Prabhudas Lilladher

POWERING YOUR FINANCIAL GROWTH

NIIT Technologies (NITEC IN)

Rating: ACCUMULATE | CMP: Rs1,941 | TP: Rs1,881

January 29, 2020

Q3FY20 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,881		1,551	
Sales (Rs. m)	48,905	55,156	48,139	53,640
% Chng.	*1.6*	*2.8*		
EBITDA (Rs. m)	8,803	9,928	8,665	9,655
% Chng.	*1.6*	*2.8*		
EPS (Rs.)	92.9	103.9	91.5	101.2
% Chng.	*1.5*	*2.6*		

Key Financials - Standalone

Y/e Mar	FY19	FY20E	FY21E	FY22E
Sales (Rs. m)	36,762	42,015	48,905	55,156
EBITDA (Rs. m)	6,453	7,368	8,803	9,928
Margin (%)	*17.6*	*17.5*	*18.0*	*18.0*
PAT (Rs. m)	4,144	4,603	5,738	6,418
EPS (Rs.)	67.1	74.5	92.9	103.9
Gr. (%)	*47.1*	*11.1*	*24.7*	*11.8*
DPS (Rs.)	21.5	24.6	30.6	34.3
Yield (%)	*1.1*	*1.3*	*1.6*	*1.8*
RoE (%)	*21.5*	*20.8*	*22.8*	*22.2*
RoCE (%)	*26.9*	*25.6*	*28.0*	*27.6*
EV/Sales (x)	3.0	2.6	2.2	1.9
EV/EBITDA (x)	17.2	14.7	12.0	10.3
PE (x)	28.9	26.1	20.9	18.7
P/BV (x)	5.8	5.1	4.5	3.9

Key Data	NITT.BO | NITEC IN
52-W High / Low	Rs.2,060 / Rs.1,178
Sensex / Nifty	41,199 / 12,130
Market Cap	Rs.121bn/ $ 1,702m
Shares Outstanding	62m
3M Avg. Daily Value	Rs.1788.15m

Shareholding Pattern (%)

Promoter's	70.11
Foreign	13.39
Domestic Institution	7.55
Public & Others	8.80
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	22.6	60.9	48.7
Relative	23.7	47.2	28.5

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No signs of softening in deal wins, steady trajectory continues!

Quick Pointers:

- Deal pipeline remains healthy, order intake of US$218 (+24% QoQ,32% YoY) marking 11th consecutive quarter of sequential increase in order intake.
- Inline revenue growth & margin performance, travel & transport continues to outperform, BFS remains sluggish but management mentioned recovery ahead.

NIIT Tech delivered an inline revenue growth of 3.4% QoQ $ terms (2.0% organic cc) to USD 153.7mn (Ple: USD153.2.mn, Cons: USD 155mn). EBIT margin remained flat at 13.9% (-8bps QoQ) (Ple: 14.2%, Cons: 14.5%) due to headwinds from furloughs & investments in digital, we expect margins to expand in Q4FY20E. Management maintained guidance of 18% EBITDA margins in FY20E. Q3FY20 was 11th consecutive quarter of sequential improvement in deal closure.

NIIT Tech reported deal win of USD218 mn highest ever with 6 new clients & 4 large deal wins (3 new deal wins) orders executable in one year increased to USD 424 mn, the highest ever. Deals are getting bigger & better every quarter. The management sees no moderation in revenue growth despite tough macro as the company continues to gain wallet share against peers. We expect strong deal wins to drive mid-teen revenue growth and high-teen earnings CAGR over FY20E-22E. NIIT Tech is one of the few mid-cap IT companies that has delivered strong deal wins and robust execution. We have increased our revenue estimates by >~2% for FY21E/22E on account strong order pipeline & steady execution & now value NIIT Tech on 19x earnings multiple on Sep-21 EPS of Rs. 99 to arrive at a changed target price of Rs. 1881. NIIT Tech has rallied 30% since last 3 months & now is trading at 21.5X/19.2X FY21E/22E earnings which leaves limited upside for multiple expansion. Downgrade to Accumulate from Buy.

