

TXT E-SOLUTIONS

BUY

SECTOR: *Industrials*

Price (Eu):

9.07

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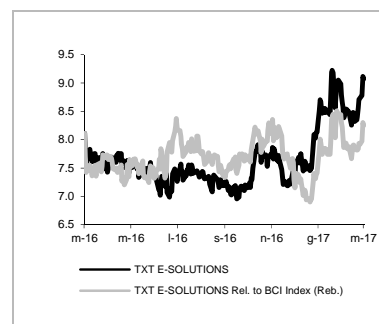
Target Price (Eu):

12.00

Quarterly Margins Beat Forecast, Positive Outlook For Both Divisions

- Quarterly results shows higher than forecast profitability.** In the 4Q16, TXT's revenues came to Eu19.1mn, up 18.1% YoY as PACE contributed Eu3.0mn. Organic growth was almost flat in both divisions (NEXT and RETAIL). EBITDA stood at Eu2.5mn in the 4Q16, up from Eu0.9mn in 4Q15 and 14.1% above our forecast; PACE contributed Eu0.8mn. The margin on sales improved YoY from 5.7% to 13.0%. Net profit went from Eu0.45mn to Eu1.93mn, turning out to be 25.2% above our forecast. Finally, net cash increased QoQ from Eu2.7mn to Eu5.4mn.
- Key full year facts.** In the FY16, revenues grew by 12.4% to Eu69.2mn; the sale of licences and maintenance grew 17.8% YoY. International revenues reached 60% of total revenues. EBITDA stood at Eu8.2mn, +38.8% YoY; the margin on sales went from 9.6% to 11.9%. Net profit increased by 43.0% to Eu5.56mn. PACE, consolidated for 9 months in 2016, contributed Eu6.6mn to consolidated revenues and Eu1.4mn to EBITDA (net of non-recurrent costs). The BoD proposed the distribution of a DPS of Eu0.30, above our forecast (Eu0.26).
- Positive outlook.** The company foresees positive development of revenues and profits for both divisions. Seasonality and weakness in the final markets could drive to lower profitability in 1Q17, along with acceleration in R&D investments and strengthen of international commercial teams.
- Estimates fine-tuned upwards.** Following the release of 4Q16 results, we have marginally upwards revised our 2017-18 estimates. Changes to our EPS estimates stand at: +2.9% on 2017, +2.6% on 2018. For 2017, we assume 10.4% revenue growth an improvement in the EBITDA margin from 11.9% to 12.1%, and a net profit of Eu6.20mn (+11.6%). The net cash position is set to increase to Eu5.8mn at YE17. For 2018, we assume additional 8.2% revenue growth, a further improvement in the EBITDA margin up to 12.6%, and a net profit of Eu6.95mn (+12.0%). The net cash position is set to increase to Eu7.2mn at YE18.
- BUY confirmed; target increased to Eu12.00.** We appreciate TXT RETAIL's focus on the Retail, Fashion and Luxury sectors, which offer significant and sustainable growth opportunities. Within TXT NEXT, we believe there are opportunities to extract revenue synergies from the PACE acquisition over the next few years. Indeed, TXT NEXT will have the opportunity to supply PACE's customer base (large companies including Airbus, Boeing, Safran, GE Aviation, Sukhoi, Embraer, Rolls-Royce, Air France & KLM, Lufthansa and Delta Airlines) with its on-board software, flight simulators, and flight training systems. Finally, an ungeared balance sheet opens the way for additional M&A: management has built a solid track record integrating acquired companies. Our valuation, based on a DCF model, yields a target price of Eu12.00 per share (from previous Eu11.00).

