital to commence construction on projects
        - Reduced sales as a result but capex very low
        - Construction recommenced in January 2021
        - Construction commencing where bulk sales exceed 50% of block or government purchase
        - Access to capital easing
        - Increased use of client balance sheet for construction
        - R1.6bn of working capital is required for the approx. 6600 serviced stands (assuming 50% funded by client balance sheet)
            - Construction starts only on bond issuance (free-standing units) or 70% sales of a sectional title development
    - High overheads
        - Cost reduction evident in recent results
- Extra costs due to the above factors caused a cash burn of R485m and debt increased by R478m over the three-year period.
- Management was forced to suspend work to manage cashflow. Fortunately, the diversity of the development pipeline meant that sales did not stop during this period as units were available for sale.
- However, there were opportunity costs associated with this as sales and marketing momentum slowed down.
- FY20 was a year of consolidation – exiting the rental JV and the rental business, closure of the construction business (outsourcing has a minimal impact on margins), the residential development portfolio was slimmed down, and costs were reduced.

Start of recovery in 1H FY21

- Cash generation was strong in 1H FY21 (without asset sales) and with the restructuring of the debt maturity profile Calgro is now able to start to increase capex on the property development pipeline.

- Management is still being cautious on the development pipeline and has a conservative forecast for the resumption of property development and sales.
- The current ratio of sectional title: free-standing units is approx. 50:50, but Calgro is moving to a 90:10 model due to stronger demand in that segment.
    - Free-standing units are more profitable (approx. 50% margin on a R1m house – costs are roughly R250k land and R250k construction)
    - Cash is received for bonded free-standing units upfront for the land and on a draw-down basis through construction
    - Sectional title developments are more working capital intensive as cash is only received on sale and registration of the unit
- The accounting treatment for the different models is shown in the following table.
- Sectional title developments are more working capital intensive as all costs are borne by Calgro until the point of sale.
- Freestanding developments generate cash flow on the sale of the land and then on a draw-down basis during construction.

Figure 10 Accounting Treatment of Residential Housing

Income statement	Cash Flow
Freestanding:	**Freestanding:**
Land - revenue and associated costs recognised on registration	**Land** - cash received upfront before building
Building - % of completion method	**Building** - cash draw against bond
Sectional Title:	**Sectional Title:**
Accounting revenue and costs recognised on registration of unit (associated costs include construction, land, serveices etc)	Cash received only after full construction and registration of unit in clients name
Costs capitalised in Construction Contracts until registration	

Source: Company data, Chronux Research estimates

RDP Housing

- Calgro has benefitted from government subsidies, infrastructure grants and purchases of units. This has varied over time and recent years has seen a reduction in government contribution, which has had an impact on Calgro's balance sheet as more of the development is now funded privately.
- However, Calgro still sells a reasonable portion of units to government for the different social housing schemes and most Calgro developments incorporate affordable/social housing into the mix.
- This does allow Calgro to recover some of the infrastructure costs for the whole development. While profitability on the affordable/social housing may be low, it does absorb some of the project overheads and increases the profitability of the remaining units sold into the private market.
- The RDP housing program has been running for many years, providing free houses to people who qualify according to a means test.
- However, in December 2020 the Minister of Human Settlements announced changes to the RDP housing program, ordering provincial government to immediately scale down on free housing projects.
- The focus will shift to handing out serviced sites where people can build their own homes.
- The Minister acknowledged failures and unintended consequences of the free housing program.