- **Sustained strong revenue growth momentum:** NIIT Tech delivered an inline revenue growth of 3.4% QoQ $ terms (2.0% organic cc) to USD 153.7mn (Ple: USD153.2.mn, Cons: USD 155mn). EBIT margin remained flat at 13.9% (-8bps QoQ) (Ple: 14.2%, Cons: 14.5%) due to headwinds from furloughs & investments in digital, we expect margins to expand in Q4FY20E. Management maintained guidance of 18% EBITDA margins in FY20E.
- **Strong deal momentum:** NIIT Tech reported deal win of USD218 mn highest ever with 6 new clients & 4 large deal wins (3 new deal wins) orders executable in one year increased to USD 424 mn, the highest ever. Deals are getting bigger & better every quarter. The management sees no moderation in revenue growth despite tough macro as the company continues to gain wallet share against peers.

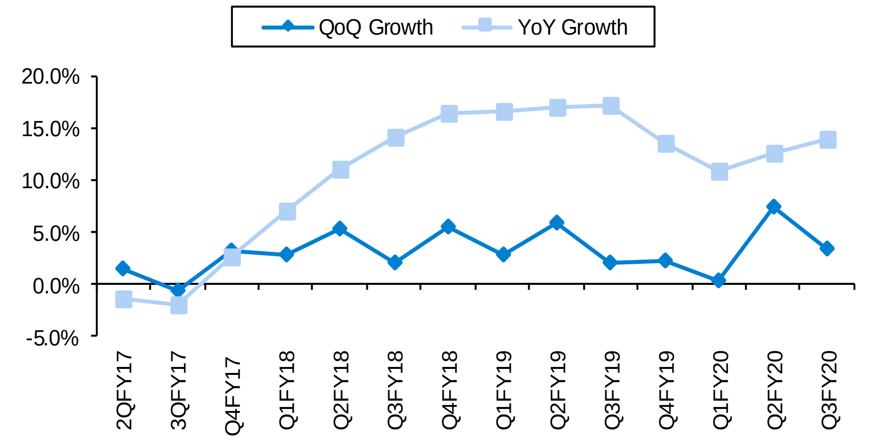
Exhibit 1: Q3FY20: Quick view on results

Rs mn	3QFY20	2QFY20	QoQ gr.	3QFY19	YoY gr.	PLe	Variance(PL VS ACTUAL)
Revenue (USDmn)	153.7	148.7	*3.4%*	134.8	*14.0%*	153.2	*0.4%*
Revenue	10734	10385	*3.4%*	9717	*10.5%*	10909	*-1.6%*
EBITDA	1940	1898	*2.2%*	1805	*7.5%*	1986	*-2.3%*
EBITDA Margin	*18.1%*	*18.3%*	*-20 bps*	*18.6%*	*-50 bps*	*18.2%*	*-13 bps*
Adj. PAT	1233	1195	*3.2%*	1002	*23.1%*	1244	*-0.9%*
EPS	19.7	19.2	*3.0%*	16.3	*21.0%*	20.2	*-2.6%*

Source: Company, PL

NIIT Tech delivered an inline revenue growth of 3.4% QoQ $ terms (2.0% organic cc) to USD 153.7mn (Ple: USD153.2.mn, Cons: USD 155mn).

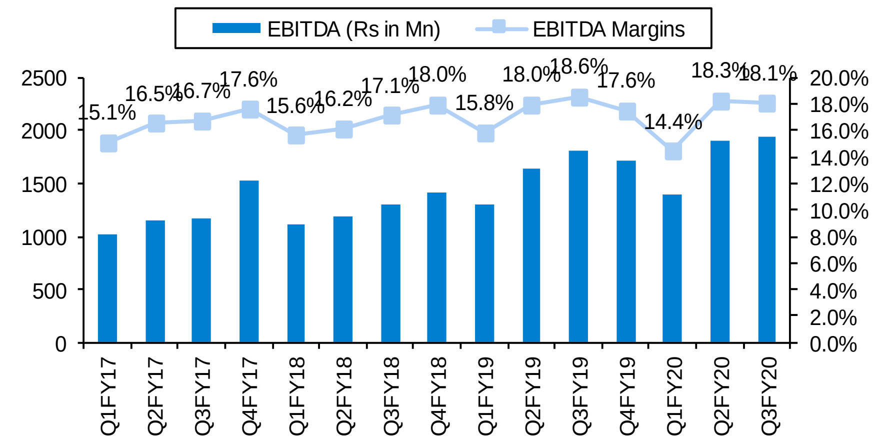
Exhibit 2: Sustained revenue growth momentum (USD revenues)