TXT E-SOLUTIONS - 12m Performance



RATING: Unchanged

TARGET PRICE (Eu): from 11.00 to 12.00

Change in EPS est:	2017E	2018E
	+2.9%	+2.6%

STOCK DATA

Reuters code: TXTS.MI
Bloomberg code: TXT IM

Performance	1m	3m	12m
Absolute	4.7%	23.7%	11.8%
Relative	0.4%	16.4%	1.8%
12 months H/L:	9.22/6.96		

SHAREHOLDER DATA

No. of Ord. shares (mn):	13
Total No. of shares (mn):	13
Mkt Cap Ord (Eu mn):	118
Total Mkt Cap (Eu mn):	118
Mkt Float - ord (Eu mn):	51
Mkt Float (in %):	43.6%
Main shareholder:	
E-Business Consulting	26.4%

BALANCE SHEET DATA

	2017
Book value (Eu mn):	37
BVPS (Eu):	2.84
P/BV:	3.2
Net Financial Position (Eu mn):	6
Enterprise value (Eu mn):	100

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Key Figures	2014A	2015A	2016A	2017E	2018E
Sales (Eu mn)	56	62	69	76	83
Ebitda (Eu mn)	7	6	8	9	10
Net profit (Eu mn)	4	4	6	6	7
EPS - New (Eu)	0.358	0.333	0.477	0.532	0.596
EPS - Old (Eu)		0.330	0.439	0.511	-5.544
DPS (Eu)	0.230	0.252	0.300	0.330	0.363

Ratios & Multiples	2014A	2015A	2016A	2017E	2018E
P/E	25.3	27.2	19.0	17.0	15.2
Div. Yield	2.5%	2.8%	3.3%	3.6%	4.0%
EV/Ebitda	14.3	16.4	12.2	10.9	9.4
ROCE	27.4%	20.9%	25.5%	26.3%	28.5%

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TXT E-SOLUTIONS - KEY FIGURES

		2014A	2015A	2016A	2017E	2018E
	Fiscal year end	12/12/2014	12/12/2015	12/12/2016	12/12/2017	12/12/2018
PROFIT & LOSS (Eu mn)	Sales	56	62	69	76	83
	EBITDA	7	6	8	9	10
	EBIT	5	5	7	8	9
	Financial income (charges)	(0)	(0)	0	0	0
	Associates & Others	0	0	0	0	0
	Pre-tax profit (Loss)	5	5	7	8	9
	Taxes	(1)	(1)	(1)	(2)	(2)
	Tax rate (%)	20.0%	16.4%	20.8%	22.5%	25.0%
	Minorities & discontinue activities	0	0	0	0	0
	Net profit	4	4	6	6	7
	Total extraordinary items	0	0	0	0	0
	Ebitda excl. extraordinary items	7	6	8	9	10
Ebit excl. extraordinary items	5	5	7	8	9	
Net profit restated	4	4	6	6	7	
PER SHARE DATA (Eu)	Total shares out (mn) - average fd	13	13	13	13	13
	EPS stated fd	0.358	0.333	0.477	0.532	0.596
	EPS restated fd	0.358	0.333	0.477	0.532	0.596
	BVPS fd	2.227	2.585	2.636	2.844	3.082
	Dividend per share (ord)	0.230	0.252	0.300	0.330	0.363
	Dividend per share (sav)	0.000	0.000	0.000	0.000	0.000
	Dividend pay out ratio (%)	64.2%	75.4%	63.0%	62.1%	61.0%
	CASH FLOW (Eu mn)	Gross cash flow	5	6	5	8
Change in NWC		(2)	(5)	4	(3)	(2)
Capital expenditure		(1)	(1)	(1)	(1)	(1)
Other cash items		(0)	0	(2)	0	0
Free cash flow (FCF)		3	0	6	4	5
Acquisitions, divestments & others		0	0	(5)	0	0
Dividend		(3)	(3)	(3)	(4)	(4)
Equity financing/Buy-back		(1)	2	(1)	0	0
Change in Net Financial Position	(0)	(0)	(3)	0	1	
BALANCE SHEET (Eu mn)	Total fixed assets	18	18	25	25	24
	Net working capital	6	11	7	10	13
	Long term liabilities	(4)	(4)	(4)	(4)	(4)
	Net capital employed	21	25	29	31	33
	Net financial position	8	8	5	6	7
	Group equity	29	34	34	37	40
	Minorities	0	0	0	0	0
Net equity	29	34	34	37	40	
ENTERPRISE VALUE (Eu mn)	Average mkt cap - current	118	118	118	118	118
	Adjustments (associate & minorities)	12	12	12	12	12
	Net financial position	8	8	5	6	7
	Enterprise value	97	97	100	100	98
RATIOS(%)	EBITDA margin*	12.2%	9.6%	11.9%	12.1%	12.6%
	EBIT margin*	9.8%	7.8%	10.0%	10.3%	11.1%
	Gearing - Debt/equity	-29.2%	-24.6%	-15.7%	-15.7%	-17.9%
	Interest cover on EBIT	22.0	31.8	nm	nm	nm
	Debt/Ebitda	nm	nm	nm	nm	nm
	ROCE*	27.4%	20.9%	25.5%	26.3%	28.5%
	ROE*	14.7%	12.4%	16.4%	17.4%	18.0%
	EV/CE	4.9	4.2	3.7	3.3	3.1
	EV/Sales	1.7	1.6	1.5	1.3	1.2
	EV/Ebit	17.8	20.3	14.5	12.7	10.8
Free Cash Flow Yield	2.9%	0.2%	5.9%	3.7%	4.9%	
GROWTH RATES (%)	Sales	6.3%	10.1%	12.4%	10.4%	8.2%
	EBITDA*	8.4%	-12.8%	38.8%	12.0%	13.5%
	EBIT*	10.3%	-12.3%	44.0%	14.2%	15.7%
	Net profit	-10.1%	-6.9%	43.0%	11.6%	12.0%
	EPS restated	-10.1%	-6.9%	43.0%	11.6%	12.0%

