

Analysts

Marcus Tan Yong Leng

Lead Analyst, Equity Research (Healthcare)

yltanmarcus@u.nus.edu

Ong Jingheng

Analyst, Equity Research (Healthcare)

ong.jingheng@u.nus.edu

Charlotte Teo

Analyst, Equity Research (Healthcare)

charlotte.teo@u.nus.edu

Ng Jing Han Dickson

Analyst, Equity Research (Healthcare)

dickson.ng@u.nus.edu

Basic Information

Last Closed Price	US\$339.55
12M Target Price	US\$344.52
+/- Potential	+1.46%
Bloomberg Ticker	ILMN: US
GICS Sector	Healthcare
GICS Sub-Industry	Medical Equipment & Devices

1Y Price v Relative Index



Key Financials

Market Cap	48.4B
Basic Shares O/S	147M
Free Float	99.6%
52-Wk High-Low	US\$203.83 - US\$372.61
Fiscal Year End	31-Dec-18

(US\$ M)	FY15A	FY16E	FY17E
Revenue	2220	2398	2752
EBITDA	686	677	716
Margin (%)	30.9	28.2	26.0
Net Income	458	428	678
ROA	12.9	11.6	15.1
ROE	27.9	22.4	29.3
EV/EBITDA	36.9	24.9	25.2
P/E Ratio	61.7	41.4	44.3
D/E Ratio	0.59	0.48	0.43

Key Executives

Jay Flatley	Chairman
Francis Desouza	Chief Executive Officer
Dr Phillip Febbo	Chief Medical Officer

Better Sequencing, Better Success?

We are initiating coverage of Illumina Inc. with a Hold rating and a \$344.52 12M price target.

3Q18 Earnings Review

- Total revenue up 19.5% yoy; sequencing consumables revenue up 23% yoy, sequencing systems revenues up 12% yoy, total microarray revenue up 11% yoy
- Americas' revenues up 14% yoy, EMEA's revenue up 33% yoy, China's revenue up 17% yoy, driven by strong sequencing consumable growth, APAC ex-Japan's revenue up 29% yoy
- \$13 and \$14 million of revenue accelerated into Q2 and Q3 respectively due to pre-tariffs purchases
- Non-GAAP net income was \$227 million, CFO was \$292 million, free cash flow was \$228 million

Investment Thesis

- **Slowdown in revenue growth from 'recurring' income:** Illumina's services and sale of consumables made up 81% of FY17 revenue. However, the adoption of Illumina's new machine, Novaseq only contributes to 0.4% YoY growth in consumables sales, which is substantially lower than market expectations.
- **Stronger competitors and the emergence of new challengers signals stronger headwinds ahead:** Illumina currently benefits from its strong market position due to its long-time presence relative to its competitors. However, other competitors are gradually gaining traction in the market with lower-priced machines that was made possible with technological advancement and support from the Chinese government to develop leadership in healthcare markets.
- **Slowdown in outsourcing of NGS and NIPT by academic labs:** The rise of competitors that provides competing services at a lower price contributes to the decline in NGS and NIPT outsource, which erodes into Illumina's top line.

Catalysts

- Favourable earnings surprise from accelerated retirement of HighSeq systems to transit to new NovaSeq system
- Easing of trade tensions between US and China to provide clearer path for expanding Illumina's market share in China

Valuations

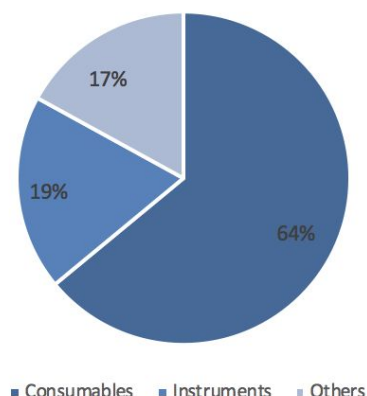
Our 12-month price target from date of coverage is \$344.52. This represents a 1.46% upside compared to the last closed price of \$339.55. The team believes that even with a burgeoning growth of sales in the Chinese markets, the actual translation of revenue figures into higher stock price remains to be seen, given ongoing trade war tensions and the unpredictability of regulations enforcement on foreign companies when they expand businesses in China.

Investment Risks

- Ongoing US-China trade war to make company's product less attractively priced, may impact sales

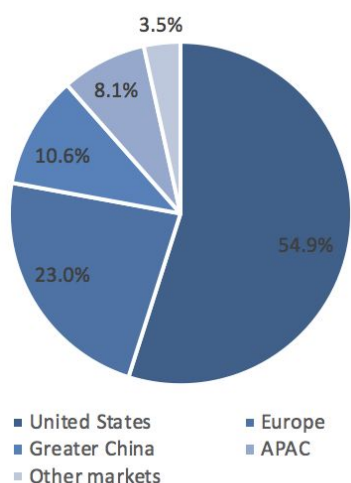
- Leadership position highly dependent on successful R&D. Poor results from R&D efforts may lead to them potentially losing their market leader position
- Further strengthening of Dollar to cause foreign exchange losses for revenue derived in international markets

Figure 1: Revenue by Products, FY17



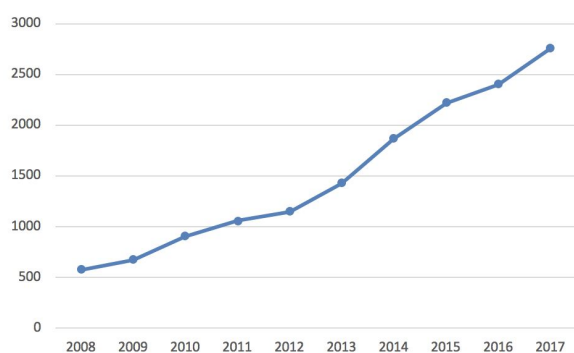
Source: Illumina Investor Presentation May 2018

Figure 2: Revenue by Geography, FY17



Source: Illumina Annual Report 2017

Figure 3: Illumina revenue over the years



Source: Bloomberg

Company Overview

Illumina is a bio-tech company founded in 1998. Headquartered in San Diego, California, it is a global leader in sequencing and array-based solutions for genetic analysis.

Illumina targets two main targets to sustain its growth. Life Sciences and Clinical Genomics. In Life Sciences, Illumina offers sequencing solutions by synthesis technology that provides researchers with various applications and the ability to sequence mammalian genomes; and arrays for a range of deoxyribonucleic acid and RNA analysis applications. Next-Generation sequencing (NGS) and Array-based solutions are the key solutions Illumina provides for clients, and NGS contributes to 83% of the company's total revenue. In Clinical Genomics, the company provides various library preparation and sequencing kits to simplify complicated analysis process at the fraction of time and cost, and this includes genome sequencing, genotyping, and Non-Invasive Prenatal Testing (NIPT) as well as product support services to clients that does not have direct access to Illumina's machines.

Illumina serves clients such as genomics research centres, academic institutions and consumers genomics companies and similar to any life-science companies, Illumina reaches out to customers directly or market their products through life-science distributors. Illumina have revenue streams from North America, Europe and the emerging markets, with an increasing focus from China.

Illumina main competitors include Agilent Technologies, Beijing Genomics Institute (BGI), Pacific Biosciences of California, QIAGEN N.V. and Roche. Currently, Illumina maintains a substantial 70% of market share in the life-sciences technologies market.

3Q18 Earnings Review

- Total revenue up 19.5% yoy; sequencing consumables revenue +23% yoy, sequencing systems revenues +12% yoy, total microarray revenue +11% yoy
- Americas' revenues +14% yoy, EMEA's revenue +33% yoy, Greater China's revenue +17% yoy driven by strong sequencing consumable growth, APAC ex-Japan's revenue +29% yoy
- \$13 and \$14 million of revenue accelerated into Q2 and Q3 respectively due to pre-tariffs purchases
- Non-GAAP gross margin was 71.1%, a 230 basis points yoy increase; Non-GAAP operating margin was 29.4%, up from 28.4% in Q2
- Non-GAAP net income was \$227 million, CFO was \$292 million, free cash flow was \$228 million
- DSO was 46 days compared to 43 days in Q2, driven by less favourable revenue linearity
- Management foresees a 20% growth for the full 2018 revenue, and full-year non-GAAP gross margin to increase modestly from 2017 values
- Management expects revenue from sequencing consumables to be down sequentially, to account for goods shipped in advance prior the implementation of tariffs
- Revenue from microarray instruments are expected to decline as customers shift their preferences to NGS technologies

- Bangladesh launched a cancer-focused Precision Medicine Initiative that utilizes Illumina's sequencing and array technologies, further extending their reach into developing countries

Industry Outlook

Uncovering Genomics and its hidden potential

Companies in the next-generation sequencing industry produce research tools and equipment that assist scientists and researchers in investigating how DNA sequencing affects biological events on the molecular scale. This process is known as genome sequencing, and a genome is the order of nucleotides (think building blocks) that constitutes a person's DNA. The results of the analysis are then filtered and synthesized into medically valuable applications, and this field of study is known as genomics. In recent years, with aging population worldwide and the emerging of rare diseases amongst human beings, genomics is gaining the spotlight in the field of life-sciences, given its potential for customized diagnoses and treatments, improved drugs and therapies, and cure for rare diseases. According to Mordor Intelligence, the next-generation sequencing market was valued at USD\$4.01 billion in 2015 and is projected to reach USD\$12 billion by 2021. Therefore, growth potential for companies in the industry is predicted to remain strong in the upcoming years.