Source: Company, PL

EBIT margin remained flat at 13.9% (-8bps QoQ) (Ple: 14.2%, Cons: 14.5%) due to headwinds from furloughs & investments in digital, we expect margins to expand in Q4FY20E. Management maintained guidance of 18% EBITDA margins in FY20E.

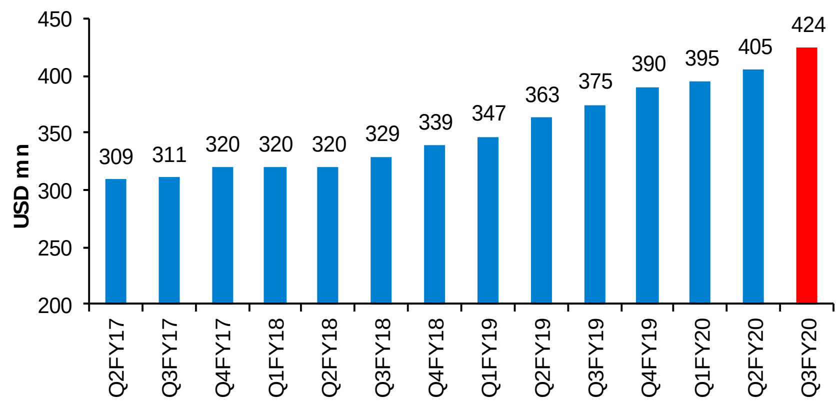
Exhibit 3: EBITDA margins to expand ahead..



Source: Company, PL

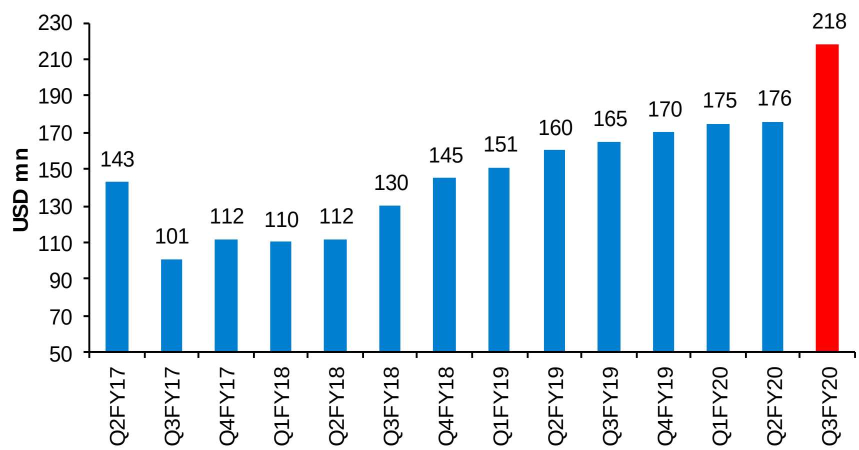
Q3FY20 was Eleventh consecutive quarter of improvement in deal closure.

Exhibit 4: Strong order pipeline executable in one year



Source: Company, PL

Exhibit 5: Fresh order continues to grow



Source: Company, PL

Exhibit 6: Geography-wise revenues

Geography revenues (USD Mn)	3QFY20	2QFY20	*QoQ Gr.*	3QFY19	*YoY (Gr.)*
Americas	73.8	72.9	*1.3%*	66.1	*12%*
EMEA	56.9	55.0	*3.4%*	44.5	*28%*
RoW	23.1	20.8	*10.7%*	24.3	*-5%*
Total	153.7	148.7	*3.4%*	134.8	*14%*
-as a % of total sales					
Americas	48%	49%	*-100bp*	49%	*-100bp*
EMEA	37%	37%	*0bp*	33%	*400bp*
RoW	15%	14%	*100bp*	18%	*-300bp*