* Excluding extraordinary items

Source: Intermonte SIM estimates

Results

TXT - Results

(Eu mn)	4Q15A	4Q16A	YoY	4Q16E	A vs E	2015A	2016E	YoY	2016E	A vs E
Total revenues	16.1	19.1	18.1%	21.1	-9.6%	61.5	69.2	12.4%	71.2	-2.8%
<i>YoY growth</i>	<i>13.7%</i>	<i>18.1%</i>		<i>30.5%</i>		<i>10.1%</i>	<i>12.4%</i>		<i>15.6%</i>	
Gross Profit	8.6	10.6	23.2%	11.6	-8.7%	32.4	37.1	14.7%	38.1	-2.7%
gross margin	53.3%	55.7%		55.2%		52.6%	53.7%		53.6%	
EBITDA pre stock grant						6.7	8.2		7.9	3.9%
EBITDA IFRS	0.9	2.5	170.3%	2.2	14.1%	5.9	8.2	38.8%	7.9	3.9%
EBITDA margin	5.7%	13.0%		10.3%		9.6%	11.9%		11.1%	
Depreciation and amortization <i>on revenues</i>	(0.3) -1.8%	(0.4) -2.3%		(0.5) -2.3%		(1.1) 1.9%	(1.3) 1.9%		(1.4) 2.0%	
EBIT IFRS	0.6	2.0	229.4%	1.7	20.5%	4.8	6.9	44.0%	6.6	5.3%
<i>EBIT margin</i>	<i>3.8%</i>	<i>10.7%</i>		<i>8.0%</i>		<i>7.9%</i>	<i>10.0%</i>		<i>9.5%</i>	
Financial income and charges	(0.0)	0.2		(0.0)		(0.2)	0.1		(0.1)	
Pre-tax profit	0.6	2.2	271.9%	1.7	33.1%	4.6	7.0	50.9%	6.5	8.5%
Income taxes <i>tax rate</i>	(0.1) -24.5%	(0.3) -12.8%		(0.1) -7.2%		(0.8) -16.4%	(1.5) -20.8%		(1.3) -20.0%	
Profit from discontinued operations	0.0	0.0		0.0		0.0	0.0		0.0	
Net profit	0.45	1.93	329.8%	1.54	25.2%	3.89	5.56	43.0%	5.17	7.5%
<i>YoY growth</i>	<i>-20.5%</i>	<i>329.8%</i>		<i>244.2%</i>		<i>-6.9%</i>	<i>43.0%</i>		<i>33.1%</i>	