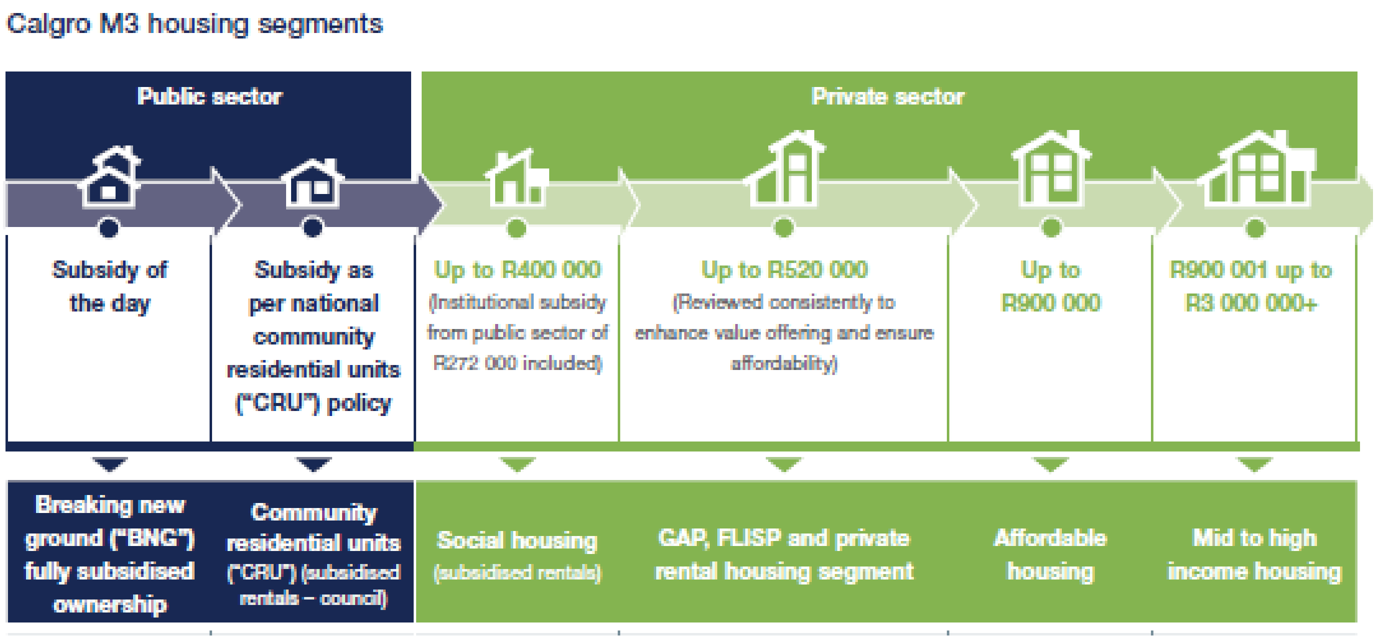
- Housing projects will now only be supported if they benefit the elderly, child-headed homes, people living with disabilities, and military veterans.
- Government will still buy houses from private developers for the various housing schemes.
- It does appear if the onus has shifted to the private sector to develop and fund housing projects, with government as a customer as opposed to a client.
- We believe that Calgro is well positioned for this. The company has built up strong relationships with local government and the type of development done by Calgro is in line with government housing requirements.
- However, Calgro should be seen as a private sector developer with government being a relatively small customer at the low end. Calgro’s experience is to not rely on government grants or subsidies but to use them when available. Each development is sustainable as a private sector development and Calgro is now sustainable without public sector support.
- We do believe that sales to the public sector will maintain and there is a possibility that they increase as government winds down the RDP program (and associated direct tenders to construct RDP housing).

Divisional Overview

Residential Property Development

- This division is a developer of residential projects from land procurement to sales of units.
- Calgro operates primarily in the subsidised and affordable housing sector. This is the largest contributor to Calgro's revenue.
- Calgro operates in the lower-to-middle segment of the residential property market. The average price of a Calgro home is approx. R450k.
- Calgro is effectively a private sector developer - public sector housing is a small and declining part of the business, although developments cater for government subsidised purchases and rentals.
- Calgro has shifted back to a simple development model that worked well previously. Development projects have been reduced from 15 to 7 over the past year, with a geographic focus will be on the faster growing Gauteng and Western Cape regions.
- Gross profit margin expectations are above 20% for this division – this was last achieved in FY17. Management believe that the restructuring and simplification of the portfolio should result in gross margins in excess of 20% again.
- The price range that Calgro operates in is R250k – +R1m.
    - Average price is approx. R450k (this does depend on the mix sold)
    - Growth is being seen in the sub-R500k market

Figure 11 Calgro M3 Housing Segments



Source: Company data, Chronux Research estimates

- Fully subsidised housing (RDP or BNG) cost approx. R195k with a R30k geotechnical allowance.
- Social and CRU housing is at levels of approx. R400k.
- Peer companies like Balwin Properties (who operate in the higher end – average price of Balwin units in FY20 was approx. R1.2m) have stated that they are moving down into the more affordable categories as that is where demand is strongest.
- Balwin has discontinued its upper end (Signature) offering due to weak sales.

Figure 12 Balwin Properties Avg Price per Unit

FY20	Avg Price (R000)	Units	Revenue (Rm)
Classic	**1180**	**2191**	**2585**
1-bed	860	1071	921
2-bed	1376	607	835
3-bed	1615	513	828
Signature	**2101**	**234**	**492**
1-bed	0	0	0
2-bed	1853	71	132
3-bed	2163	159	344
4-bed	4034	4	16
Green	**737**	**556**	**410**
1-bed	538	107	58
2-bed	720	159	114
3-bed	819	290	238
Total	**1169**	**2981**	**3486**

Source: Company data, Chronux Research estimates

- The division has had a difficult two years as Calgro initially suspended operations on various sites to preserve liquidity and the Covid-19 lockdown caused two months of complete inactivity.

Development pipeline

- Calgro has an extensive pipeline of property projects at various stages of development. As of 31 August 2020, the project portfolio is shown in the following figure.

Figure 13 Property Projects

Projects	Completed current year	Under construction	Serviced opportunities	Services underway	Partially/ Unserviced	**Total available stands**
Belhar CBD#	64	1 132	1 664	–	–	**2 796**
Bridge City	–	356	–	–	–	**356**
Fleurhof	452	385	1 967	594	–	**2 946**
Jabulani CBD	–	–	384	–	–	**384**
Jabulani Hostels	–	136	125	–	–	**261**
Jabulani Parcel K	–	–	696	76	638	**1 410**
La Vie Nouvelle	–	3	93	–	–	**96**
Mid to High Cluster land	–	–	–	–	334	**334**
Scottsdene	–	664	237	–	–	**901**
South Hills	10	214	1 378	566	2 155	**4 313**
Tanganani Ext 14	–	–	–	–	11 624	**11 624**
Umhlanga Hills	–	–	–	652	–	**652**
Vista Park Ext 3	–	–	–	–	5 320	**5 320**
Vredehoek	–	–	–	–	260	**260**
Witpoortjie	33	30	52	–	4 392	**4 474**
	559	2 920	6 596	1 888	24 723	**36 127**