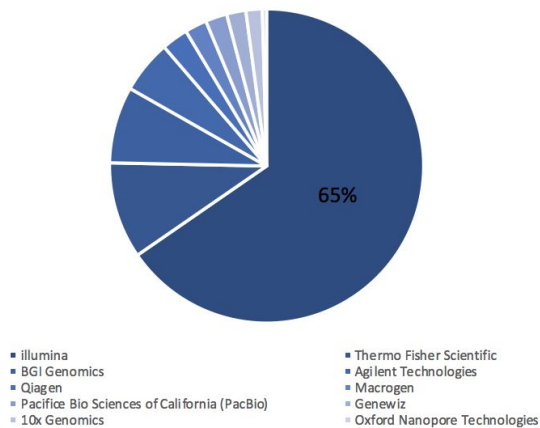
Incumbents dominate market, but new players are getting increasingly aggressive

With the advancement in technology, the entire industry is moving towards developing machines that can reduce the time and costs of sequencing a single genome. For instance, decoding a single genome cost USD\$1,000 and several hours in 2018, which is significantly cheaper and faster comparing to achieving the same objective in weeks for USD\$1M 10 years ago. As such, many Venture Capitalists (VCs) are eyeing for their share of this profitable pie. According to CB Insights, as of July 2017, VCs has poured in USD\$1.7B in 2016, and this number is expected to double in end-2017. This leads to a surge in genomics startups, intensifying competition in the next-generation sequencing industry. That being mentioned, the industry is still dominated by a few players, with Illumina grabbing on to approximately 70% of the market share. Switching costs from one system to another is too high, taking into account the additional trainings required for integration of machine operations into operational workflow.

China's the way to go

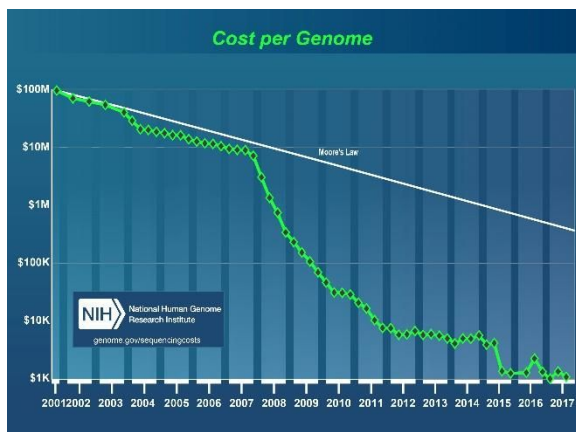
The next-generation sequencing market in China has expanded rapidly in the past few years. Government initiatives to develop leadership in healthcare markets, coupled with increasing volume of molecular testing for infectious diseases, are some reasons why companies in the industry are rapidly turning their attention towards the Chinese markets. However, it was the removal of restrictions on Non-Invasive Prenatal Testing (NIPT) in 2016 that catalyzes the proliferation of genome startups and MNCs alike, in the Chinese markets. Therefore, growth potential of companies with relatively easier access to R&D will thrive in the competitive Chinese markets.

Figure 4: Top 10 sequencing companies by revenue in 2017



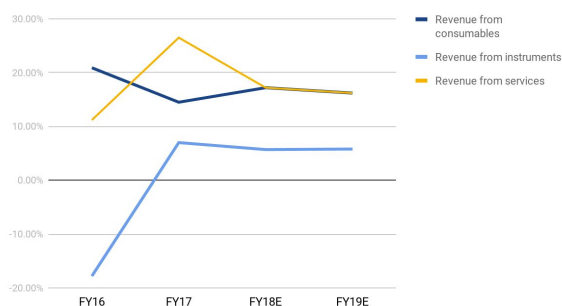
Source: Genetic Engineering and Biotechnology News (GEN)

Figure 5: Cost of sequencing a genome since 2001



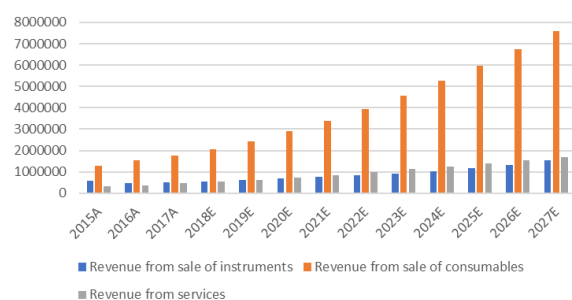
Source: National Human Genome Research Institute

Figure 6: Growth Rates of Revenue Segments



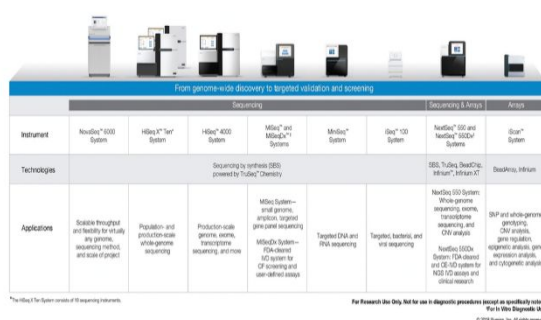
Source: Annual Report, NUS Investment Society Estimates

Figure 7: Projected Revenue by Segments



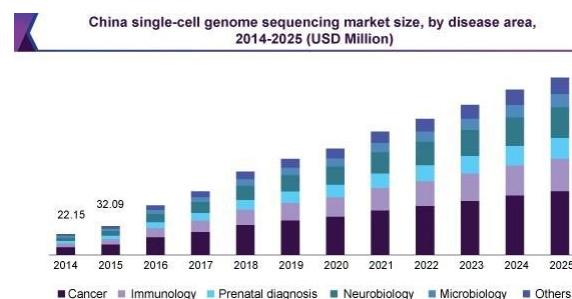
Source: NUS Investment Society Estimates

Figure 8: Illumina's Range of Instruments



Source: Illumina Annual Report

Figure 9: China's genome sequencing industry projected growth



Source: Grand View Research

Investment Thesis

1. Slowdown in revenue growth from 'recurring' income

In FY17, Illumina derived 81% of its revenue from sale of consumables and services rendered to customers. Revenue contributed by these two segments are considered 'recurring income'. The general view is that these two segments will continue its strong year-on-year growth if Illumina continues modest growth in sale of instruments, especially with the ramp-up in Novaseq, which is expected to reap-in greater 'recurring income' for Illumina.

However, from a survey commissioned by Morgan Stanley from 1H17 to 1H18 amongst global NGS laboratories, the weighted average consumables spending that resulted from the purchases and usages of Novaseq only contributes to a negligible growth of 0.4% YoY. The growth of consumables contributed by the ramp-up of Novaseq is insignificant because Novaseq's 20% discount on genome sequencing has resulted in a surge in sample volumes from consumers, and they offset each other. With the increase in adoption of Novaseq, revenue growth from 'recurring' income will remain

2. Stronger competitors and the emergence of new challengers signals stronger headwinds ahead

In the NGS space, other competitors are gradually gaining traction in the market with lower-priced machines that was made possible with technological advancement. For instance, even though Oxford Nanopore took up a mere 2% of the entire NGS market, planned purchases for its machines went up significantly by 18% in FY17. Therefore, Illumina may find itself losing market share to its competitors over time if competition amongst peers in the NGS space intensifies.

Furthermore, in October, MGI Tech, which is part of BGI, introduced the MGISEQ-T7 sequencer at the 13th International Conference on Genomics (ICG-13) in Shenzhen. The new system is capable of 6Tb maximum daily output at an approximate 60 human genomes daily, which is as equally competent as an Illumina Novaseq. Early users has also indicated that the MGISEQ-T7 can deliver higher accuracy (~99%) and throughput, directly competing with Novaseq.

The new MGISEQ-T7 will be available for early-access customers in 2Q19 and fully available for commercial users in 3Q19. Even though pricing and regional availability of the MGISEQ-T7 remains unknown, it is believed that its high competency and throughput would put it on equal placing with the Novaseq. The emergence of MGISEQ-T7 will therefore provide headwinds to the increase in adoption of Novaseq.

Slowdown in outsourcing of NGS and NIPT by academic labs

Illumina offers NIPT, which can be conducted in-house by using NGS machines developed by Illumina, or outsourcing of samples to Illumina's CLIA labs, which generates revenue for Illumina as well. However, according to a survey conducted by Morgan Stanley Research in 1H18, sample outsourcing by academic/pharma labs to Illumina's CLIA labs has decreased from ~50% in 1H17 to ~40% in 1H18. The rise of competitors, such as BGI, that provides competing services at a lower price is an attributable factor that leads to the decline in NGS and NIPT outsource.

Catalysts

1. Accelerated retirement of HighSeq systems as customers increasingly adopt the new NovaSeq system - to drive short-term revenue growth and provide earning surprise

2. Clearing up of trade tensions between US and China, with a possible trade deal in the pipeline - removal of tariffs on US imports to China to clear up hindrance in expansion plans in China

Financial Analysis

Financial Ratios	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Profitability Ratios													
Gross Profit Margin	69.77%	69.47%	66.35%	70.09%	69.24%	68.40%	67.99%	67.59%	67.19%	66.80%	66.42%	66.03%	65.65%
Operating Profit Margin	27.61%	24.48%	22.02%	26.42%	25.57%	24.73%	24.32%	23.92%	23.52%	23.13%	22.75%	22.36%	21.98%
ROA	12.42%	10.00%	12.90%	9.65%	10.72%	10.76%	11.44%	11.37%	12.04%	11.76%	11.39%	11.01%	10.64%
Efficiency Ratios													
Asset Turnover	60.18%	56.01%	52.35%	46.81%	53.55%	54.53%	58.38%	58.42%	62.36%	61.37%	60.34%	59.26%	58.16%
Liquidity Ratios													
Cash Ratio	1.26	1.04	1.64	3.86	3.20	3.38	3.18	3.39	3.09	3.28	3.45	3.60	3.73
Current Ratio	3.44	3.29	3.99	5.37	4.61	4.70	4.45	4.62	4.32	4.51	4.67	4.82	4.95
Financial Leverage Ratios													
Debt Ratio	0.50	0.47	0.48	0.49	0.40	0.37	0.30	0.28	0.21	0.20	0.19	0.19	0.18
Debt-Equity Ratio	1.00	0.89	0.91	0.97	0.66	0.58	0.44	0.39	0.27	0.25	0.24	0.23	0.22

Overview:

The chart above displays various financial ratios relevant in showing certain telling signs about Illumina's current and projected performance 10 years forward, with specific attention paid to profitability and liquidity ratios, which would tend to be more sensitive due to various factors we raised above in our investment theses.