Source: Company data (A) and Intermonte SIM estimates (E)

Estimates

TXT - Change in estimates

(Eu mn)	2015A	2016 AvE	2017E	2018E
Total revenues new	61.5	69.2	76.3	82.6
Total revenues old		71.2	77.6	82.0
% change		-2.8%	-1.6%	0.7%
EBITDA pre stock grant new	6.7	8.2	9.7	11.0
EBITDA pre stock grant old		7.9	9.6	10.9
% change		3.9%	0.6%	1.4%
EBITDA new	5.9	8.2	9.2	10.4
EBITDA old		7.9	9.1	10.3
% change		3.9%	0.7%	1.5%
EBIT new	4.8	6.9	7.9	9.1
EBIT old		6.6	7.8	8.9
% change		5.3%	1.5%	2.3%
PBT new	4.6	7.0	8.0	9.3
PBT old		6.5	7.8	9.0
% change		8.5%	2.9%	2.6%
Net profit new	3.9	5.6	6.2	6.9
Net profit old		5.2	6.0	6.8
% change		7.5%	2.9%	2.6%
Net cash new	8.3	5.4	5.8	7.2
Net cash old		1.5	2.8	5.8
% change		n.m.	110.3%	24.3%

Source: Intermonte SIM estimates

Valuation

Our valuation is based on a discounted cash flow (DCF) model; as a sanity check we have also compared TXT's multiples with those of its peers.

TXT is showing potential upside of 29% from the current share price of Eu9.30. At our target (Eu12.00 per share), the stock would be trading at 15.3x P/E (net of treasury shares and ex-cash), 9.1x EV/EBITDA and 1.2x EV/sales based on our 2018 estimates.

Further upside to our valuation might come from higher than forecast growth in revenues from licences and maintenance, quicker than expected improvements in profitability, or balance sheet re-leverage (through external growth or cash distributions to shareholders).

DCF

TXT - DCF model

(Eu mn)	2014A	2015A	2016A	2017E	2018E	2019E	2020E	2021E	TV
Sales	51.9	60.7	69.2	76.3	82.6	86.7	91.0	95.6	98.0
EBITDA	6.8	5.9	8.2	9.2	10.4	11.1	11.7	12.4	12.7
DA	(1.3)	(1.1)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.2)	(1.3)
EBIT	5.5	4.8	6.9	7.9	9.1	9.8	10.5	11.2	11.5
Taxes	(1.1)	(0.8)	(1.4)	(1.8)	(2.3)	(2.4)	(2.6)	(2.8)	(2.9)
tax rate	-20.0%	-16.4%	-20.8%	-22.5%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%
Change in WC	(1.5)	(4.7)	3.6	(2.8)	(2.3)	(0.4)	(0.4)	(0.5)	(0.2)
Capex	(0.6)	(0.8)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)	(0.9)
Capex/Sales	-1.2%	-1.3%	-1.1%	-1.0%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%
FCF	3.6	-0.4	9.7	3.9	5.1	7.4	7.9	8.3	8.8
TV									159.1
year	0	0	0	1	2	3	4	5	6
WACC	0	0	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Discounted WACC	1.00	1.00	1.00	0.93	0.86	0.79	0.74	0.68	0.63
Discounted Free cash flow	3.6	-0.4	9.7	3.6	4.4	5.9	5.8	5.7	100.3

Discounted Free Cash Flows	35.0
Terminal value	100.3
Total EV	135.2
Net cash	5.4
Treasury shares	12.3
Excess cash	3.1
Total EQUITY	156.0
N. of shares (mn)	13.0
TARGET PRICE (Eu)	12.0

TV / Total EV	74.2%
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WACC	8.0%
Terminal growth	2.5%

Peer Comparison

TXT is trading at a premium to a panel of European IT service providers and systems integration companies (such as Capgemini, Atos, Altron Technologies, Groupe Steria, Sopra Group, Indra Sistemas, and Reply), and at a discount to specialist software developers (such as Oracle, SAP and MICROS Systems).