 # Units under construction includes the construction of 2 720 student beds which equates to 680 standard units.

Source: Company data, Chronux Research estimates

- At the end of 1H FY21 total available stands was 36 127, with 2 920 under construction and 6 596 serviced opportunities.
- As part of the restructuring of the business, Calgro will focus on four or less provinces. This means an exit from KwaZulu -Natal, Free State and the Eastern Cape where land or development rights are owned.

Property segments

- BNG Subsidised New Housing
  - In 2004 Cabinet approved the “Comprehensive Plan for the Development of Sustainable Human Settlements”.
  - Also known as Breaking New Ground (BNG) - as the updated version of the Reconstruction and Development Programme (RDP housing), the policy seeks to refocus attention on the development of sustainable human settlements, rather than just on the delivery of subsidised housing units.
  - This strategy seeks to alter the housing patterns in the country by integrating communities and placing them closer to areas with economic opportunities.
  - Segment targets
    - Income earners below R3 500 pm. Move to the next market segment if monthly earnings exceed R3 500.
- CRU Housing
  - The Community Residential Unit (CRU) Programme comprises subsidised rental units owned by the public sector. This rental option caters for income earners between R3 500 and R7 500 pm and excludes individual ownership.
  - Segment targets
    - Income earners below R7 500 pm. Move to the next market segment if monthly earnings exceed R7 500
- Social Housing
  - Social Housing is a rental or co-operative housing option of subsidised rentals owned by Section 21 social housing institutions (SHI’s).
  - This rental option caters for income earners between R3 500 and R7 500 pm and excludes individual ownership.
  - Segment targets
    - Provincial and institutional subsidy and private sector funding to the value of R300 000
    - Income earners below R7 500 pm. Move to the next market segment if monthly earnings exceed R7 500.
- FLISP Housing
  - Finance Linked Individual Subsidy Programme (FLISP).
  - The product was introduced when the affordability level of R3 500 pm income to qualify for subsidy housing was removed, allowing people previously disqualified based on income, to qualify for a partly subsidised home.
  - FLISP housing denotes the market earning up to R15 000 pm.
  - To qualify for the once-off state assisted subsidy, the prospective client will be required to qualify for a bond by one of the major financial institutions.
  - The subsidy of between R10 000 up to R87 000, depending on monthly income, is subject to certain qualifying criteria as set out by the Department of Human Settlements.
  - Segment targets
    - Income earners up to R15 000 pm. Then move on to the next market segment depending on income levels.

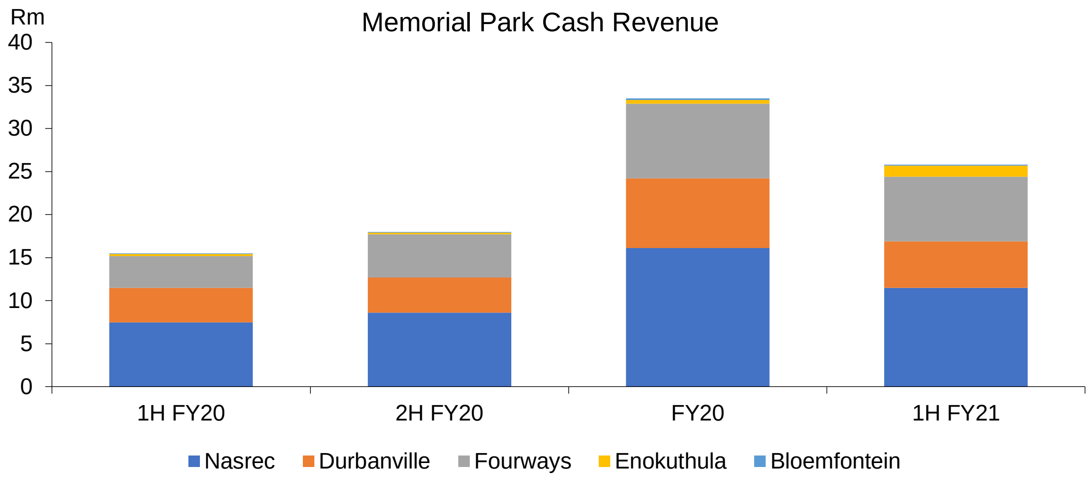
- GAP Housing
    - Grassroots Affordable Peoples (GAP) Homes cater for people excluded from the subsidised programme, but with incomes too low to qualify for traditional affordable homes.
    - Units in this market segment can be:
        - Freestanding
        - Full title units
        - Sectional title units
        - Multi-storey sectional title apartments.
    - Segment targets
        - Up to R450 000
        - Income earners up to R15 000 pm. Then move on to the next market segment depending on income levels.
- Affordable Housing
    - Full and sectional title residential units aimed at homeowners in the bonded market regulated by the FSC.
    - Affordable housing describes open market bonded homes with a sales value deemed 'affordable' to those that have a median income of R15,000+ pm.
    - This sector, where financial institutions provided user finance, typically comprises of unit sizes ranging from 40m² 2-bedroom units to 4-bedroom units in excess of 120m² in size, depending on clients' requirements and affordability.
    - Units in this market segment can be:
        - Freestanding
        - Full title units
        - Sectional title units
        - Multi-storey sectional title apartments.
    - Segment Targets
        - Sales values from R450 000 to R700 000
        - Income earners R15 001+
- Mid- to high income housing
    - Full and sectional title residential units aimed at homeowners in the bonded market, outside the Financial Services Charter (FSC).
    - Segment targets
        - Sales values from R620 001 up to R3 000 000+
        - Income earners R20 000+