Source: Company, PL

Exhibit 7: Vertical-wise revenues

Vertical revenues (USD mn)	3QFY20	2QFY20	*QoQ Gr.*	3QFY19	*YoY (Gr.)*
BFS	24.6	25.3	*-2.7%*	20.2	*22%*
Insurance	46.1	46.1	*0.0%*	40.5	*14%*
Travel and Transport	44.6	41.6	*7.1%*	35.1	*27%*
Others	38.4	35.7	*7.7%*	39.1	*-2%*
Total	153.7	148.7	*3.4%*	134.8	*14%*
-as a % of total sales					
BFS	17%	16%	*100bp*	16%	*100bp*
Insurance	31%	29%	*200bp*	29%	*200bp*
Travel and Transport	28%	28%	*0bp*	27%	*100bp*
Others	24%	27%	*-300bp*	28%	*-400bp*

Source: Company, PL

Exhibit 8: Service Line Revenues

Service Revenues (USD mn)	3QFY20	2QFY20	*QoQ Gr.*	3QFY19	*YoY (Gr.)*
ADM	112.2	110.0	*2.0%*	91.7	*22%*
IP assets	9.2	7.4	*24.0%*	8.1	*14%*
Managed services	24.6	25.3	*-2.7%*	24.3	*1%*
SI and PI	3.1	1.5	*106.7%*	5.4	*-43%*
BPO	4.6	4.5	*3.4%*	5.4	*-15%*
Total	153.7	148.7	*3.4%*	134.8	*14%*
-as a % of total sales					
ADM	73%	74%	*-100bp*	68%	*500bp*
IP assets	6%	5%	*100bp*	6%	*0bp*
Managed services	16%	17%	*-100bp*	18%	*-200bp*
SI and PI	2%	1%	*100bp*	4%	*-200bp*
BPO	3%	3%	*0bp*	4%	*-100bp*

Source: Company, PL

Exhibit 9: Client Metrics

Client Concentration (%)	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Top 5	33	34	33	31	30	29	27	28	28	29	27	29	27
Top 10	44	46	45	43	42	40	36	40	40	41	39	39	36
Between I mn - 5mn	55	55	52	55	59	60	63	63	62	66	66	70	74
5mn-10 mn	10	10	14	13	12	13	14	18	20	16	17	16	17
>10mn	8	8	6	6	7	7	7	7	8	8	8	9	9
Total	**73**	**73**	**73**	**74**	**78**	**80**	**84**	**88**	**90**	**90**	**91**	**95**	**100**

Source: Company, PL

Exhibit 1: Revenues from Top 5 Clients

	3QFY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Top 5 Clients	33.3	35.5	35.4	35.0	34.6	35.2	33.7	37.0	37.8	40.0	37.4	43.1	41.5
QoQ Growth (%)	3%	6%	0%	-1%	-1%	2%	-4%	10%	2%	6%	-7%	15%	-4%
YoY Growth (%)	-2%	13%	10%	8%	4%	-1%	-5%	6%	9%	14%	11%	17%	10%

Source: Company, PL

Exhibit 2: Revenues from Top 10 Clients

	3QFY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Top 10 Clients	44.4	48.0	48.2	48.5	48.4	48.6	45.0	52.9	53.9	56.6	54.0	58.0	55.3
QoQ Growth (%)	-4.9%	8.0%	0.5%	0.7%	-0.3%	0.4%	-7.4%	17.6%	2.0%	4.9%	-4.5%	7.3%	-4.6%
YoY Growth (%)	-4.1%	9.8%	7.0%	3.9%	8.9%	1.2%	-6.8%	8.9%	11.5%	16.5%	20.2%	9.7%	2.6%

Source: Company, PL

Exhibit 3: Revenue Mix

	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Onsite	60%	59%	60%	61%	61%	61%	64%	64%	65%	66%	66%	66%	64%
Offshore	40%	41%	40%	39%	39%	39%	36%	36%	35%	34%	34%	34%	36%