Falling Margins

In the long run, we expect a growing percentage of revenue to be made up of consumable sales, which provide lower profit margins as compared to their other business segments. Coupled with growth in CapEx due to aggressive expansions in China, we expect margins to remain stifled and on a declining trend for the foreseeable future. Given this observed trend, it would be more prudent to put the business under a longer observation period before identifying new growth drivers.

Strength in Liquidity

In our projection of cash flows, we foresee that cash and cash equivalents are expected to grow steadily over the foreseeable future, showing strength in cash flow management. With a cash ratio hovering substantially above industry average, Illumina would be able to tide over revenue and cost induced shocks. This advantage would be pertinent, especially in the context of expansion into the Greater China region.

Flexibility in Financing Future Ventures

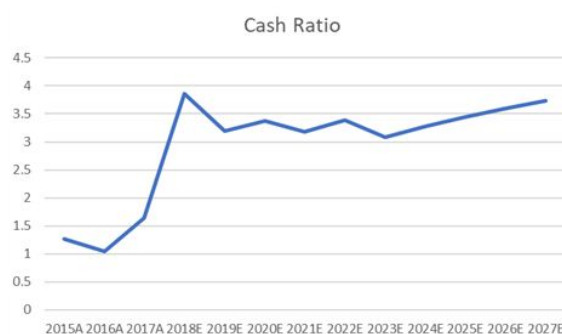
Currently, Illumina's leverage ratios hover around industry average. While it acts to gradually pay down its debt, we foresee that Illumina would be able to leverage upon its strong cash flow position and market power to attain the support of banks and financial institutions. This would produce the business with the necessary financing options as it seeks to expand its business in the Chinese market.

Figure 10: Trend of Gross Profit Margin



Source: NUS Investment Society Estimates

Figure 11: Trend of Cash Ratio



Source: NUS Investment Society Estimates

Valuations

Valuation Price Target: **\$344.52**

Figure 12: WACC Build-up

Cost of Equity	7.7%
Risk-free rate	3.22%
Beta	1.03
Market risk premium	4.35%
Cost of Debt	2.7%
Pre-tax cost of debt	3.29%
Tax rate	19%
Market Cap (US\$ mil)	47440
Total Debt (US\$ mil)	1967
WACC	6.0%

Source: Bloomberg, Damodaran, NUS Investment Society Estimates

Figure 13: DCF Valuation, Terminal Growth Method

Perpetual Growth Method	
PV of FCFF	6,464,253
Terminal Growth Rate	4.0%
Final Year FCFF	1,434,381
Terminal FCFF	74,587,786
PV of Terminal FCFF	45,077,793
Enterprise Value	51,542,046
Less: Debt	(1,967,000)
Add: Cash	1,225,000
Less: Minority interests	-
Add: Investments in joint ventures	-
Implied Equity Value	50,800,046
NOSH	148,000
Implied Share Price	343.2

Source: NUS Investment Society Estimates

Figure 14: DCF Valuation, Exit Multiple Method

Exit Multiple Method	
PV of FCFF	6,464,253
Exit Multiple	25.0
Final Year EBITDA	2,995,967
Terminal FCFF	74,899,178
PV of Terminal FCFF	45,265,985
Enterprise Value	51,730,238
Less: Debt	(1,967,000)
Add: Cash	1,225,000
Less: Minority interests	-
Add: Investments in joint ventures	-
Implied Equity Value	50,988,238
NOSH	148,000
Implied Share Price	344.5

Source: NUS Investment Society Estimates

DCF Model

A discounted cash flow analysis was used to estimate intrinsic value of Illumina's share price. Illumina's cash flows is forecasted over 10 years because Illumina's revenue growth in the Americas, EMEA and China is burgeoning and a longer time frame can better reflect the contributing cash flows. The model is driven by the sales of instruments, consumables and services on the revenue side. On the cost front, costs of products & services, R&D, SG&A and CapEx serve as crucial perimeters for projections due to costs contributions to its revenue growth and Illumina's core nature as a bio-tech firm, in which R&D is an important factor in identifying newer technologies in driving down genome sequencing costs. The DCF model is constructed based on guidance from historical performance, annual report, industry outlook, along with investor day presentations.

Weighted Average Cost of Capital (WACC)

To calculate Beta, linear regression of Illumina's stock price were run against the NASDAQ 100 Index for time frame of 12 months on a weekly basis and then averaged and adjusted. CAPM was used to estimate Cost of Equity, while the current debt outstanding was used during calculation of Cost of Debt in a weighted average manner. Tax shield was taken into account as Illumina pays income taxes for all operations. The calculated WACC is 7.5%, but the team has lowered Illumina's WACC to 6.0% instead, due to its strong market power in the various regions it operates in; Illumina currently dominates the NGS industry in regions such as China due to its superior technology. Therefore, the strong economic moat that Illumina has consolidated justify the lower WACC.

Revenue Growth

Revenue growth for Illumina in this model is based primarily on projecting the percentage growth rates of each sales segment in the various geographical locations the business is based at, namely Instruments, Consumables and Services. Illumina's revenue growth in FY2017 was 14.8%; but we project that Illumina's revenue should enjoy strong growth over the next 3 years, peaking at 17.4% before slowing down to a CAGR of 14.6%. This revenue growth is mainly driven by expected improved traction within the Greater China region, where the loosening of regulatory measures in China opens a new market for the business, improving prospects for overall sales of instruments and consumables.

Terminal Growth

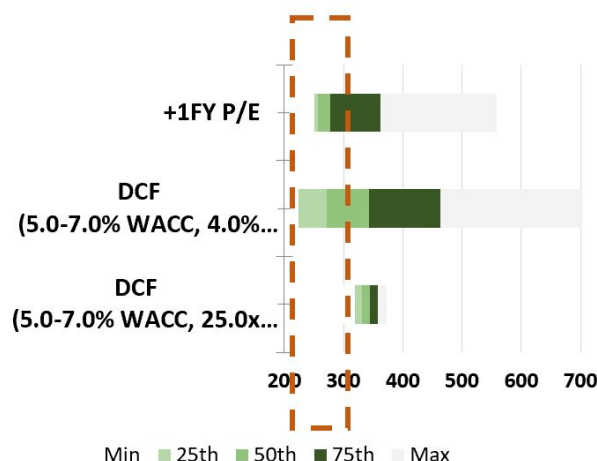
As the industry becomes increasingly competitive and more markets hitting saturation point, Illumina's growth rate will definitely slow down. This rate is expected to reach a terminal growth rate of 4%, accounted for in the 10 year DCF model.

Figure 15: Sensitivity Tables

Sensitivity Analysis for Terminal Growth Method					
	5.00%	5.50%	6.00%	6.50%	7.00%
3.50%	479.4	355.5	281.2	231.7	196.4
3.75%	568.5	401.4	308.8	249.8	209.1
4.00%	702.0	462.8	343.2	271.6	223.9
4.25%	924.5	548.6	387.6	298.2	241.4
4.50%	1,369.5	677.3	446.7	331.5	262.4

Sensitivity Analysis for Exit Multiple Method					
	5.00%	5.50%	6.00%	6.50%	7.00%
24.0	359.5	345.6	332.3	319.6	307.4
24.5	366.1	351.9	338.4	325.4	313.0
25.0	372.8	358.3	344.5	331.3	318.7
25.5	379.4	364.7	350.6	337.2	324.3
26.0	386.0	371.1	356.7	343.1	330.0

Source: NUS Investment Society Estimates

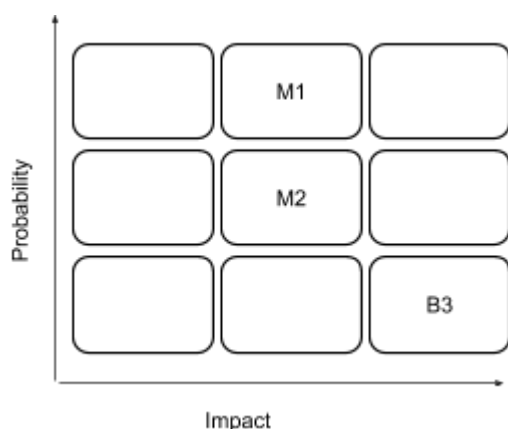


Relative Valuation

Currently, Illumina's main competitors have market capitalizations that are too small for fair comparisons. As such, biotech and large laboratories equipment companies with diversified product streams are used for relative valuation. Using P/E, EV/EBITDA, P/Sales, Illumina implied share price is extremely close to the industrial average. Given the political instability that arises due to the trade war and greater economic headwinds in the EMEA and Chinese markets, the team remains neutral towards the outlooks of Illumina. Using comparables as sanity checks, Illumina's high growth prospects in the Chinese markets remains to be seen.

This analysis leads to an intrinsic value of \$344.52 for Illumina, a 1.46 % upside to the current trading price. We remain confident that this valuation reaffirm our Hold recommendation and validates our view of upcoming 12 month period.

Figure 16: Investment Risk Matrix



Source: NUS Investment Society Estimates

Investment Risks

M1: Market Risk – Ongoing US-China trade war

Moving forward, China will be Illumina's hyper-growth market and their main revenue driver. An escalation of and prolonged US-China trade war will impede this growth as Illumina's products will become less attractively priced as compared to competitors.