If we associate TXT Retail's business with software developers and TXT Next with providers of IT services and systems integration companies, TXT's fair equity value per share should be Eu9.7 based on average 2017 and 2018 EV/EBITDA, and Eu19.4 based on average 2017 and 2018 EV/sales.

Given that, in our view, the read-across from a comparison based on EBITDA is highly influenced by the allocation of costs between one division and another, and a comparison on sales is too approximate, we prefer to use the multiple comparison simply as a sanity check to corroborate our predominant valuation method.

TXT - Valuation based on peer group EV/EBITDA

(Eu mn)	2015A	2016A	2017E	2018E
PERFORM EBITDA	4.6	4.5	5.2	6.0
EV/EBITDA peer group	11.3 x	10.5 x	12.1 x	11.0 x
EV PERFORM	52.1	46.8	62.4	66.1
NEXT EBITDA	2.0	3.8	4.5	5.0
EV/EBITDA peer group	8.2 x	7.7 x	9.8 x	8.4 x
EV NEXT	16.6	29.0	44.5	42.3
EV based on multiples	68.7	75.7	106.9	108.4
Net cash	8.3	5.4	5.8	7.2
Treasury shares	12.3	12.3	12.3	12.3
Equity Value	89.3	93.4	125.1	127.9
N. of shares	13.0	13.0	13.0	13.0
Equity Value p.s.	6.9	7.2	9.6	9.8
Average Equity Value p.s.				9.7

Source: Factset data & Intermonte estimates

TXT - Valuation based on peer group EV/Sales

(Eu mn)	2015A	2016A	2017E	2018E
PERFORM Sales	36.7	36.1	39.7	42.9
EV/Sales peer group	4.4 x	4.1 x	4.6 x	4.3 x
EV PERFORM	159.5	146.2	182.5	184.6
NEXT Sales	24.9	33.1	36.6	39.6
EV/Sales peer group	1.1 x	1.1 x	1.4 x	1.2 x
EV NEXT	27.4	34.7	51.3	47.6
EV based on multiples	186.9	180.9	233.8	232.2
Net cash	8.3	5.4	5.8	7.2
Treasury shares	12.3	12.3	12.3	12.3
Equity Value	207.5	198.6	252.0	251.7
N. of shares	13.0	13.0	13.0	13.0
Equity Value p.s.	16.0	15.3	19.4	19.4
Average Equity Value p.s.				19.4

Source: Factset data & Intermonte estimates

TXT E-SOLUTIONS Peer Group - Absolute Performances

Stock	Price	Ccy	Mkt cap	1M	3M	6M	YTD	1Y	2Y
TXT E-SOLUTIONS	9.07	EUR	118	4.7%	23.7%	26.1%	20.9%	11.8%	-5.8%
AMERICAN SOFTWARE	10.28	USD	303	1.7%	-5.3%	-6.5%	-0.5%	13.6%	4.5%
ATOSS SOFTWARE	67.75	EUR	269	1.0%	26.3%	18.8%	29.1%	3.9%	82.0%
CAPGEMINI	83.65	EUR	14,062	9.5%	9.9%	-4.7%	4.4%	10.7%	14.5%
COMPUTACENTER	7.66	GBP	939	-3.1%	-1.5%	2.4%	-4.3%	-8.6%	5.0%
DESCARTES SYSTEMS	29.35	CAD	2,225	3.0%	5.3%	5.2%	2.5%	31.5%	53.7%
DEVOTEAM	62.42	EUR	476	6.2%	17.4%	34.3%	8.6%	68.2%	219.3%
MANHATTAN ASSOCIATE	49.33	USD	3,473	2.2%	-5.8%	-17.8%	-7.0%	-12.6%	-0.7%
ORACLE	42.61	USD	174,938	6.5%	5.6%	4.6%	10.8%	11.7%	0.5%
REPLY	131.70	EUR	1,232	6.8%	17.8%	10.6%	11.6%	12.5%	78.1%
SAP	89.53	EUR	109,988	4.1%	12.7%	11.8%	8.1%	29.0%	41.1%
SOPRA GROUP	126.00	EUR	2,526	14.1%	26.1%	16.2%	16.8%	32.0%	65.8%
SQS SOFTWARE	5.50	EUR	211	-6.1%	-6.9%	1.7%	-6.0%	2.1%	-18.2%
Mean performance				3.9%	9.6%	7.9%	7.3%	15.8%	41.5%
Italy FTSE Mib	19,482.4	EUR	296,972	3.8%	5.7%	12.1%	1.3%	8.1%	-13.2%