Source: Company, PL

Exhibit 4: Employee Metrics

Billable Personnel	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Onsite	1857	1877	1984	2040	2018	2088	2217	2369	2408	2345	2429	2468	2451
Offshore	6180	6189	6164	6156	6217	6500	6684	6815	6881	7018	7063	7453	7515
Total Billable	**8,037**	**8066**	**8148**	**8196**	**8235**	**8588**	**8901**	**9184**	**9289**	**9363**	**9492**	**9921**	**9966**
Sales & Marketing (Excl GIS)	139	133	137	135	147	145	131	123	114	122	141	185	185
Sales & Marketing (GIS)	82	81	85	85	85	85	90	94	94	89	0	0	0
Others	551	573	593	606	614	605	642	624	647	689	664	694	698
Grand Total	**8,809**	**8,853**	**8,963**	**9,022**	**9,081**	**9,423**	**9,764**	**10,025**	**10144**	**10263**	**10297**	**10800**	**10849**
Net addition	(59)	44	110	59	59	342	341	261	119	119	34	503	49
Capacity Utilisation	**80.0%**	**81.0%**	**81.2%**	**79.5%**	**79.0%**	**79.5%**	**80.1%**	**80.4%**	**79.0%**	**79.3%**	**80.5%**	**80.7%**	**79.3%**
Attrition (%)	12.6	12.7	12.1	11.4	10.6	10.5	10.1	10.8	11.7	12.2	12.9	12.3	11.9

Source: Company, PL

Exhibit 5: Strong Order Book

Figures in USD Mn	Q3FY17	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Fresh Order Intake	101	112	110	112	130	145	151	160	165	170	175	176	218
Executable Order Book over Next 12 months	311	320	320	320	329	339	347	363	375	390	395	405	424

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY19	FY20E	FY21E	FY22E
Net Revenues	**36,762**	**42,015**	**48,905**	**55,156**
YoY gr. (%)	*22.9*	*14.3*	*16.4*	*12.8*
Employee Cost	23,907	27,564	31,788	35,851
Gross Profit	12,855	14,451	17,117	19,305
Margin (%)	*35.0*	*34.4*	*35.0*	*35.0*
SG&A Expenses	6,402	7,083	8,314	9,377
Other Expenses	-	-	-	-
EBITDA	**6,453**	**7,368**	**8,803**	**9,928**
YoY gr. (%)	*28.7*	*14.2*	*19.5*	*12.8*
Margin (%)	*17.6*	*17.5*	*18.0*	*18.0*
Depreciation and Amortization	1,248	1,691	1,712	1,930
EBIT	**5,205**	**5,677**	**7,091**	**7,998**
Margin (%)	*14.2*	*13.5*	*14.5*	*14.5*
Net Interest	-	-	-	-
Other Income	476	478	500	500
Profit Before Tax	**5,681**	**6,155**	**7,591**	**8,498**
Margin (%)	*15.5*	*14.6*	*15.5*	*15.4*
Total Tax	1,404	1,392	1,773	1,999
Effective tax rate (%)	*24.7*	*22.6*	*23.4*	*23.5*
Profit after tax	**4,277**	**4,763**	**5,818**	**6,498**
Minority interest	188	160	80	80
Share Profit from Associate	-	-	-	-
Adjusted PAT	**4,144**	**4,603**	**5,738**	**6,418**
YoY gr. (%)	*47.8*	*11.1*	*24.7*	*11.8*
Margin (%)	*11.3*	*11.0*	*11.7*	*11.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**4,144**	**4,603**	**5,738**	**6,418**
YoY gr. (%)	*47.8*	*11.1*	*24.7*	*11.8*
Margin (%)	*11.3*	*11.0*	*11.7*	*11.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,144	4,603	5,738	6,418
Equity Shares O/s (m)	**62**	**62**	**62**	**62**
EPS (Rs)	**67.1**	**74.5**	**92.9**	**103.9**