We believe this risk will have certain degree of impact on Illumina's growth potential in the country but due to Illumina's superior products, the impact will be cushioned.

B3: Business Risk – Poor results from R&D efforts

Illumina's market leader position is heavily reliant on engaging in significant research & development, innovating products that are constantly ahead of competitors. Should these efforts not materialise in better product innovations and discoveries, Illumina may potentially lose their market leader position, impacting sales.

However, given the resources Illumina has, it is more than probable that they come up with better innovations than smaller competitors.

Disclaimer

This research material has been prepared by NUS Invest. NUS Invest specifically prohibits the redistribution of this material in whole or in part without the written permission of NUS Invest. The research officer(s) primarily responsible for the content of this research material, in whole or in part, certifies that their views are accurately expressed and they will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this research material. Whilst we have taken all reasonable care to ensure that the information contained in this publication is not untrue or misleading at the time of publication, we cannot guarantee its accuracy or completeness, and you should not act on it without first independently verifying its contents. Any opinion or estimate contained in this report is subject to change without notice. We have not given any consideration to and we have not made any investigation of the investment objectives, financial situation or particular needs of the recipient or any class of persons, and accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the recipient or any class of persons acting on such information or opinion or estimate. You may wish to seek advice from a financial adviser regarding the suitability of the securities mentioned herein, taking into consideration your investment objectives, financial situation or particular needs, before making a commitment to invest in the securities. This report is published solely for information purposes, it does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. The research material should not be regarded by recipients as a substitute for the exercise of their own judgement. Any opinions expressed in this research material are subject to change without notice.

© 2016 NUS Investment Society

Appendix:

Pro Forma Financial Statements

(USD '000 unless otherwise stated)	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Income Statement													
Revenue													
Product revenue	1,891,000	2,032,000	2,289,000	2,605,102	3,054,240	3,564,182	4,141,022	4,785,788	5,503,554	6,292,820	7,157,369	8,092,681	9,101,701
Service and other revenue	329,000	366,000	463,000	533,274	630,455	738,392	856,504	983,753	1,118,627	1,259,147	1,402,905	1,547,139	1,688,832
Total Revenue	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Cost of Goods Sold													
Cost of product revenue	491,000	534,000	679,000	711,264	864,434	1,044,403	1,234,138	1,450,225	1,695,246	1,989,825	2,276,240	2,614,158	2,985,608
Cost of service revenue	134,000	155,000	208,000	227,537	289,002	315,056	365,452	419,746	477,294	537,251	598,590	660,131	720,589
Amortisation of acquired intangible assets	46,000	43,000	39,000	-	-	-	-	-	-	-	-	-	-
Total Cost of Goods Sold	671,000	732,000	926,000	938,801	1,133,435	1,359,459	1,599,590	1,869,971	2,172,540	2,507,077	2,874,830	3,274,289	3,706,197
Gross Profit	1,549,000	1,666,000	1,826,000	2,199,575	2,551,259	2,943,115	3,397,936	3,899,569	4,449,641	5,044,890	5,685,445	6,365,531	7,084,337
Operating Expense													
Research and development	401,000	504,000	546,000	616,384	723,883	845,036	981,526	1,133,151	1,300,612	1,483,224	1,681,258	1,893,283	2,119,286
Selling, general and administrative	516,000	584,000	674,000	754,133	885,409	1,033,882	1,200,875	1,386,385	1,591,269	1,814,691	2,056,981	2,316,389	2,592,899
Legal contingencies	19,000	(9,000)	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expense	936,000	1,079,000	1,220,000	1,370,517	1,609,092	1,878,918	2,182,400	2,519,536	2,891,881	3,297,915	3,738,239	4,209,672	4,712,184
Operating Income (EBIT)	613,000	587,000	606,000	829,058	942,167	1,064,197	1,215,535	1,380,033	1,557,760	1,746,976	1,947,206	2,155,858	2,372,152
Other Income / (Expense)													
Interest income	5,000	10,000	19,000	20,918	20,036	24,100	25,750	31,173	32,627	39,591	47,335	55,901	65,345
Interest expense	(43,000)	(33,000)	(37,000)	(51,230)	(51,901)	(40,410)	(32,535)	(24,660)	(12,330)	-	-	-	-
Cost-method investment gain, net	16,000	-	-	-	-	-	-	-	-	-	-	-	-
Other income (expense), net	(8,000)	(3,000)	455,000	-	-	-	-	-	-	-	-	-	-
Total Other Income	(30,000)	(26,000)	437,000	(30,312)	(31,866)	(16,310)	(6,785)	6,512	20,297	39,591	47,335	55,901	65,345
Income before Taxes	583,000	561,000	1,043,000	798,746	910,302	1,047,887	1,208,750	1,386,546	1,578,057	1,786,567	1,994,540	2,211,759	2,437,498
Provision for income taxes	125,000	133,000	365,000	151,762	172,957	199,099	229,663	263,444	299,831	339,448	378,963	420,234	463,125
Net Income	458,000	428,000	678,000	646,984	737,344	848,789	979,088	1,123,102	1,278,226	1,447,119	1,615,578	1,791,525	1,974,373
Add: Net loss attributable to non-controlling interests	4,000	35,000	48,000	-	-	-	-	-	-	-	-	-	-
Net Income attributable to shareholders	462,000	463,000	726,000	646,984	737,344	848,789	979,088	1,123,102	1,278,226	1,447,119	1,615,578	1,791,525	1,974,373
Earnings per share (US\$)													
Basic	3.19	3.09	4.96	4.43	5.05	5.81	6.71	7.69	8.75	9.91	11.07	12.27	13.52
Diluted	3.10	3.07	4.92	4.37	4.98	5.74	6.62	7.59	8.64	9.78	10.92	12.10	13.34
NOSH (in '000)													
Basic	145,000	147,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000	146,000
Diluted	149,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000

(USD '000 unless otherwise stated)	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Balance Sheet													
Assets													
Cash and cash equivalents	769,000	735,000	1,225,000	3,089,831	3,008,169	3,712,504	4,033,145	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719	10,383,445
Short-term investments	617,000	824,000	920,000	234,000	175,500	117,000	58,500	-	-	-	-	-	-
Accounts receivables, net	386,000	381,000	411,000	504,339	592,133	691,427	803,106	927,169	1,064,189	1,213,607	1,375,642	1,549,126	1,734,047
Inventory	271,000	300,000	333,000	378,979	444,317	518,501	602,417	696,215	800,632	915,451	1,041,222	1,177,267	1,324,075
Prepaid expenses and other current assets	54,000	78,000	91,000	94,066	110,440	128,960	149,790	172,929	196,485	226,353	256,575	288,932	323,422
Total Current Assets	2,097,000	2,318,000	2,980,000	4,301,215	4,330,559	5,168,392	5,646,958	6,749,677	7,247,773	8,646,473	10,194,954	11,898,065	13,764,989
Property and equipment, net	343,000	713,000	931,000	1,093,708	1,272,384	1,467,764	1,680,343	1,909,840	2,169,786	2,467,773	2,806,410	3,186,490	3,608,628
Goodwill	753,000	776,000	771,000	771,000	771,000	771,000	771,000	771,000	771,000	771,000	771,000	771,000	771,000
Intangible assets, net	274,000	243,000	175,000	139,000	107,000	83,000	62,000	45,000	31,000	21,000	14,000	11,000	10,000
Deferred tax assets, net	135,000	123,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000	88,000
Other assets	87,000	108,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000	312,000
Total Non-Current Assets	1,592,000	1,963,000	2,277,000	2,403,708	2,560,384	2,721,764	2,913,343	3,125,840	3,371,786	3,659,773	3,991,410	4,368,490	4,789,628
Total Assets	3,689,000	4,281,000	5,257,000	6,704,923	6,890,944	7,890,157	8,560,301	9,875,517	10,619,558	12,306,246	14,186,364	16,266,555	18,554,617
Liabilities													
Accounts payable	139,000	138,000	160,000	184,256	223,935	270,557	319,709	375,687	439,161	510,292	589,670	677,209	773,435
Accrued liabilities	387,000	342,000	432,000	472,682	570,680	684,482	805,387	941,522	1,093,864	1,262,302	1,447,464	1,648,590	1,866,054
Built-to-suit lease liability	9,000	223,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000
Short-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-term debt, current portion	75,000	2,000	10,000	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	610,000	705,000	746,000	800,939	938,615	1,099,039	1,269,096	1,461,210	1,677,025	1,916,594	2,181,134	2,469,800	2,783,489
Long-term debt	1,016,000	1,056,000	1,182,000	1,928,000	1,229,000	1,229,000	750,000	750,000	-	-	-	-	-
Other long-term liabilities	181,000	206,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000	360,000
Commitments and contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-
Redeemable non-controlling interests	33,000	44,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Total Non-Current Liabilities	1,230,000	1,306,000	1,762,000	2,508,000	1,809,000	1,809,000	1,330,000	1,330,000	580,000	580,000	580,000	580,000	580,000
Total Liabilities	1,840,000	2,011,000	2,508,000	3,308,939	2,747,615	2,908,039	2,599,096	2,791,210	2,257,025	2,496,594	2,761,134	3,049,800	3,363,489
Equity													
Common stock at par value (US\$0.01)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Additional paid-in capital	2,498,000	2,733,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000	2,833,000
Accumulated other comprehensive loss	-	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Retained earnings	1,023,000	1,485,000	2,256,000	2,902,984	3,640,329	4,489,117	5,468,205	6,591,307	7,869,533	9,316,652	10,932,230	12,723,755	14,698,128
Treasury stock	(1,674,000)	(2,022,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)	(2,341,000)
Non-controlling interests	-	73,000	-	-	-	-	-	-	-	-	-	-	-
Total Shareholder's Equity	1,849,000	2,270,000	2,749,000	3,395,984	4,133,329	4,982,117	5,961,205	7,084,307	8,362,533	9,809,652	11,425,230	13,216,755	15,191,128
Total Liabilities and Equity	3,689,000	4,281,000	5,257,000	6,704,923	6,890,944	7,890,157	8,560,301	9,875,517	10,619,558	12,306,246	14,186,364	16,266,555	18,554,617