Memorial Parks

- The Memorial Parks act as a diversifier against the lumpy and cash intensive Residential Property Development division. Mature Parks are Nasrec, Fourways and Durbanville, with Enokuthula only in operation since March 2020.
- The land associated with the memorial parks is all full owned by Calgro (no debt). The cash revenue less operational costs therefore flows straight to the bottom line. Operational costs are relatively low and limited to security and park maintenance.

- Revenue is received on the sale of a grave site. Calgro offers a 12-month repayment period option – with the revenue only accounted for at the end of the 12-month period. This explains the difference between cash and accounting sales.
- There is no recurring cash flow in this division – the sale of a site generates a once-off cashflow.
- Grave sites are generally purchased on death (with funeral policies commonly being used to fund the purchase), but Calgro also offer family sites that are purchased upfront and used multiple times.
- Some revenue (15-20%) is deferred for ongoing maintenance (this is amortised over a 15-year period).
  - A maintenance fund is maintained for memorial park maintenance
  - This is growing to be a self-supporting fund
- The cash generated from memorial park sales is shown in the following chart. Sales picked up in 1H FY21 as a result of Covid-19, and 2H FY21 has followed this trend.

Figure 14 Memorial Park Cash Sales



Source: Company data, Chronux Research estimates

- The land available at the memorial parks is sufficient for at least 20 years of sales.
- Other revenue includes rental of facilities at the memorial, parks (memorial plaques, church venues, function hire, office space for funeral businesses).
- Anticipated revenue from sales is shown in the following table.

Figure 15 Memorial Park Anticipated Revenue

	Other Products			Graves			Total
Project	Quantity	Anticipated revenue (R'000)	Revenue per site (R'000)	Quantity	Anticipated revenue (R'000)	Revenue per site (R'000)	Total revenue (R'000)
Nasrec Memorial Park	2,074	20,470	9.9	29,160	934,619	32.1	**955,089**
Fourways Memorial Park	4,214	44,512	10.6	8,938	247,466	27.7	**291,978**
Enokuthula Memorial Park	-	-		10,407	183,623		**183,623**
Bloemfontein Memorial Park	31,522	136,045	4.3	4,938	62,458	12.6	**198,503**
Durbanville Memorial Park	2,638	24,872	9.4	6,537	166,634	25.5	**191,506**
Total	**40,448**	**225,899**	**5.6**	**59,980**	**1,594,800**	**26.6**	**1,820,699**

Source: Company data, Chronux Research estimates

- Gross profit margins for the division are in excess of 50%.
- Management expects steady growth in sales in the Memorial Parks division driven by a renewed marketing effort and word of mouth. Public facilities are becoming full and there are no other private memorial park developments at present.

Residential Rental Investments

- Calgro entered the rental market in 2015 to grow the business and generate annuity income.
- The Afhco Calgro M3 Consortium was constituted in 2016-2017 with Calgro selling units into a rental pool and JV partner SA Corporate Real Estate managing the rental pool. Calgro was a 49% holder of the venture with Afhco owning 51%.
- The total investment targeted was R4-5bn, creating a residential rental portfolio in Gauteng and the Western Cape. However, differences in opinion on gearing levels for the rental portfolio and different risk tolerances led to a disagreement between the two parties and led to the dissolution of the JV in March 2019.
- After settlement of the transaction and repayment of related shareholder loans, Calgro owed SA Corporate R127.8m. Calgro did get the economic benefit of the rental assets that were in the JV – free-standing houses at South Hills and the completed Fleurhof, Scottsdene and Belhar units.
- Calgro had planned to continue to operate these as rental stock but has decided to sell the rental portfolio. The business is capital intensive and Calgro has opted to monetise the rental units (NAV approx. R500m).
- There is still an interest to build up a rental portfolio for the diversity of revenue, but management do not believe the balance sheet is in the right position to allocate the type of capital required.