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY19	FY20E	FY21E	FY22E
Non-Current Assets				
Gross Block	**10,712**	**12,212**	**13,712**	**15,212**
Tangibles	6,893	7,793	8,693	9,593
Intangibles	3,819	4,419	5,019	5,619
Acc: Dep / Amortization	**4,973**	**6,664**	**8,376**	**10,307**
Tangibles	2,702	3,588	4,484	5,495
Intangibles	2,271	3,076	3,892	4,812
Net fixed assets	**5,739**	**5,548**	**5,336**	**4,905**
Tangibles	4,191	4,205	4,209	4,099
Intangibles	1,548	1,342	1,127	807
Capital Work In Progress	14	14	14	14
Goodwill	2,448	2,448	2,448	2,448
Non-Current Investments	288	298	308	318
Net Deferred tax assets	637	677	717	757
Other Non-Current Assets	280	280	280	280
Current Assets				
Investments	3,651	3,751	3,851	3,951
Inventories	-	-	-	-
Trade receivables	5,877	7,482	8,709	9,822
Cash & Bank Balance	5,576	7,814	10,467	13,836
Other Current Assets	1,136	1,136	1,136	1,136
Total Assets	**27,590**	**31,402**	**35,230**	**39,442**
Equity				
Equity Share Capital	618	618	618	618
Other Equity	20,105	22,872	26,320	30,178
Total Networth	**20,723**	**23,490**	**26,938**	**30,796**
Non-Current Liabilities				
Long Term borrowings	100	110	120	130
Provisions	-	-	-	-
Other non current liabilities	737	762	787	812
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,647	1,697	1,747	1,797
Other current liabilities	4,186	4,326	4,610	4,868
Total Equity & Liabilities	**28,401**	**31,402**	**35,230**	**39,441**

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY19	FY20E	FY21E	FY22E
PBT	5,681	6,155	7,591	8,498
Add. Depreciation	1,248	1,691	1,712	1,930
Add. Interest	-	-	-	-
Less Financial Other Income	476	478	500	500
Add. Other	-	-	-	-
Op. profit before WC changes	6,929	7,846	9,303	10,428
Net Changes-WC	(1,569)	(1,490)	(967)	(879)
Direct tax	(1,404)	(1,392)	(1,773)	(1,999)
Net cash from Op. activities	**3,956**	**4,964**	**6,563**	**7,549**
Capital expenditures	(649)	(1,500)	(1,500)	(1,500)
Interest / Dividend Income	-	-	-	-
Others	1	(100)	(100)	(100)
Net Cash from Invt. activities	**(648)**	**(1,600)**	**(1,600)**	**(1,600)**
Issue of share cap. / premium	-	1	-	-
Debt changes	(3)	10	10	10
Dividend paid	(1,609)	(1,836)	(2,289)	(2,561)
Interest paid	-	-	-	-
Others	-	-	-	-
Net cash from Fin. activities	**(1,612)**	**(1,825)**	**(2,279)**	**(2,551)**
Net change in cash	**1,696**	**1,538**	**2,684**	**3,399**
Free Cash Flow	3,307	3,464	5,063	6,049

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY19	FY20E	FY21E	FY22E
Per Share(Rs)				
EPS	67.1	74.5	92.9	103.9
CEPS	87.2	101.9	120.6	135.1
BVPS	335.3	380.1	435.9	498.3
FCF	53.5	56.1	81.9	97.9
DPS	21.5	24.6	30.6	34.3
Return Ratio(%)				
RoCE	26.9	25.6	28.0	27.6
ROIC	33.8	36.5	42.7	46.5
RoE	21.5	20.8	22.8	22.2
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.5)	(0.5)	(0.6)
Debtor (Days)	58	65	65	65
Valuation(x)				
PER	28.9	26.1	20.9	18.7
P/B	5.8	5.1	4.5	3.9
P/CEPS	87.2	101.9	120.6	135.1
EV/EBITDA	17.2	14.7	12.0	10.3
EV/Sales	3.0	2.6	2.2	1.9
Dividend Yield (%)	1.1	1.3	1.6	1.8