(USD '000 unless otherwise stated)	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Cash Flow Statement													
Cash flow from operating activities:													
Net Income	458,000	428,000	678,000	646,984	737,344	848,789	979,088	1,123,102	1,278,226	1,447,119	1,615,578	1,791,525	1,974,373
Adjustments:													
Gain on deconsolidation of GRAIL	-	-	(453,000)	-	-	-	-	-	-	-	-	-	-
Depreciation expense	73,000	90,000	110,000	141,503	178,490	221,679	271,844	329,759	381,959	434,044	491,131	554,332	623,815
Amortisation of intangible assets	54,000	51,000	46,000	36,000	32,000	24,000	21,000	17,000	14,000	10,000	7,000	3,000	1,000
Share-based compensation expense	133,000	129,000	164,000	-	-	-	-	-	-	-	-	-	-
Accretion of debt discount	39,000	30,000	30,000	-	-	-	-	-	-	-	-	-	-
Deferred income tax expense	81,000	94,000	81,000	-	-	-	-	-	-	-	-	-	-
Impairment of intangible assets	-	-	23,000	-	-	-	-	-	-	-	-	-	-
Cost-method investment gain, net	(16,000)	-	-	-	-	-	-	-	-	-	-	-	-
Gain on litigation settlement	-	(11,000)	-	-	-	-	-	-	-	-	-	-	-
Other	4,000	13,000	1,000	-	-	-	-	-	-	-	-	-	-
Changes in NOWC:													
Accounts receivable	(96,000)	3,000	(26,000)	(93,339)	(87,794)	(99,294)	(111,679)	(124,063)	(137,020)	(149,417)	(162,036)	(173,484)	(184,920)
Inventory	(81,000)	(30,000)	(33,000)	(45,979)	(65,339)	(74,184)	(83,916)	(93,798)	(104,417)	(114,819)	(125,771)	(136,065)	(146,788)
Prepaid expenses and other current assets	(11,000)	(1,000)	8,000	(3,066)	(16,375)	(18,520)	(20,830)	(23,139)	(25,556)	(27,868)	(30,222)	(32,357)	(34,490)
Other assets	(2,000)	(7,000)	(5,000)	-	-	-	-	-	-	-	-	-	-
Accounts payable	46,000	(2,000)	10,000	24,256	39,679	46,622	49,152	55,978	63,474	71,311	79,378	87,539	96,226
Accrued liabilities	99,000	(24,000)	81,000	40,682	97,997	113,802	120,905	136,136	152,342	168,438	185,162	201,126	217,463
Other long-term liabilities	5,000	16,000	160,000	-	-	-	-	-	-	-	-	-	-
Net Cash from Operating Activities	786,000	779,000	875,000	747,042	916,004	1,062,894	1,225,563	1,420,974	1,623,007	1,838,627	2,060,220	2,295,617	2,546,679
Cash flow from investing activities:													
Purchases of available-for-sale securities	(797,000)	(895,000)	(742,000)	-	-	-	-	-	-	-	-	-	-
Sales of available-for-sale securities	582,000	543,000	322,000	-	-	-	-	-	-	-	-	-	-
Maturities of available-for-sale securities	294,000	140,000	321,000	686,000	58,500	58,500	58,500	58,500	-	-	-	-	-
Net cash paid for acquisitions	(37,000)	(18,000)	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of GRAIL securities	-	-	278,000	-	-	-	-	-	-	-	-	-	-
Deconsolidation of GRAIL cash	-	-	(52,000)	-	-	-	-	-	-	-	-	-	-
Net purchases of strategic investments	(6,000)	(14,000)	(29,000)	-	-	-	-	-	-	-	-	-	-
Purchases of property and equipment	(143,000)	(260,000)	(310,000)	(304,211)	(357,166)	(417,059)	(484,422)	(559,256)	(641,904)	(732,031)	(829,768)	(934,411)	(1,045,953)
Cash paid for investing assets	-	(11,000)	(2,000)	-	-	-	-	-	-	-	-	-	-
Net Cash from Investing Activities	(107,000)	(515,000)	(214,000)	381,789	(298,666)	(358,559)	(425,922)	(500,756)	(641,904)	(732,031)	(829,768)	(934,411)	(1,045,953)
Cash flow from financing activities:													
Payments on financial obligations	(245,000)	(66,000)	(9,000)	-	-	-	-	-	-	-	-	-	-
Payments on acquisition-related contingent consideration liability	(3,000)	(29,000)	(3,000)	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of debt	-	5,000	5,000	740,000	(699,000)	-	(479,000)	-	(750,000)	-	-	-	-
Common stock repurchases	(274,000)	(249,000)	(251,000)	-	-	-	-	-	-	-	-	-	-
Taxes paid related to net share settlement of equity awards	(127,000)	(100,000)	(68,000)	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of common stock	72,000	47,000	71,000	-	-	-	-	-	-	-	-	-	-
Proceeds from early exercise of equity awards from a subsidiary	-	7,000	-	-	-	-	-	-	-	-	-	-	-
Contributions from non-controlling interest owners	32,000	89,000	79,000	-	-	-	-	-	-	-	-	-	-
Net Cash from Financing Activities	(545,000)	(296,000)	(176,000)	740,000	(699,000)	-	(479,000)	-	(750,000)	-	-	-	-
Effect of exchange rate changes on cash and equivalents	(1,000)	(2,000)	5,000	(9,000)	-	-	-	-	-	-	-	-	-
Cash and equivalents at beginning of year	636,000	769,000	735,000	1,230,000	3,089,831	3,008,169	3,712,504	4,033,145	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719
Net increase (decrease) in cash and equivalents	133,000	(34,000)	490,000	1,868,831	(81,663)	704,335	320,641	920,218	231,103	1,106,596	1,230,452	1,361,205	1,500,726
Cash and equivalents at end of year	769,000	733,000	1,230,000	3,089,831	3,008,169	3,712,504	4,033,145	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719	10,383,445

Revenue

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenue	USD\$ '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
% y-o-y	%	-	8.0%	14.8%	14.0%	17.4%	16.8%	16.2%	15.4%	14.8%	14.0%	13.4%	12.6%	11.9%
Revenue by segments:														
Revenue from sale of instruments	USD\$ '000	595,000	489,000	523,000	555,318	612,439	675,716	748,782	831,354	928,629	1,040,928	1,175,796	1,334,606	1,528,444
% y-o-y	%	-	-17.8%	7.0%	6.2%	10.3%	10.3%	10.8%	11.0%	11.7%	12.1%	13.0%	13.5%	14.5%
% of total	%	27.0%	20.4%	19.0%	0.17694431	16.6%	15.7%	15.0%	14.4%	14.0%	13.8%	13.7%	13.8%	14.2%
Revenue from sale of consumables	USD\$ '000	1,276,000	1,543,000	1,766,000	2,049,784	2,441,801	2,888,466	3,392,240	3,954,434	4,574,925	5,251,892	5,981,573	6,758,075	7,573,256
% y-o-y	%	-	20.9%	14.5%	16.1%	19.1%	18.3%	17.4%	16.6%	15.7%	14.8%	13.9%	13.0%	12.1%
% of total	%	58.0%	64.3%	64.2%	65.3%	66.3%	67.1%	67.9%	68.5%	69.1%	69.5%	69.9%	70.1%	70.2%
Revenue from services	USD\$ '000	329,000	366,000	463,000	533,274	630,455	738,392	856,504	983,753	1,118,627	1,259,147	1,402,905	1,547,139	1,688,832
% y-o-y	%	-	11.2%	26.5%	15.2%	18.2%	17.1%	16.0%	14.9%	13.7%	12.6%	11.4%	10.3%	9.2%
% of total	%	15.0%	15.3%	16.8%	17.0%	17.1%	17.2%	17.1%	17.1%	16.9%	16.7%	16.4%	16.0%	15.7%
Total Revenue	USD\$ '000	2,200,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Revenue by geography:														
Americas	USD\$ '000	1,207,000	1,294,000	1,511,000	1,782,467	2,083,819	2,417,835	2,785,364	3,182,716	3,608,601	4,056,447	4,522,610	4,997,623	5,475,801
% y-o-y	%	-	7.2%	16.8%	18.0%	16.9%	16.0%	15.2%	14.3%	13.4%	12.4%	11.5%	10.5%	9.6%
% of total	%	54.4%	54.0%	54.9%	56.8%	56.6%	56.2%	55.7%	55.2%	54.5%	53.7%	52.8%	51.8%	50.7%
EMEA	USD\$ '000	527,000	553,000	632,000	757,808	904,720	1,074,851	1,270,132	1,492,193	1,742,226	2,020,845	2,327,944	2,662,558	3,022,741
% y-o-y	%	-	4.9%	14.3%	19.9%	19.4%	18.8%	18.2%	17.5%	16.8%	16.0%	15.2%	14.4%	13.5%
% of total	%	23.7%	23.1%	23.0%	24.1%	24.6%	25.0%	25.4%	25.9%	26.3%	26.8%	27.2%	27.6%	28.0%
Greater China	USD\$ '000	-	-	292,000	362,153	446,540	547,042	666,542	807,248	972,974	1,166,343	1,392,620	1,655,078	1,961,391
% y-o-y	%	nm	nm	nm	24.0%	23.3%	22.5%	21.8%	21.1%	20.5%	19.9%	19.4%	18.8%	18.5%
% of total	%	nm	nm	10.6%	11.5%	12.1%	12.7%	13.3%	14.0%	14.7%	15.4%	16.3%	17.2%	18.2%
Asia Pacific	USD\$ '000	380,000	458,000	222,000	235,949	249,616	262,847	275,488	287,384	298,381	308,333	317,101	324,560	330,600
% y-o-y	%	-	20.0%	nm	6.3%	5.8%	5.3%	4.8%	4.3%	3.8%	3.3%	2.8%	2.4%	1.9%
% of total	%	17.1%	19.0%	8.1%	7.5%	6.8%	6.1%	5.5%	5.0%	4.5%	4.1%	3.7%	3.4%	3.1%
Others	USD\$ '000	106,000	95,000	95,000	-	-	-	-	-	-	-	-	-	-
% y-o-y	%	-	-10.4%	0.0%	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
% of total	%	4.8%	4.0%	3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue	USD\$ '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Interest Income	USD\$ '000	5,000	10,000	19,000	20,918	20,036	24,100	25,750	31,173	32,627	39,591	47,335	55,901	65,345
Total Cash and Marketable Securities	USD\$ '000	1,386,000	1,559,000	2,145,000	3,323,831	3,183,869	3,829,504	4,091,645	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719	10,383,445
Interest Income % Total Cash and Marketable	%	0.36%	0.64%	0.89%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%