Accounting

Contract assets

- Calgro is conservative in the way costs and revenue are allocated.
- The value of land and all improvements are accounted for in the Balance Sheet under Inventories and Construction Contracts.
- This accounting treatment undervalues the land and improvements significantly relative to the current realisable value.
- The following excerpts are from the Accounting Policies in the Annual Financial Statements.
- **Inventories:**
    - Land owned by the Group which is being developed to get into a condition to start construction of the various projects is classified as inventory. The land may also be sold without any construction depending on the intention of management. Inventories are stated at the lower of cost or net realisable value. The cost of land under development held for sale comprises design costs, building materials, indirect labour, borrowing costs and other direct costs.
    - The amount of any write down of inventories to net realisable value is recognised as an expense in the year which the write down occurs. The amount of any reversal of any write down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.
    - Individual units which do not form part of construction contracts are classified as inventory and are sold as a completed unit.
- **Construction contracts:**
    - Construction contracts consist of both contract assets and cost incurred to be allocated to future contract assets when the Group enters into an agreement with a customer.

- Future costs to be allocated to contract assets are costs incurred on the development of land which includes costs such as direct labour, materials, professional/consulting services, commissions, and allocation of overhead costs which relate directly to the development of the land. These costs are only allocated to the individual units when a contract is entered into with a customer to purchase the relevant unit.
- Contract assets arise on the basis that costs are incurred to satisfy performance obligations, the related payment and timing is determined based on each individual contract.
- These costs include costs to fulfil a contract and includes costs such as direct labour, materials, professional/consulting services, commissions, and allocation of overhead costs which relate directly to satisfy performance obligations of the contract. Contract assets are recovered from the relevant customer when the relevant performance obligations are completed, and payment can be obtained from the customer.
- If costs are incurred on a contract without a corresponding payment received it is shown as a contract asset at the reporting period, if the customer has paid in advance for performance obligations to be satisfied it is shown as a contract liability within trade and other payables.
- The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).
- Costs incurred in the year in connection with future activity on a contract are excluded from contract costs. They are presented as costs incurred to be allocated to future contract assets depending on their nature, that will be assessed on a case-by-case basis.
- The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within “trade and other receivables”.
- The transaction price for each performance obligation is the contractually stipulated price and represents the stand-alone selling price at the time when the contract is entered into with the customer.

Working capital cycle

- The operating cycle for inventory, construction contracts and work in progress is considered to be longer than 12 months.
- The operating cycle is generally between 1 and 10 years depending on the project size and type, which includes different typologies and infrastructure requirements.
- Accordingly, the associated liabilities are classified as current as they are expected to be settled within the same operating cycle as inventory, construction contracts and work in progress.