Source: FactSet

TXT E-SOLUTIONS Peer Group - Multiple Comparison

Stock	Price	Ccy	Mkt cap	EV/Sales	EV/Sales	EV/Ebitda	EV/Ebitda	EV/Ebit	EV/Ebit	P/E	P/E	Div Yield	Div Yield
				2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
TXT E-SOLUTIONS	9.07	EUR	118	1.3	1.2	10.9	9.4	12.7	10.8	17.0	15.2	3.6%	4.0%
AMERICAN SOFTWARE	10.28	USD	303	2.0	1.9	13.9	10.9	21.8	15.0	26.4	29.4		
ATOSS SOFTWARE	67.75	EUR	269	4.5	3.9	15.5	13.6	16.4	14.3	26.7	23.9	1.9%	2.1%
CAPGEMINI	83.65	EUR	14,062	1.2	1.1	8.6	7.6	9.9	8.8	14.4	13.2	2.0%	2.2%
COMPUTACENTER	7.66	GBP	939	0.2	0.2	7.0	6.6	9.4	8.7	14.8	13.9	2.8%	3.0%
DESCARTES SYSTEMS	29.35	CAD	2,225	7.1	6.3	20.0	17.4	35.2	28.0	49.3	40.6	0.0%	
DEVOTEAM	62.42	EUR	476	0.7	0.7	7.7	6.6	8.3	7.1	19.3	17.4	1.3%	1.4%
MANHATTAN ASSOCIATE	49.33	USD	3,473	5.1	4.4	14.4	12.4	15.3	13.1	25.9	23.4		
ORACLE	42.61	USD	174,938	4.5	4.3	10.2	9.4	10.8	10.1	16.6	15.3	1.4%	1.4%
REPLY	131.70	EUR	1,232	1.4	1.2	9.9	8.6	11.0	9.3	17.5	15.4	0.9%	1.1%
SAP	89.53	EUR	109,988	4.7	4.3	14.1	12.8	15.7	14.1	21.2	19.5	1.5%	1.7%
SOPRA GROUP	126.00	EUR	2,526	0.8	0.7	8.3	7.3	10.0	8.7	13.3	12.0	1.9%	2.1%
SQS SOFTWARE	6.65	EUR	211	0.5	0.5	5.5	5.0	7.0	6.3	13.4	13.0	2.7%	2.9%
Median				1.7	1.6	10.1	9.0	10.9	9.7	18.4	16.4	1.7%	2.1%

Source: Intermonte SIM estimates for covered companies, FactSet consensus estimates for peer group

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	TXT E-SOLUTIONS		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	12.00	Previous Target (Eu):	11.00
Current Price (Eu):	9.07	Previous Price (Eu):	7.86
Date of report:	10/03/2017	Date of last report:	09/11/2016

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 2.5% and a risk premium of 5.0% are being used.

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OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period ;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	11.65 %
OUTPERFORM:	51.46 %
NEUTRAL:	34.95 %
UNDERPERFORM	01.94 %
SELL:	00.00 %

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BUY:	26.09 %
OUTPERFORM:	45.65 %
NEUTRAL:	28.26 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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GO INTERNET	0.6	SHORT
IKF	0.57	SHORT
OLIDATA	0.88	SHORT
PIERREL SPA	0.62	SHORT
PREMUDA	0.53	SHORT
PRIMI SUJ MOTORI S.P.A.	0.61	SHORT
STEFANEL	0.65	SHORT
WASTE ITALIA	1.12	SHORT
ZEPHYRO SPA	1.4	LONG

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