Revenue from Sale of Instruments	USDS '000	595,000	489,000	523,000	555,318	612,439	675,716	748,782	831,354	928,629	1,040,928	1,175,796	1,334,606	1,528,444
% y-o-y	%	-	-17.8%	7.0%	6.2%	10.3%	10.3%	10.8%	11.0%	11.7%	12.1%	13.0%	13.5%	14.5%
Americas														
Total Revenue	USDS '000	323,498	263,872	287,156	311,564	338,047	365,091	394,298	423,870	455,661	487,557	521,686	555,596	591,709
% y-o-y	%	-	-18.4%	8.8%	8.5%	8.5%	8.0%	8.0%	7.5%	7.5%	7.0%	7.0%	6.5%	6.5%
EMEA														
Total Revenue	USDS '000	141,245	112,768	120,108	127,314	134,316	141,032	147,379	153,274	158,638	163,397	167,482	170,832	173,394
% y-o-y	%	-	-20.2%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%
Greater China:														
Total Revenue	USDS '000	-	-	55,493	72,141	93,783	121,449	157,276	202,886	261,723	336,314	432,163	553,169	708,067
% y-o-y	%	-	-	nm	30.0%	30.0%	29.5%	29.5%	29.0%	29.0%	28.5%	28.5%	28.0%	28.0%
Asia Pacific:														
Total Revenue	USDS '000	101,847	92,987	42,190	44,299	46,293	48,144	49,829	51,324	52,607	53,660	54,464	55,009	55,284
% y-o-y	%	-	-8.7%	-54.6%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%
Others:														
Total Revenue	USDS '000	28,410	19,372	18,054	-	-	-	-	-	-	-	-	-	-
% y-o-y	%	-	-31.8%	-6.8%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Revenue from Sale of Consumables														
Total Revenue	USDS '000	1,276,000	1,543,000	1,766,000	2,049,784	2,441,801	2,888,466	3,392,240	3,954,434	4,574,925	5,251,892	5,981,573	6,758,075	7,573,256
% y-o-y	%	-	20.9%	14.5%	16.1%	19.1%	18.3%	17.4%	16.6%	15.7%	14.8%	13.9%	13.0%	12.1%
Americas:														
Total Revenue	USDS '000	693,753	832,628	969,632	1,165,847	1,384,282	1,629,800	1,902,566	2,201,956	2,526,439	2,873,474	3,239,443	3,619,628	4,008,236
% y-o-y	%	-	20.0%	16.5%	20.2%	18.7%	17.7%	16.7%	15.7%	14.7%	13.7%	12.7%	11.7%	10.7%
EMEA:														
Total Revenue	USDS '000	302,906	355,829	405,564	502,899	618,566	754,651	913,127	1,095,753	1,303,946	1,538,656	1,800,228	2,088,264	2,401,504
% y-o-y	%	-	17.5%	14.0%	24.0%	23.0%	22.0%	21.0%	20.0%	19.0%	18.0%	17.0%	16.0%	15.0%
Greater China:														
Total Revenue	USDS '000	-	-	187,381	228,605	276,612	331,934	395,001	466,102	545,339	632,593	727,482	829,329	937,142
% y-o-y	%	-	-	nm	22.0%	21.0%	20.0%	19.0%	18.0%	17.0%	16.0%	15.0%	14.0%	13.0%
Asia Pacific:														
Total Revenue	USDS '000	218,414	293,415	142,461	152,433	162,341	172,082	181,546	190,623	199,201	207,170	214,420	220,853	226,374
% y-o-y	%	-	34.3%	nm	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%
Others:														
Total Revenue	USDS '000	60,926	61,128	60,963	-	-	-	-	-	-	-	-	-	-
% y-o-y	%	-	0.3%	-0.3%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Revenue from Services														
Total Revenue	USDS '000	329,000	366,000	463,000	533,274	630,455	738,392	856,504	983,753	1,118,627	1,259,147	1,402,905	1,547,139	1,688,832
% y-o-y	%	-	11.2%	26.5%	15.2%	18.2%	17.1%	16.0%	14.9%	13.7%	12.6%	11.4%	10.3%	9.2%
Americas:														
Total Revenue	USDS '000	178,875	197,500	254,213	305,055	361,490	422,944	488,500	556,890	626,501	695,416	761,481	822,399	875,855
% y-o-y	%	-	10.4%	28.7%	20.0%	18.5%	17.0%	15.5%	14.0%	12.5%	11.0%	9.5%	8.0%	6.5%
EMEA:														
Total Revenue	USDS '000	78,100	84,403	106,328	127,594	151,837	179,168	209,626	243,166	279,641	318,791	360,234	403,462	447,843
% y-o-y	%	-	8.1%	26.0%	20.0%	19.0%	18.0%	17.0%	16.0%	15.0%	14.0%	13.0%	12.0%	11.0%
Greater China:														
Total Revenue	USDS '000	-	-	49,126	61,408	76,146	93,660	114,265	138,260	165,912	197,436	232,974	272,580	316,192
% y-o-y	%	-	-	nm	25.0%	24.0%	23.0%	22.0%	21.0%	20.0%	19.0%	18.0%	17.0%	16.0%
Asia Pacific:														
Total Revenue	USDS '000	56,315	69,598	37,350	39,217	40,982	42,621	44,113	45,436	46,572	47,504	48,216	48,698	48,942
% y-o-y	%	-	23.6%	nm	5.0%	4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	1.0%	0.5%
Others:														
Total Revenue	USDS '000	15,709	14,500	15,983	-	-	-	-	-	-	-	-	-	-
% y-o-y	%	-	-7.7%	10.2%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%

Expenses

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenue	USDS '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Product Revenue	USDS '000	1,891,000	2,032,000	2,289,000	2,605,102	3,054,240	3,564,182	4,141,022	4,785,788	5,503,554	6,292,820	7,157,369	8,092,681	9,101,701
Service Revenue	USDS '000	329,000	366,000	463,000	533,274	630,455	738,392	856,504	983,753	1,118,627	1,259,147	1,402,905	1,547,139	1,688,832
Cost of product revenue	USDS '000	491,000	534,000	679,000	711,264	864,434	1,044,403	1,234,138	1,450,225	1,695,246	1,969,825	2,276,240	2,614,158	2,985,808
% of product revenue	%	26.0%	26.3%	29.7%	27.3%	28.3%	29.3%	29.8%	30.3%	30.8%	31.3%	31.8%	32.3%	32.6%
Cost of service revenue	USDS '000	134,000	155,000	208,000	227,637	269,002	315,056	365,452	419,746	477,294	537,251	598,590	660,131	720,589
% of service revenue	%	40.7%	42.3%	44.9%	42.7%	42.7%	42.7%	42.7%	42.7%	42.7%	42.7%	42.7%	42.7%	42.7%
Research and development	USDS '000	401,000	504,000	546,000	616,384	723,683	845,036	981,526	1,133,151	1,300,612	1,483,224	1,681,258	1,893,283	2,119,286
% of total revenue	%	18.1%	21.0%	19.8%	19.6%	19.6%	19.6%	19.6%	19.6%	19.6%	19.6%	19.6%	19.6%	19.6%
Selling, general and administrative	USDS '000	516,000	584,000	674,000	754,133	885,409	1,033,882	1,200,875	1,386,385	1,591,269	1,814,691	2,056,981	2,316,389	2,592,899
% of total revenue	%	23.2%	24.4%	24.5%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Income Tax														
Income Before Taxes	USDS '000	583,000	561,000	1,043,000	798,746	910,302	1,047,887	1,208,750	1,386,546	1,578,057	1,786,567	1,994,540	2,211,759	2,437,498
Income tax expense (benefit)	USDS '000	125,000	133,000	365,000	151,762	172,957	199,099	229,663	263,444	299,831	339,448	378,963	420,234	463,125
Tax rate	%	21.4%	23.7%	35.0%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%