Figure 16 Divisional Forecast

Total Segment Revenue	1H19	2H19	FY19	1H20	2H20	FY20	1H21	2H21	FY21	1H22	2H22	FY22	1H23	2H23	FY23
Fleurhof	245060	83718	328778	293246	86251	379497	141748	161850	303598	283496	323699	607195	326020	372254	698274
				20%	3%	15%	-52%	88%	-20%	100%	100%	100%	15%	15%	15%
Jabulani	31998	19184	51182	18098	10281	28379	3189	11001	14190	19134	23435	42569	22004	26950	48954
				-43%	-46%	-45%	-82%	7%	-50%	500%	113%	200%	15%	15%	15%
Witpoortjie	28910	1903	30813	12902	28328	41230	9783	14543	24326	14675	18895	33569	16876	21729	38605
				-55%	1389%	34%	-24%	-49%	-41%	50%	30%	38%	15%	15%	15%
South Hills	216427	95508	311935	37132	51500	88632	65093	85581	150674	260372	266988	527360	299428	307037	606464
				-83%	-46%	-72%	75%	66%	70%	300%	212%	250%	15%	15%	15%
Belhar	66975	74458	141433	107178	121860	229038	141369	156380	297749	212054	198841	410894	243862	228667	472528
				60%	64%	62%	32%	28%	30%	50%	27%	38%	15%	15%	15%
Third parties	39242	93681	132923	52225.369	165130.32	217354.87	34647.046	65821	100468	90293	116737	207025	102820	133166	235986
Residential Property	*27378*	*84625*	*112003*	*39481*	*144085*	*183566*	*11679*	*43391*	*55070*	*70074*	*95135*	*165209*	*80585*	*109406*	*189991*
% change				*44.2%*	*70.3%*	*63.9%*	*-70.4%*	*-69.9%*	*-70.0%*	*500.0%*	*119.3%*	*200.0%*	*15.0%*	*15.0%*	*15.0%*
Memorial parks	*11864*	*9056*	*20920*	*11000*	*14692*	*25692*	*19251*	*20572*	*39823*	*20214*	*21600*	*41814*	*22235*	*23760*	*45995*
% change				*-7.3%*	*62.2%*	*22.8%*	*75.0%*	*40.0%*	*55.0%*	*5.0%*	*5.0%*	*5.0%*	*10.0%*	*10.0%*	*10.0%*
Residential Rental				*1744*	*6352*	*8096*	*3717*	*1859*	*5576*						
Total	**628612**	**368452**	**997064**	**520780**	**463350**	**984131**	**395829**	**495176**	**891004**	**880033**	**948587**	**1828619**	**1011011**	**1089802**	**2100813**
Total Residential Property	***616748***	***359396***	***976144***	***508037***	***442305***	***950342***	***372861***	***472745***	***845606***	***859804***	***926993***	***1786797***	***988775***	***1066042***	***2054817***
Check (avg price X units sold)									***1260000***			***1575000***			***2025000***
Point in time	*105491*	*8522*	*114013*	*155135*	*240563*	*395698*	*170555*	*341110*	*511665*		*0*			*0*	
Over time	*523121*	*359930*	*883051*	*365645*	*222787*	*588433*	*225274*	*154066*	*379339*		*0*			*0*	
	628612	**368452**	**997064**	**520780**	**463350**	**984131**	**395829**	**495176**	**891004**	**0**	**0**	**0**	**0**	**0**	**0**
Gross revenue	*606579*	*357378*	*963957*	*501275*	*457477*	*958752*	*391438*	*499566*	*891004*	*880033*	*948587*	*1828619*	*1011011*	*1089802*	*2100813*
Reversal of unrealised profit	*22033*	*11074*	*33107*	*19505*	*5873*	*25379*	*4391*	*0*	*4391*	*0*	*0*	*0*	*0*	*0*	*0*
	628612	**368452**	**997064**	**520780**	**463350**	**984131**	**395829**	**499566**	**895395**	**880033**	**948587**	**1828619**	**1011011**	**1089802**	**2100813**
Cost of sales	**524331**	**344043**	**868374**	**481010**	**402512**	**883522**	**364573**	**455414**	**819987**	**767336**	**807189**	**1574525**	**806210**	**848004**	**1654214**
Residential Property	*519119*	*342277*	*861396*	*475349*	*391571*	*866920*	*352165*	*445401*	*797566*	*757155*	*798100*	*1555254*	*795012*	*838005*	*1633017*
				-8%	*14%*	*1%*	*-26%*	*13.7%*	*-8.0%*	*115.0%*	*79.2%*	*95.0%*	*5.0%*	*5.0%*	*5.0%*
Memorial parks	*5212*	*1766*	*6978*	*4734*	*7106*	*11840*	*9695*	*8657*	*18352*	*10180*	*9090*	*19270*	*11198*	*9999*	*21197*
				-9%	*302%*	*70%*	*105%*	*21.8%*	*55.0%*	*5.0%*	*5.0%*	*5.0%*	*10.0%*	*10.0%*	*10.0%*
Residential Rental				*927*	*3834*	*4761*	*2712*	*1356*	*4068*						
Revenue	**628612**	**368452**	**997064**	**520780**	**463350**	**984131**	**395829**	**495176**	**891004**	**880033**	**948587**	**1828619**	**1011011**	**1089802**	**2100813**
Residential Property	*616748*	*359396*	*976144*	*508036*	*442306*	*950343*	*372861*	*472746*	*845606*	*859819*	*926986*	*1786805*	*988776*	*1066042*	*2054818*
Memorial parks	*11864*	*9056*	*20920*	*11000*	*14692*	*25692*	*19251*	*20572*	*39823*	*20214*	*21600*	*41814*	*22235*	*23760*	*45995*
Residential Rental				*1744*	*6352*	*8096*	*3717*	*1859*	*5576*						
Gross Profit	**104281**	**24409**	**128690**	**39771**	**60839**	**100609**	**31256**	**39762**	**71017**	**112697**	**141397**	**254094**	**204800**	**241799**	**446599**
Residential Property	*97629*	*17119*	*114748*	*32687*	*50735*	*83423*	*20696*	*27344*	*48040*	*102664*	*128887*	*231551*	*193763*	*228037*	*421801*
Memorial parks	*6652*	*7290*	*13942*	*6266*	*7586*	*13852*	*9556*	*11915*	*21471*	*10034*	*12510*	*22544*	*11037*	*13761*	*24799*
Residential Rental				*817*	*2518*	*3335*	*1005*	*503*	*1508*	*0*	*0*	*0*	*0*	*0*	*0*
Gross profit margin	**16.6%**	**6.6%**	**12.9%**	**7.6%**	**13.1%**	**10.2%**	**7.9%**	**8.0%**	**8.0%**	**12.8%**	**14.9%**	**13.9%**	**20.3%**	**22.2%**	**21.3%**
Residential Property	*15.8%*	*4.8%*	*11.8%*	*6.4%*	*11.5%*	*8.8%*	*5.6%*	*5.8%*	*5.7%*	*11.9%*	*13.9%*	*13.0%*	*19.6%*	*21.4%*	*20.5%*
Memorial parks	*56.1%*	*80.5%*	*66.6%*	*57.0%*	*51.6%*	*53.9%*	*49.6%*	*57.9%*	*53.9%*	*49.6%*	*57.9%*	*53.9%*	*49.6%*	*57.9%*	*53.9%*
Residential Rental				46.8%	39.6%	41.2%	27.0%	27.0%	27.0%						