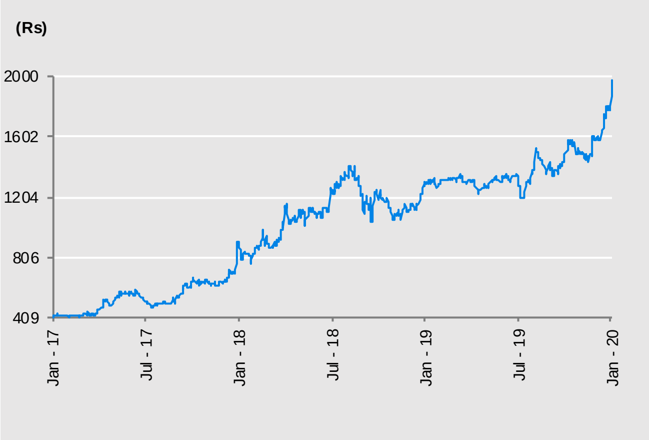
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Net Revenue	**9,722**	**9,627**	**10,385**	**10,734**
YoY gr. (%)	*23.3*	*16.7*	*14.4*	*10.5*
Raw Material Expenses	6,293	6,374	6,796	7,069
Gross Profit	3,429	3,253	3,589	3,665
Margin (%)	*35.3*	*33.8*	*34.6*	*34.1*
EBITDA	**1,707**	**1,389**	**1,898**	**1,940**
YoY gr. (%)	*20.4*	*6.3*	*16.2*	*7.5*
Margin (%)	*17.6*	*14.4*	*18.3*	*18.1*
Depreciation / Depletion	303	401	447	449
EBIT	**1,404**	**988**	**1,451**	**1,491**
Margin (%)	*14.4*	*10.3*	*14.0*	*13.9*
Net Interest	-	-	-	-
Other Income	47	172	76	130
Profit before Tax	**1,451**	**1,160**	**1,527**	**1,621**
Margin (%)	*14.9*	*12.0*	*14.7*	*15.1*
Total Tax	296	318	276	336
Effective tax rate (%)	*20.4*	*27.4*	*18.1*	*20.7*
Profit after Tax	**1,155**	**842**	**1,251**	**1,285**
Minority interest	44	22	56	52
Share Profit from Associates	-	-	-	-
Adjusted PAT	**1,056**	**877**	**1,195**	**1,233**
YoY gr. (%)	*22.6*	*2.2*	*6.9*	*23.1*
Margin (%)	*10.9*	*9.1*	*11.5*	*11.5*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**1,056**	**877**	**1,195**	**1,233**
YoY gr. (%)	*22.6*	*2.2*	*6.9*	*23.1*
Margin (%)	*10.9*	*9.1*	*11.5*	*11.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**1,056**	**877**	**1,195**	**1,233**
Avg. Shares O/s (m)	61	62	62	63
EPS (Rs)	**17.2**	**14.2**	**19.2**	**19.7**

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	3-Jan-20	Accumulate	1,551	1,631
2	24-Oct-19	Accumulate	1,551	1,469
3	3-Oct-19	Accumulate	1,445	1,368
4	23-Jul-19	Accumulate	1,445	1,354
5	4-Jul-19	BUY	1,539	1,338
6	10-Jun-19	BUY	1,539	1,322
7	5-May-19	BUY	1,539	1,268
8	8-Apr-19	BUY	1,539	1,348
9	5-Apr-19	BUY	1,539	1,348

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Hold	450	437
2	HCL Technologies	BUY	691	599
3	Hexaware Technologies	Hold	349	336
4	Infosys	BUY	820	738
5	L&T Technology Services	Hold	1,444	1,643
6	Larsen & Toubro Infotech	BUY	2,119	1,925
7	Mindtree	Reduce	808	863
8	Mphasis	Accumulate	1,010	884
9	NIIT Technologies	Accumulate	1,551	1,631
10	Persistent Systems	Hold	616	695
11	Redington (India)	BUY	114	117
12	Sonata Software	Accumulate	400	313
13	Tata Consultancy Services	Hold	2,106	2,219
14	TeamLease Services	Hold	3,203	2,487
15	Tech Mahindra	Reduce	656	775
16	Wipro	Hold	253	256
17	Zensar Technologies	Accumulate	246	191

PL's Recommendation Nomenclature (Absolute Performance)

Buy : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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