NWC

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Working Capital														
Total Revenue	USD\$ '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Product Revenue	USD\$ '000	1,891,000	2,032,000	2,289,000	2,605,102	3,054,240	3,564,182	4,141,022	4,785,788	5,503,554	6,292,820	7,157,369	8,092,681	9,101,701
Total COGS	USD\$ '000	671,000	732,000	926,000	938,801	1,133,435	1,359,459	1,599,590	1,869,971	2,172,540	2,507,077	2,874,830	3,274,289	3,706,197
Cost of Product Revenue	USD\$ '000	491,000	534,000	679,000	711,264	864,434	1,044,403	1,234,138	1,450,225	1,695,246	1,969,825	2,276,240	2,614,158	2,985,608
Accounts receivable	USD\$ '000	386,000	381,000	411,000	504,339	592,133	691,427	803,106	927,169	1,064,189	1,213,607	1,375,642	1,549,126	1,734,047
Inventory	USD\$ '000	271,000	300,000	333,000	378,979	444,317	518,501	602,417	696,215	800,632	915,451	1,041,222	1,177,287	1,324,075
Prepaid expense and other current assets	USD\$ '000	54,000	78,000	91,000	94,066	110,440	128,960	149,790	172,929	198,485	228,353	266,575	288,932	323,422
Accounts payable	USD\$ '000	139,000	138,000	160,000	184,256	223,935	270,557	319,709	375,687	439,161	510,292	589,870	677,209	773,435
Accrued liabilities	USD\$ '000	387,000	342,000	432,000	472,682	570,680	684,482	805,387	941,522	1,093,864	1,262,302	1,447,464	1,648,590	1,886,054
Assumptions														
Accounts receivable as % of total revenue	%	17.4%	15.9%	14.9%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%	16.1%
Inventory as % of product revenue	%	14.3%	14.8%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
Prepaid expense and other current assets as % of total revenue	%	2.4%	3.3%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Accounts payable as % of cost of product revenue	%	28.3%	25.8%	23.6%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
Accrued liabilities as % of total COGS	%	57.7%	46.7%	46.7%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%

Fixed Assets:

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenue	USD\$ '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
Plant, property and equipment														
Leasehold improvements	USD\$ '000	178,000	270,000	331,000	405,754	493,521	596,005	715,043	852,470	1,010,206	1,190,089	1,393,989	1,623,603	1,880,626
Machinery and equipment	USD\$ '000	224,000	274,000	316,000	387,368	471,156	568,996	682,639	813,838	964,426	1,136,157	1,330,817	1,550,025	1,795,401
Computer hardware and software	USD\$ '000	137,000	156,000	185,000	226,781	275,835	333,115	399,646	476,456	564,616	665,155	779,117	907,452	1,051,105
Furniture and fixtures	USD\$ '000	19,000	24,000	34,000	41,679	50,094	61,221	73,449	87,565	103,767	122,245	143,189	166,775	193,176
Building	USD\$ '000	8,000	9,000	155,000	589,630	717,171	866,099	1,039,081	1,238,785	1,468,003	1,729,404	2,025,705	2,359,374	2,732,873
Construction in progress	USD\$ '000	45,000	307,000	326,000	-	-	-	-	-	-	-	-	-	-
Total Gross PP&E	USD\$ '000	611,000	1,040,000	1,347,000	1,651,211	2,008,377	2,425,436	2,909,859	3,469,114	4,111,019	4,843,049	5,672,818	6,607,229	7,653,182
Less: Accumulated depreciation	USD\$ '000	(266,743)	(327,000)	(416,000)	(557,503)	(735,993)	(957,672)	(1,229,516)	(1,559,274)	(1,941,233)	(2,375,276)	(2,896,407)	(3,420,739)	(4,044,554)
Total Net PP&E	USD\$ '000	344,257	713,000	931,000	1,093,708	1,272,384	1,467,764	1,680,343	1,909,840	2,169,786	2,467,773	2,806,410	3,186,490	3,608,628
Intangible Assets														
Licensed technology	USD\$ '000	84,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000	95,000
Core technology	USD\$ '000	325,000	328,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Customer relationships	USD\$ '000	34,000	33,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
License agreements	USD\$ '000	16,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Trade name	USD\$ '000	5,000	5,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Total Gross Intangible Assets	USD\$ '000	464,000	475,000	448,000	448,000	448,000	448,000	448,000	448,000	448,000	448,000	448,000	448,000	448,000
Less: Accumulated amortisation	USD\$ '000	(190,300)	(238,000)	(273,000)	(309,000)	(341,000)	(365,000)	(389,000)	(403,000)	(417,000)	(427,000)	(434,000)	(437,000)	(438,000)
Total Net Intangible Assets	USD\$ '000	273,700	237,000	175,000	139,000	107,000	83,000	62,000	45,000	31,000	21,000	14,000	11,000	10,000

FY17A Fixed Assets			
	Gross Value	Avg Useful life (yrs)	% of CAPEX
Leasehold improvements	331,000	20	24.6%
Machinery and equipment	316,000	5	23.5%
Computer hardware and software	185,000	6	13.7%
Furniture and fixtures	34,000	7	2.5%
Building	155,000	20	35.7%
Construction in progress	326,000	na	0%
Licensed technology	95,000	10	0%
Core technology	300,000	10	0%
Customer relationships	32,000	10	0%
License agreements	14,000	11	0%
Trade name	7,000	5	0%
Total Gross Fixed Assets	1,795,000		
Weighted Average Useful Life		12	

Capex	USD\$ '000	143,000	271,000	312,000	304,211	357,166	417,059	484,422	559,256	641,904	732,031	829,768	934,411	1,045,953
% of revenue	%	6.44%	11.3%	11.3%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Capex added to:														
Leasehold improvements	USD\$ '000				74,754	87,767	102,484	119,038	137,427	157,736	179,883	203,900	229,614	257,023
Machinery and equipment	USD\$ '000				71,368	83,790	97,840	113,643	131,199	150,588	171,731	194,660	219,209	245,376
Computer hardware and software	USD\$ '000				41,781	49,054	57,280	66,532	76,809	88,161	100,539	113,962	128,334	143,654
Furniture and fixtures	USD\$ '000				7,679	9,015	10,527	12,227	14,116	16,202	18,477	20,944	23,586	26,401
Building	USD\$ '000				108,630	127,541	148,928	172,982	199,705	229,217	261,401	296,302	333,609	373,499

Depreciation														
Depreciation of existing PP&E	USD\$ '000			110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Depreciation of new PP&E	USD\$ '000			31,503	68,490	111,679	161,844	219,759	271,959	324,044	381,131	444,332	513,815	593,815
Total Depreciation	USD\$ '000			141,503	178,490	221,679	271,844	329,759	381,959	434,044	491,131	554,332	623,815	703,815

Depreciation of new leasehold improvements:

Average useful life		20												
Fiscal year	Capex	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
2018E	74,754	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738	3,738
2019E	87,767		4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388
2020E	102,484			5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124	5,124
2021E	119,038				5,952	5,952	5,952	5,952	5,952	5,952	5,952	5,952	5,952	5,952
2022E	137,427					6,871	6,871	6,871	6,871	6,871	6,871	6,871	6,871	6,871
2023E	157,736						7,887	7,887	7,887	7,887	7,887	7,887	7,887	7,887
2024E	179,883							8,994	8,994	8,994	8,994	8,994	8,994	8,994
2025E	203,900								10,195	10,195	10,195	10,195	10,195	10,195
2026E	229,614									11,481	11,481	11,481	11,481	11,481
2027E	257,023										12,851	12,851	12,851	12,851
	679,206	3,738	8,126	13,250	19,202	26,073	33,960	42,954	53,149	64,630	77,481			

Depreciation of new machinery and equipment:

Average useful life		5									
Fiscal year	Capex	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
2018E	71,366	14,273									
2019E	83,790		14,273								
2020E	97,840		16,758								
2021E	113,643			14,273							
2022E	131,199			16,758							
2023E	150,588			19,568	22,729						
2024E	171,731				22,729	26,240					
2025E	194,660					30,118	34,346				
2026E	219,209						30,118	34,346			
2027E	245,376							30,118	34,346		
	1,479,401	14,273	31,031	50,599	73,328	99,568	115,412	133,000	152,364	173,477	196,313

Depreciation of new computer hardware and software:

Average useful life		6									
Fiscal year	Capex	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
2018E	41,781	6,963									
2019E	49,054		6,963								
2020E	57,280		8,176								
2021E	66,532			6,963							
2022E	76,809			8,176							
2023E	88,161			9,547	11,089						
2024E	100,539			11,089	12,802	14,693					
2025E	113,962				12,802	14,693	16,756				
2026E	128,334					16,756	18,994				
2027E	143,654						21,389	23,942			
	866,105	6,963	15,139	24,686	35,774	48,576	63,269	73,062	83,880	95,723	108,576

Depreciation of new furniture and fixtures:

Average useful life		7									
Fiscal year	Capex	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
2018E	7,679	1,097									
2019E	9,015		1,288								
2020E	10,527			1,097							
2021E	12,227			1,288							
2022E	14,116			1,504	1,747						
2023E	16,202				2,017						
2024E	18,477					2,315					
2025E	20,944						2,640				
2026E	23,586							2,962			
2027E	26,401								3,369		
	159,176	1,097	2,385	3,889	5,636	7,652	9,967	12,606	14,501	16,583	18,851

Depreciation of new buildings:

Average useful life		20									
Fiscal year	Capex	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
2018E	108,630	5,432									
2019E	127,541		5,432								
2020E	148,928		6,377								
2021E	172,982			5,432							
2022E	199,705			6,377							
2023E	229,217			7,446							
2024E	261,401			8,649	9,985						
2025E	296,302				11,461						
2026E	333,669					13,070					
2027E	373,499						14,815				
	2,251,873	5,432	11,809	19,255	27,904	37,889	49,350	62,420	77,235	93,919	112,594

Amortisation

Amortisation of existing intangible assets	USD\$ '000		36,000	32,000	24,000	21,000	17,000	14,000	10,000	7,000	3,000	1,000
Amortisation of new intangible assets	USD\$ '000		-	-	-	-	-	-	-	-	-	-
Total Amortisation	USD\$ '000		36,000	32,000	24,000	21,000	17,000	14,000	10,000	7,000	3,000	1,000

Debt:

	Units	2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenue	USD\$ '000	2,226,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,568,274	9,639,820	10,790,533
Cash	USD\$ '000	769,000	735,000	1,225,000	3,089,831	3,008,169	3,712,504	4,033,145	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719	10,383,445
Cash as % of revenue	%	34.64%	30.65%	44.51%	98.45%	81.64%	86.29%	80.70%	85.85%	78.29%	83.30%	87.87%	92.15%	96.23%
Total Interest Expense	USD\$ '000				51,230	51,901	40,410	32,535	24,660	12,330	-	-	-	-
Target Minimum Cash Balance	USD\$ '000				1,148,680	1,348,638	1,574,789	1,829,149	2,111,715	2,423,790	2,764,102	3,133,154	3,528,279	3,949,453
% of revenue	%				37%	37%	37%	37%	37%	37%	37%	37%	37%	37%
Cashflow before short-term/revolver borrowings	USD\$ '000				747,042	916,004	1,062,894	1,225,563	1,420,974	1,623,007	1,838,627	2,060,220	2,295,617	2,546,679
Cash from operations	USD\$ '000				381,789	(298,666)	(358,559)	(425,922)	(500,756)	(641,904)	(732,031)	(829,768)	(934,411)	(1,045,953)
Cash from investing (excl'd debt)	USD\$ '000				-	-	-	-	-	-	-	-	-	-
(+) Beginning cash balance	USD\$ '000				1,225,000	3,089,831	3,008,169	3,712,504	4,033,145	4,953,363	5,184,466	6,291,062	7,521,514	8,882,719
(-) Cash from new long-term borrowings	USD\$ '000				750,000	-	-	-	-	-	-	-	-	-
(-) Repayment of long-term borrowings	USD\$ '000				-	(699,000)	-	(479,000)	-	(750,000)	-	-	-	-
(-) Target minimum cash balance	USD\$ '000				(1,148,680)	(1,348,638)	(1,574,789)	(1,829,149)	(2,111,715)	(2,423,790)	(2,764,102)	(3,133,154)	(3,528,279)	(3,949,453)
Available cash before short-term borrowings	USD\$ '000				1,955,151	1,659,530	2,137,715	2,203,996	2,841,648	2,760,676	3,526,960	4,388,361	5,354,440	6,433,993
Short-term Borrowings														
Average Interest Rate	3.34%													
Beginning Balance	USD\$ '000				10,000	-	-	-	-	-	-	-	-	-
(+) Additions	USD\$ '000				-	-	-	-	-	-	-	-	-	-
(-) Principal Repayments	USD\$ '000				(10,000)	-	-	-	-	-	-	-	-	-
Ending Balance	USD\$ '000				-	-	-	-	-	-	-	-	-	-
Interest Expense	USD\$ '000				167.05	-	-	-	-	-	-	-	-	-
Long-term Borrowings														
Type:	Principal:	Interest Rate:	Maturity:											
Notes Outstanding	592,000	2.90%	2019											
Notes Outstanding	479,000	3.50%	2021											
Obligations under financing leases	107,000	3.00%	2019											
Notes Outstanding	750,000	3.50%	2023											
Weighted Average Interest Rate	3.29%													
Beginning balance	USD\$ '000				1,178,000	1,928,000	1,229,000	1,229,000	750,000	750,000	-	-	-	-
(-) Repayment	USD\$ '000				-	(699,000)	-	(479,000)	-	(750,000)	-	-	-	-
(+) Issuance of new debt	USD\$ '000				750,000	-	-	-	-	-	-	-	-	-
Ending balance	USD\$ '000				1,928,000	1,229,000	1,229,000	750,000	750,000	-	-	-	-	-
Interest expense	USD\$ '000				51,063	51,901	40,410	32,535	24,660	12,330	-	-	-	-
Total proceeds from borrowings	USD\$ '000				750,000	-	-	-	-	-	-	-	-	-
Total repayments	USD\$ '000				(10,000)	(699,000)	-	(479,000)	-	(750,000)	-	-	-	-
Retained Earnings & Dividends														
Retained Earnings														
Beginning balance	USD\$ '000	561,000	1,023,000	1,485,000	2,256,000	2,902,984	3,640,329	4,489,117	5,468,205	6,591,307	7,869,533	9,316,652	10,932,230	12,723,755
(+) Net income	USD\$ '000	462,000	463,000	726,000	646,984	737,344	848,789	979,088	1,123,102	1,278,226	1,447,119	1,615,578	1,791,525	1,974,373
(-) Dividends paid	USD\$ '000	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending balance	USD\$ '000	1,023,000	1,485,000	2,256,000	2,902,984	3,640,329	4,489,117	5,468,205	6,591,307	7,869,533	9,316,652	10,932,230	12,723,755	14,698,128
Dividends paid														
Cash dividend per share	USD\$	-	-	-	-	-	-	-	-	-	-	-	-	-
Payout ratio (%)	%	-	-	-	-	-	-	-	-	-	-	-	-	-
Basic shares outstanding	# '000	149,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Cash dividends paid	USD\$ '000	-	-	-	-	-	-	-	-	-	-	-	-	-

DCF Valuation

DCF Calculation

		Historicals			Forecasted									
		2015A	2016A	2017A	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Total Revenue	USDS '000	2,220,000	2,398,000	2,752,000	3,138,377	3,684,695	4,302,574	4,997,526	5,769,541	6,622,181	7,551,967	8,560,274	9,639,820	10,790,533
% y-o-y	%	-	8.02%	14.76%	14.04%	17.41%	16.77%	16.15%	15.45%	14.78%	14.04%	13.35%	12.61%	11.94%
Gross Profit	USDS '000	1,549,000	1,666,000	1,826,000	2,199,575	2,551,259	2,943,115	3,397,936	3,899,569	4,449,641	5,044,890	5,685,445	6,365,531	7,084,337
Margin (%)	%	69.77%	69.47%	66.35%	70.09%	69.24%	68.40%	67.99%	67.59%	67.19%	66.80%	66.42%	66.03%	65.65%
EBITDA	USDS '000	686,000	677,000	716,000	970,561	1,120,657	1,285,876	1,487,379	1,709,792	1,939,719	2,181,019	2,438,337	2,710,190	2,995,967
Margin (%)	%	30.90%	28.23%	26.02%	30.93%	30.41%	29.89%	29.76%	29.63%	29.29%	28.88%	28.48%	28.11%	27.76%
EBIT	USDS '000	613,000	587,000	606,000	829,058	942,167	1,064,197	1,215,535	1,380,033	1,557,760	1,746,976	1,947,206	2,155,858	2,372,152
Margin (%)	%	27.61%	24.48%	22.02%	26.42%	25.57%	24.73%	24.32%	23.92%	23.52%	23.13%	22.75%	22.36%	21.98%
Income Tax	USDS '000	125,000	133,000	365,000	151,762	172,957	199,099	229,663	263,444	299,831	339,448	378,963	420,234	463,125
Tax rate (%)	%	21%	24%	35%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
NOPAT	USDS '000	488,000	454,000	241,000	677,297	769,210	865,099	985,873	1,116,589	1,257,929	1,407,528	1,568,243	1,735,624	1,909,028
Margin (%)	%	21.98%	18.93%	8.76%	21.58%	20.88%	20.11%	19.73%	19.35%	19.00%	18.64%	18.32%	18.00%	17.69%
Add: Depreciation	USDS '000	73,000	90,000	110,000	141,503	178,490	221,679	271,844	329,759	381,959	434,044	491,131	554,332	623,815
% of revenue	%	3.29%	3.75%	4.00%	4.51%	4.84%	5.15%	5.44%	5.72%	5.77%	5.75%	5.74%	5.75%	5.78%
Less: Capex	USDS '000	(143,000)	(271,000)	(312,000)	(304,211)	(357,166)	(417,059)	(484,422)	(559,256)	(641,904)	(732,031)	(829,768)	(934,411)	(1,045,953)
% of revenue	%	6.4%	11.3%	11.3%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%
Less: Increase in NWC	USDS '000	(40,000)	(45,000)	195,000	(77,445)	(31,830)	(31,573)	(46,368)	(48,886)	(51,178)	(52,536)	(53,488)	(53,240)	(52,509)
% of revenue	%	1.8%	1.9%	7.1%	2.5%	0.9%	0.7%	0.9%	0.8%	0.8%	0.7%	0.6%	0.6%	0.5%
FCFF	USDS '000	378,000	228,000	234,000	437,144	558,703	638,145	726,926	838,206	946,806	1,057,005	1,176,117	1,302,304	1,434,381
Period proration	#				0.14	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Prorated FCFF	USDS '000				62,278	558,703	638,145	726,926	838,206	946,806	1,057,005	1,176,117	1,302,304	1,434,381
Discount period	#				0.07	0.64	1.64	2.64	3.64	4.64	5.64	6.64	7.64	8.64
Discount factor	#				0.99	0.95	0.89	0.83	0.77	0.71	0.66	0.62	0.58	0.54
Discounted FCFF	USDS '000				61,958	533,338	566,672	600,474	644,090	676,781	702,839	727,480	749,332	767,746

Perpetual Growth Method

PV of FCFF	6,464,253
Terminal Growth Rate	4.0%
Final Year FCFF	1,434,381
Terminal FCFF	74,587,786
PV of Terminal FCFF	45,077,793
Enterprise Value	51,542,046
Less: Debt	(1,967,000)
Add: Cash	1,225,000
Less: Minority interests	-
Add: Investments in joint ventures	-
Implied Equity Value	50,800,046
NOSH	148,000
Implied Share Price	343

Exit Multiple Method

PV of FCFF	6,464,253
Exit Multiple	25.0
Final Year EBITDA	2,995,967
Terminal FCFF	74,899,178
PV of Terminal FCFF	45,265,985
Enterprise Value	51,730,238
Less: Debt	(1,967,000)
Add: Cash	1,225,000
Less: Minority interests	-
Add: Investments in joint ventures	-
Implied Equity Value	50,988,238
NOSH	148,000
Implied Share Price	345