Source: Company data, Chronux Research estimates

Figure 17 Income Statement - Forecast

Calgro M3 Holdings Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	03/2021	03/2022	03/2023
Sales	**282**	**515**	**798**	**785**	**932**	**1204**	**1555**	**1743**	**997**	**984**	**891**	**1829**	**2101**
Cost of Goods Sold (COGS) incl. D&A	249	438	653	674	759	954	1222	1474	870	888	820	1575	1654
Gross Income	**33**	**77**	**145**	**111**	**173**	**250**	**333**	**269**	**127**	**96**	**71**	**254**	**447**
SG&A Expense	28	34	52	56	97	104	117	131	188	85	95	100	105
Other Operating Expense	0	0	5	4	1	0	0	0	0	-31	6	0	0
EBIT (Operating Income)	**5**	**43**	**88**	**51**	**75**	**147**	**216**	**138**	**-61**	**42**	**-30**	**154**	**341**
Nonoperating Income - Net	5	3	10	12	18	50	37	42	83	41	28	37	37
Interest Expense	4	2	10	14	12	19	22	17	59	65	82	53	41
Unusual Expense - Net	8	-	-	-	-	6	4	1	2	4	0	0	0
Income Taxes	-2	13	26	10	23	46	63	51	-25	8	-20	39	95
Equity in Earnings of Affiliates	16	34	29	66	87	67	6	10	14	-1	2	0	0
Consolidated Net Income	**17**	**65**	**91**	**106**	**146**	**193**	**170**	**121**	**1**	**5**	**-61**	**100**	**243**
Minority Interest	0	0	0	0	0	-1	1	0	-2	0	0	0	0
Net Income	**17**	**65**	**91**	**106**	**146**	**194**	**169**	**120**	**3**	**5**	**-61**	**99**	**243**
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income available to Common	17	65	91	106	146	194	169	120	3	5	-61	99	243
Per Share													
EPS (recurring)	0.18	0.51	0.72	0.83	1.15	1.54	1.31	0.93	0.03	0.06	-0.48	0.78	1.89
EPS (diluted)	0.13	0.51	0.72	0.83	1.15	1.50	1.29	0.92	0.02	0.04	-0.47	0.76	1.85
Earnings Persistence	89.24	82.55	78.90	59.80	83.65	73.25	89.17	71.35	84.05	88.53			
Dividends per Share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBITDA													
EBITDA	7	45	91	53	77	148	217	139	-59	46	-27	166	354

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

Calgro M3 Holdings Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	03/2021	03/2022	03/2023
Rental Expense	3	2	4	4	5	5	6	6	6	0			
Stock Option Comp Exp (Net of Tax)	-	-	-	-	-	19	21	17	32	3			
Foreign Currency Translation Gains/Losses	-	-	-	-	-	-	-	-	-	-			
Tax Rate	-	28.8	29.5	19.4	27.7	26.8	27.8	31.4	-	56.8	25.0	28.0	28.0
Headline EPS	0.13	0.51	0.72	0.83	1.10	1.39	1.33	0.90	-0.19	0.02	-0.44	0.78	1.89
Headline EPS (diluted)	0.13	0.51	0.72	0.83	1.10	1.37	1.29	0.88	-0.19	0.02	-0.43	0.76	1.85

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

Calgro M3 Holdings Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	03/2021	03/2022	03/2023
Price / Sales	0.3	1.1	0.8	1.1	1.8	2.0	1.5	0.9	1.1	0.4	0.2	0.1	0.1
Price / Earnings	4.9	8.4	7.2	8.3	11.6	11.9	13.2	13.2	345.8	72.9	-4.0	2.2	0.9
Price / Book Value	0.5	2.3	2.0	2.0	2.9	2.8	2.2	1.4	1.4	0.4	0.3	0.3	0.2
Price / Tangible Book Value	0.6	2.7	2.2	2.2	3.1	3.5	2.6	1.6	1.7	0.5	0.4	0.3	0.2
Price / Cash Flow	3.4	13.9	51.9	-3.0	21.3	66.1	9.6	-5.9	5.6	1.1			
Price / Free Cash Flow	3.4	14.1	67.2	-	21.5	72.9	9.7	-	5.7	1.1			
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value / EBIT	46.9	15.7	8.6	25.1	27.2	18.9	11.9	16.8	-32.5	28.5	-32.0	6.2	2.8
Enterprise Value / EBITDA	31.9	14.9	8.3	24.0	26.7	18.7	11.9	16.7	-33.2	25.6	-35.9	5.8	2.7
Enterprise Value / Sales	0.8	1.3	0.9	1.6	2.2	2.3	1.7	1.3	2.0	1.2	1.1	0.5	0.5
EBIT / Interest Expense (Int. Coverage)	1.3	2.0	3.6	1.2	1.4	2.5	3.3	1.7	-0.4	0.3	-0.4	2.9	8.4

Source: Factset, Company data, Chronux Research estimates

Figure 18 Balance Sheet and Cash Flow - Forecast

	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	03/2021	03/2022	03/2023
Assets													
Cash & Short-Term Investments	15	104	198	63	131	80	241	157	123	255	221	213	260
Short-Term Receivables	21	125	188	439	393	1212	1701	2185	1815	1353	122	126	132
Inventories	276	251	267	390	512	466	600	554	568	719	1680	1808	1946
Other Current Assets	0	0	2	3	3	7	18	98	12	24	283	142	72
Total Current Assets	**311**	**480**	**656**	**895**	**1039**	**1765**	**2560**	**2994**	**2518**	**2351**	**2306**	**2289**	**2410**
Net Property, Plant & Equipment	5	4	4	3	2	4	6	6	12	27	25	25	25
Total Investments and Advances	33	66	102	148	235	6	19	51	178	178	61	61	61
Long-Term Note Receivable	0	0	0	0	-	-	-	-	-	-	0	0	0
Intangible Assets	33	33	33	33	41	159	160	160	160	160	160	160	160
Deferred Tax Assets	12	13	14	19	14	9	0	16	43	38	75	75	75
Other Assets	0	0	0	0	0	0	0	0	0	0	-11	25	-20
Total Assets	**393**	**596**	**809**	**1098**	**1330**	**1942**	**2745**	**3226**	**2911**	**2755**	**2615**	**2635**	**2711**
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	159	227	300	471	492	538	177	193	157	290	107	195	290
Accounts Payable	35	77	118	110	121	110	238	302	161	178	674	701	729
Income Tax Payable	6	0	1	0	0	231	137	199	123	124	0	0	0
Other Current Liabilities	9	37	36	46	101	233	610	513	758	458	0	0	0
Total Current Liabilities	**210**	**340**	**455**	**627**	**714**	**1113**	**1161**	**1207**	**1199**	**1050**	**781**	**896**	**1019**
Long-Term Debt	4	0	0	0	0	0	395	697	812	794	863	668	378
Provision for Risks & Charges	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Tax Liabilities	9	19	27	37	38	10	165	155	94	96	211	211	211
Other Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	**223**	**360**	**482**	**664**	**752**	**1123**	**1722**	**2059**	**2105**	**1940**	**1855**	**1775**	**1609**
Common Equity	171	236	327	433	579	821	1023	1167	806	814	759	859	1102
Total Shareholders' Equity	171	236	327	433	579	821	1023	1167	806	814	759	859	1102
Accumulated Minority Interest	0	0	0	0	0	-1	0	0	0	1	1	1	1
Total Equity	171	236	327	433	579	820	1023	1168	807	815	760	859	1102
Total Liabilities & Shareholders' Equi	**393**	**596**	**809**	**1098**	**1330**	**1942**	**2745**	**3226**	**2911**	**2755**	**2615**	**2635**	**2711**
Per Share													
Book Value per Share	1.34	1.86	2.58	3.41	4.55	6.46	7.98	9.11	6.29	6.36	5.80	6.56	8.42
Tangible Book Value per Share	1.09	1.60	2.32	3.15	4.23	5.21	6.74	7.86	5.05	5.11	4.58	5.34	7.20

	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	03/2021	03/2022	03/2023
Operating Activities													
Net Income / Starting Line	15	78	117	115	168	239	233	172	-24	13	-36	157	344
Depreciation, Depletion & Amortization	2	2	3	2	2	1	1	1	1	5	5	5	5
Other Funds	-35	-62	-59	-100	-103	-107	-21	-62	-32	-111	-32	-62	-106
Funds from Operations	**-18**	**18**	**61**	**18**	**67**	**134**	**213**	**111**	**-55**	**-93**	**-63**	**100**	**243**
Changes in Working Capital	42	22	-49	-310	12	-98	25	-387	257	436	100	0	0
Net Operating Cash Flow	**24**	**39**	**13**	**-292**	**79**	**36**	**238**	**-276**	**202**	**343**	**37**	**100**	**243**
Investing Activities													
Capital Expenditures	0	-1	-3	-1	-1	-3	-1	-2	-3	-1	-1	-1	-1
Net Assets from Acquisitions	0	0	0	0	-25	-143	-98	-3	-41	-28	0	0	0
Sale of Fixed Assets & Businesses	0	0	0	0	0	-	0	0	0	0	0	0	0
Purchase/Sale of Investments	9	-15	11	-15	0	6	-18	-126	-270	-145	0	0	0
Other Funds	0	0	0	0	0	0	0	0	0	0	-6	0	0
Net Investing Cash Flow	**9**	**-16**	**8**	**-16**	**-26**	**-141**	**-117**	**-130**	**-314**	**-174**	**-7**	**-1**	**-1**
Financing Activities													
Cash Dividends Paid	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Capital Stock	0	0	0	0	0	8	7	-2	-25	0	0	0	0
Issuance/Reduction of Debt, Net	-11	70	74	173	14	46	33	324	80	-12	-55	-107	-195
Other Funds	0	0	0	0	0	0	0	0	23	-23	-9	0	0
Net Financing Cash Flow	**-11**	**70**	**74**	**173**	**14**	**55**	**39**	**322**	**78**	**-37**	**-64**	**-107**	**-195**
Exchange Rate Effect	-	-	-	-	-	-	-	-	-	-	0	0	0
Net Change in Cash	22	93	95	-135	68	-50	161	-84	-34	132	-34	-8	48
Free Cash Flow	**24**	**39**	**10**	**-292**	**79**	**32**	**237**	**-278**	**199**	**343**	**36**	**99**	**243**
Free Cash Flow per Share	0.19	0.31	0.08	-2.30	0.62	0.25	1.81	-2.12	1.53	2.56	0.28	0.76	1.85
Free Cash Flow Yield (%)	29.3	7.1	1.5	-33.4	4.7	1.4	10.3	-17.1	17.5	91.6	16.4	44.6	109.0

Source: Factset, Company data, Chronux Research estimates

Disclaimer: