

Britannia Industries

Estimate change



TP change



Rating change

CMP: INR3,552
TP: INR3,715 (+5%)
Neutral

Sales momentum uncertain; ICDs remain an overhang

- Britannia Industries (BRIT) has been aided by a confluence of positive factors in 1HFY21, such as high in-home consumption (biscuits constitute 75–80% of sales), reduction in ad spends, decline in material costs, and low promotional spends (owing to strong demand). These are likely to drive the strongest topline growth since FY12 (15.2% in FY21E) and the highest PAT growth since FY16 (35.2% in FY21E).
- Sales momentum is tapering after an extraordinary spurt of ~27% in 1QFY21. Moreover, extraordinary earnings growth in FY21 presents a significant hurdle from an FY22/FY23 perspective as none of these factors present a structural positive. Furthermore, material costs could result in high volatility in earnings for BRIT – it has one of the lowest gross margins among peers (40.3% in FY20).
- While we like the structural story, (a) expensive valuations (45.4x FY22), (b) sustained concerns related to elevated group inter-corporate deposits (ICDs) – now at around INR7b (v/s INR6b at end-FY20 when they crossed their own erstwhile stated threshold of INR5b), and (c) an uncertain earnings outlook beyond FY21 have led us to maintain our **Neutral** rating.

Sales below expectations; EBITDA and PAT broadly in-line

- **BRIT's consol. sales increased 12.1% YoY to INR34.2b** in 2QFY21 (v/s est. INR36.3b). Standalone sales grew 11.4% YoY to INR32.3b. Base business volumes increased 9% (our est.: +15.5%).
- Consol. EBITDA grew 37.2% YoY to INR6.8b (v/s est. INR6.9b), and consol. PBT increased 34.3% YoY to INR6.7b (v/s est. INR6.9b). Consol. adj. PAT grew 22.7% YoY to INR5b (v/s est. INR5.2b).
- **The consol. gross margin expanded 240bp YoY to 42.5%**. Management revealed that moderate inflation was seen in key raw material prices.
- As a percentage of sales, lower staff cost (-10bp YoY) and lower other expenses (-110bp YoY) imply the EBITDA margin expanded 360bp YoY to 19.8%.
- 1HFY21 sales/EBITDA/PAT grew 19%/57%/55.4% YoY.
- Borrowings as of Sep'20 stood at INR24.5b, up 80.8% YoY and 62% vs Mar'20. Net debt stood at INR3.7b as against net cash of INR5.4b/INR15b as of Sep'19/Mar'20.

Highlights from management commentary

- Sales saw double-digit growth in July, but weak growth in August. Sales growth was back at healthy levels in September (high single digits). Management believes it is difficult to predict growth amid such volatility.
- Volume growth stood at ~9% for the quarter. Adjacencies are growing moderately faster than Biscuits.
- Just 2–3% RM inflation was seen in 2QFY21. Outlook on RM is positive, but unlikely to be deflationary.
- Group ICDs as of September stood at INR7b. They were at INR6b at the end of FY20 and INR5b at the end of FY19.

	BRIT IN
Bloomberg	
Equity Shares (m)	240
M.Cap.(INRb)/(USD\$b)	854.9 / 12.4
52-Week Range (INR)	4015 / 2101
1, 6, 12 Rel. Per (%)	-11/-3/6
12M Avg Val (INR M)	2235

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	116.0	133.6	144.8
Sales Gr. (%)	4.9	15.2	8.4
EBITDA	18.4	25.3	25.4
Margins (%)	15.9	18.9	17.6
Adj. PAT	14.1	19.1	18.8
Adj. EPS (INR)	58.6	79.3	78.1
EPS Gr. (%)	21.8	35.2	-1.5
BV/Sh.(INR)	183.1	174.5	180.0

Ratios

RoE (%)	32.6	44.4	44.1
RoCE (%)	24.1	29.6	29.1
Payout (%)	59.7	80.0	80.0

Valuations

P/E (x)	60.6	44.8	45.4
P/BV (x)	19.4	20.3	19.7
EV/EBITDA (x)	45.5	33.3	33.1
Div. Yield (%)	1.0	1.8	1.8

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	50.6	50.6	50.7
DII	11.5	12.7	13.6
FII	16.0	14.7	15.2
Others	21.9	22.1	20.6

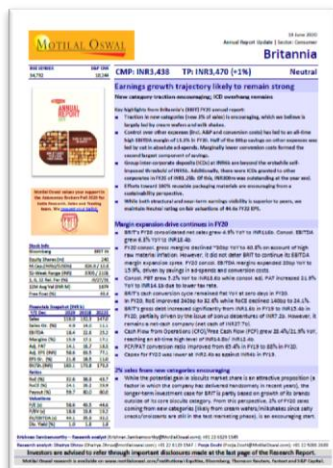
FII Includes depository receipts

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

 Motilal Oswal research is available on www.motilalosal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Valuation and view

- Changes to the model have resulted in a 2.6%/1.9% reduction in FY21/FY22 EPS.
- The strongest topline growth for BRIT since FY12 (15.2% in FY21E) and the highest PAT growth since FY16 (35.2% in FY21E) are likely to be driven by a confluence of positive factors. These include: (a) high in-home consumption (biscuits constitute 75–80% of sales), (b) reduction in ad spends, (c) decline in material costs, and (d) low promotional spends (owing to strong demand).
- Sales momentum is tapering after an extraordinary spurt of ~27% in 1QFY21. Moreover, extraordinary earnings growth in FY21 presents a significant hurdle from an FY22/FY23 perspective as none of these factors present a structural positive. Furthermore, material costs could result in high volatility in earnings for BRIT – it has one of the lowest gross margins among peers (40.3% in FY20).
- We like the structural story, particularly as new category traction has been impressive in FY20 (as highlighted in our AR analysis note). However, we maintain our **Neutral** rating on account of various factors: (a) expensive valuations at 45.4x FY22, (b) sustained growth in group inter-corporate deposits (ICDs) – now at around INR7b (v/s INR6b at end-FY20 when they crossed their own erstwhile stated threshold of INR5b), (c) an uncertain earnings outlook beyond FY21, and (d) likely impact on ROCEs going ahead despite very strong earnings growth in FY21 due to increased capex and the continued presence of high cash and debt levels on the books. Our TP of INR3,715 is set at 45x Sep'22 EPS.

Consol. Quarterly Perf.

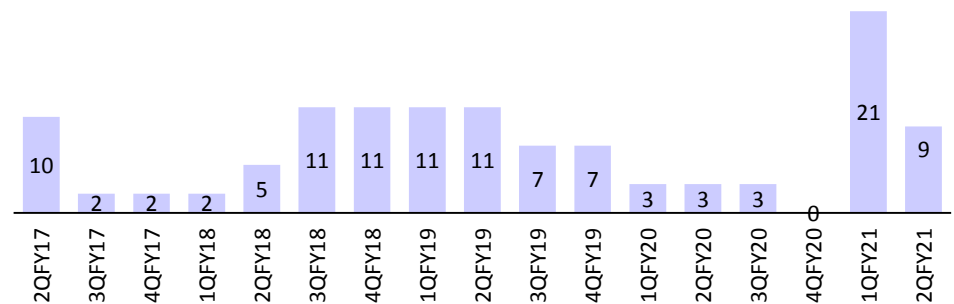
Y/E March	(INR m)											
	FY20				FY21				FY20	FY21E	FY21	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE			
Base business volume gr. (%)	3.0	3.0	3.0	0.0	21.0	9.0	7.0	10.0	2.3	11.7	15.5	
Net Sales	27,004	30,488	29,827	28,677	34,207	34,191	32,809	32,438	115,996	133,645	36,281	(5.8)
YoY change (%)	6.2	6.2	4.9	2.5	26.7	12.1	10.0	13.1	4.9	15.2	19.0	
Gross Profit	10,912	12,247	12,185	11,377	14,248	14,540	13,780	13,087	46,721	55,654	15,238	
Margins (%)	40.4	40.2	40.9	39.7	41.7	42.5	42.0	40.3	40.3	41.6	42.0	
EBITDA	3,947	4,922	5,020	4,543	7,169	6,754	6,077	5,271	18,432	25,272	6,901	(2.1)
Margins (%)	14.6	16.1	16.8	15.8	21.0	19.8	18.5	16.2	15.9	18.9	19.0	
YoY growth (%)	1.4	8.3	11.1	4.1	81.7	37.2	21.1	16.0	6.3	37.1	40.2	
Depreciation	448	449	467	485	480	485	500	523	1,848	1,988	537	
Interest	101	161	237	270	256	298	310	317	769	1,181	270	
Other Income	675	682	652	786	937	735	820	892	2,794	3,384	800	
PBT	4,072	4,994	4,969	4,574	7,370	6,706	6,087	5,323	18,609	25,486	6,894	(2.7)
Tax	1,430	955	1,273	849	1,944	1,750	1,532	1,189	4,507	6,415	1,735	
Rate (%)	35.1	19.1	25.6	18.6	26.4	26.1	25.2	22.3	24.2	25.2	25.2	
Adjusted PAT	2,642	4,038	3,696	3,725	5,427	4,956	4,555	4,133	14,102	19,071	5,159	(3.9)
YoY change (%)	2.4	33.2	22.9	26.5	105.4	22.7	23.3	11.0	21.9	35.2	27.7	

Key Performance Indicators

Y/E March	FY20				FY21	
	1Q	2Q	3Q	4Q	1Q	2Q
2Y average growth %						
Volumes	7.0	7.0	5.0	3.5	12.0	6.0
Sales	9.3	9.5	7.8	6.4	16.4	9.2
EBITDA	9.9	14.3	12.3	7.0	41.5	22.8
PAT	10.9	24.7	18.5	19.1	53.9	28.0
% sales						
COGS	59.6	59.8	59.1	60.3	58.3	57.5
Staff cost	4.5	4.1	4.1	4.2	4.0	3.9
Others	21.3	20.0	19.9	19.6	16.7	18.8
Depreciation	1.7	1.5	1.6	1.7	1.4	1.4
YoY change %						
COGS	5.4	6.0	5.7	5.1	24.0	7.7
Staff cost	11.0	14.4	3.9	11.7	13.6	8.8
Others	10.9	3.8	-1.7	-7.5	-0.9	5.8
Other income	60.6	55.0	8.6	27.2	38.9	7.9
EBIT	-1.1	7.2	11.2	4.1	91.2	40.1

Key exhibits**Exhibit 1: BRIT's base business volumes grew 9% in 2QFY21**

■ BRIT's base business volume growth (%)



Source: Company, MOFSL

Standalone performance

- 2QFY21 standalone sales, EBITDA, and adj. PAT grew 11.4%, 32%, and 1% YoY, respectively. The EBITDA margin was up 300bp YoY to 19.2%.

Imputed subsidiary performance

- 2QFY21 imputed subsidiary sales and EBITDA grew 25.4% and 149%, respectively. Imputed subsidiaries posted profit of INR358m in 2QFY21 (v/s loss of INR884m in 2QFY20); the EBITDA margin expanded by 1,410bp YoY to 28.4%.

Consol. balance sheet highlights (as of Sep'20)

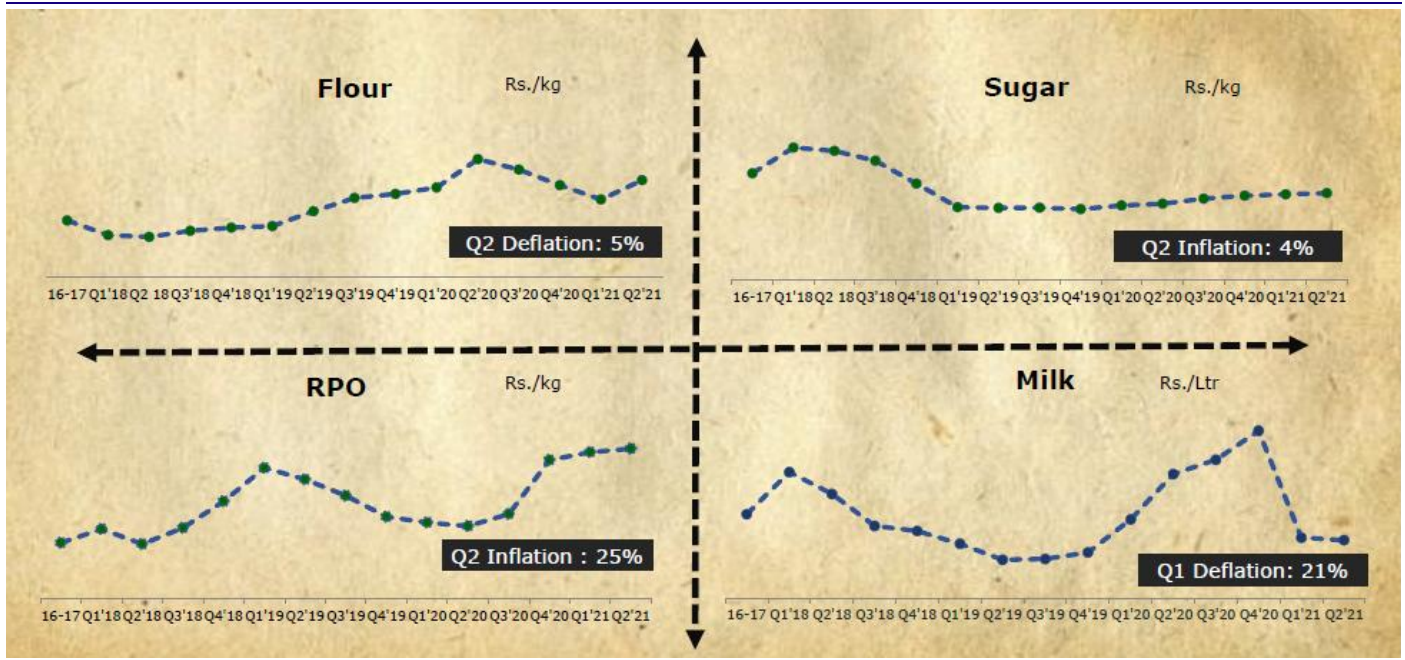
- Inventory stood at INR14.7b, up 12.4% YoY and 98.3% v/s Mar'20 levels.
- Receivables stood at INR3.2b, down 8.3% YoY and flat v/s Mar'20 levels.
- Payables stood at INR14.4b, up 27% YoY and 28.9% v/s Mar'20 levels.
- Borrowings stood at INR24.5b, up 80.8% YoY and 62% v/s Mar'20 levels.

Exhibit 2: Inventory, payables, and borrowings increased in 1HFY21

(INR m)	Sep'19	Sep'20	YoY change (%)	6m change (%)
Inventory	13,066	14,690	12.4	98.3
Receivables	3,506	3,215	-8.3	0.3
Cash & bank	1,325	802	-39.5	-34.7
Payables	11,334	14,393	27.0	28.9
Borrowings	13,559	24,520	80.8	62.0

Source: Company, MOFSL

Exhibit 3: Overall commodity inflation was moderate at 2–3% in 2QFY21



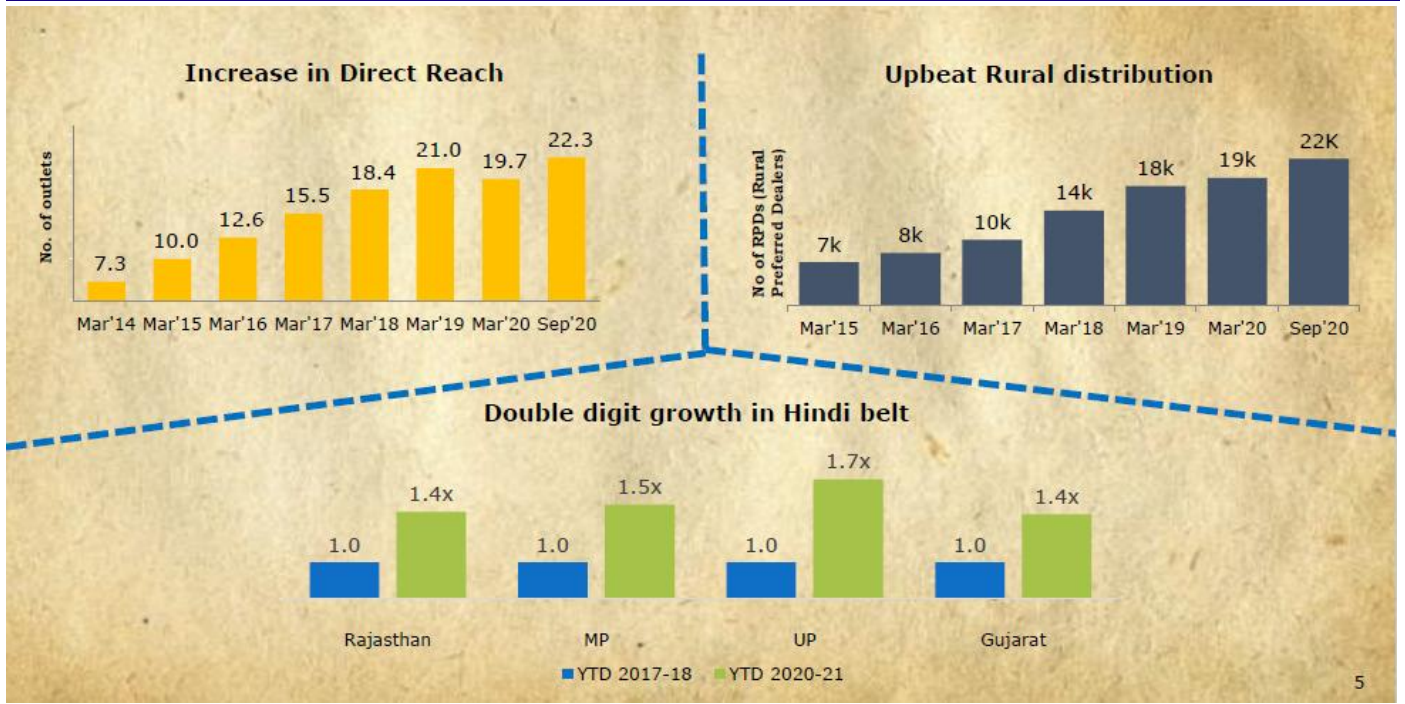
Source: Company presentation

Exhibit 4: Adjacencies saw strong growth, with improvement in profitability



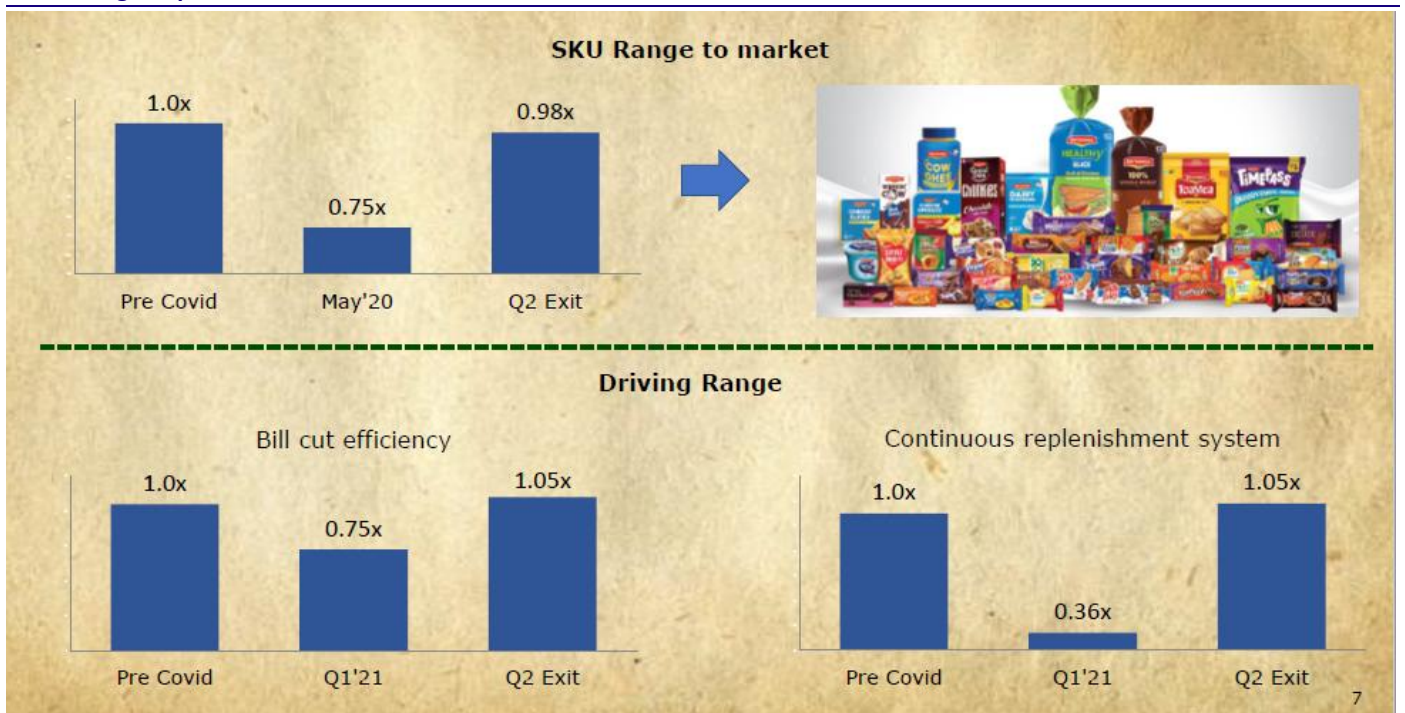
Source: Company presentation

Exhibit 5: Continued focus on expanding distribution network



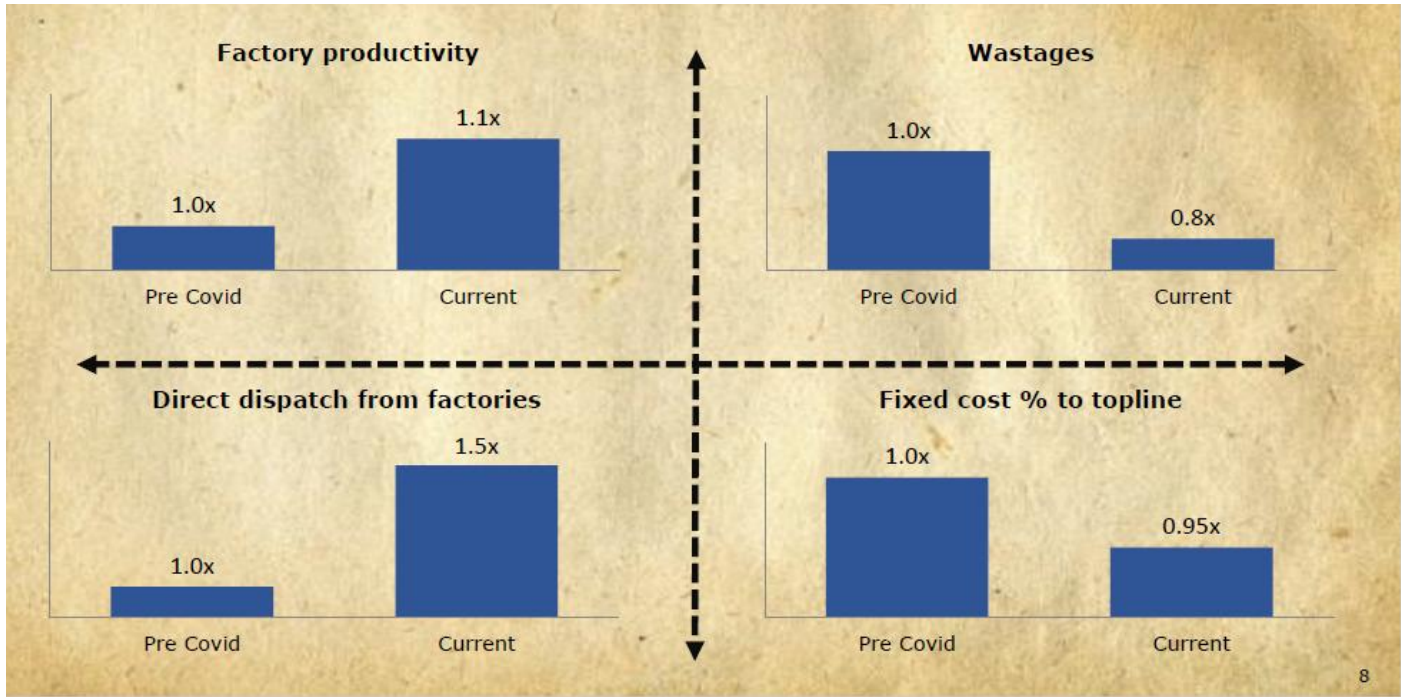
Source: Company presentation

Exhibit 6: BRIT focused on key manufacturing key products in 1QFY21 due to lockdown-led disruption; strived to get the entire range of products and SKUs back to market in 2QFY21



Source: Company presentation

Exhibit 7: Continued to benefit from cost efficiencies in 2QFY21



Source: Company presentation

Conference call highlights

Operating environment

- Double-digit growth was seen in sales in July, but weak growth was reported in August. Sales growth was back at healthy levels in September (high single digits). Management believes it is difficult to predict growth amid such volatility.
- Volume growth stood at ~9% for the quarter. Adjacencies are growing moderately faster than Biscuits.
- The quarter presented a greater level playing field (v/s 1QFY21); players with high contract manufacturing and nimbleness were at an advantage.
- Some downtrading is seen as macros continue to worsen.
- Management does not believe it has lost market share to value players in the market.
- Ad spends are not at normal levels yet, but are rebounding gradually.
- Modern trade (10% of revenues) continues to be weak. Historically, it has been observed that MT contribution picks up a bit in January and August. The high base in August last year was one of the reasons for weakness in YoY August sales.
- Rural is growing at a much faster pace and now contributes 30% to sales.

Adjacent and international businesses

- New products contribute 4–4.5% to revenue.
- The Middle East business is facing challenges, but the rest of the international regions are growing in the double digits.
- Dairy: Cheese posted double-digit growth in the quarter, but Milkshakes has not improved as out-of-home consumption remains low. Benign milk prices and an improving product mix are aiding margins.
- Cakes: It launched a layer cake at INR5 during the quarter. The Cake business is not growing aggressively as it is dependent on MT and closet clusters such as the Railway sector.
- The non-biscuit portfolio contributes ~25% to sales.

Costs and inventory

- Just 2–3% RM inflation was seen in 2QFY21.
- The outlook for RM is positive, but unlikely to be deflationary.
- BRIT has 9–10 days on inventory, which was down to 4–5 days in 1QFY21.
- Distributor inventory was flat at 5–6 days.

Distribution

- The company now has direct reach through 2.23m outlets.
- It currently has a reach of 22,000 rural preferred distributors.

ICDs and balance sheet

- Group ICDs as of September were INR7b. They were INR6b at the end of FY20 and INR5b at the end of FY19.

Expansion

- BRIT has plans for greenfield expansion in Tamil Nadu, Uttar Pradesh, and Bihar.

- Its plans for brownfield expansion are in Odisha and Ranjangaon in Maharashtra.
- The company has not specified the quantum of capex.

Sustainability efforts and targets

- 30% of laminates used in packaging are easily recyclable. ‘Good Day’ now uses completely recyclable laminates.
- The usage of plastic trays is reducing gradually.
- It has a 5% sugar reduction target by 2022. Work is underway for two large brands.
- It has a 5% sodium reduction by 2022. Work is underway for two large brands.
- Renewable energy would reach 45% by end-2021.

Valuation and view

What happened in the last decade?

- The past decade-ended FY20 was a phenomenal one for BRIT on account of: (a) huge market share gains, (b) a strengthening distribution reach (particularly direct reach), and (c) better product development v/s peers.
- The distribution advantage is particularly important for food players such as Britannia as the velocity of food consumption is much higher v/s personal care products. With the stated goal of being a total foods player, the company’s utilization of this reach would play a crucial role in its expansion to other food sub-categories.
- Financial performance over the last decade has been splendid, with the company reporting a sales CAGR of ~12%, and EBITDA and PAT CAGRs of ~27% each. This is easily among the best of breed for the decade v/s other Consumer peers. Financial performance over the past five years has also been healthy, with an ~8% sales CAGR, ~16% EBITDA CAGR, and ~20% PAT CAGR.

Our view on the stock

- Changes to the model have resulted in a 2.6%/1.9% reduction in FY21/FY22 EPS.
- The strongest topline growth for BRIT since FY12 (15.2% in FY21E) and the highest PAT growth since FY16 (35.2% in FY21E) are likely to be driven by a confluence of positive factors. These include: (a) high in-home consumption (biscuits constitute 75–80% of sales), (b) reduction in ad spends, (c) decline in material costs, and (d) low promotional spends (owing to strong demand).
- Sales momentum is tapering after an extraordinary spurt of ~27% in 1QFY21. Moreover, extraordinary earnings growth in FY21 presents a significant hurdle from an FY22/FY23 perspective as none of these factors present a structural positive. Furthermore, material costs could result in high volatility in earnings for BRIT – it has one of the lowest gross margins among peers (40.3% in FY20).
- We like the structural story, particularly as new category traction has been impressive in FY20 (as highlighted in our AR analysis note). However, we maintain our **Neutral** rating on account of various factors: (a) expensive valuations at 45.4x FY22, (b) sustained growth in group inter-corporate deposits (ICDs) – now at around INR7b (v/s INR6b at end-FY20 when they crossed their own erstwhile stated threshold of INR5b), (c) an uncertain earnings outlook beyond FY21, and (d) likely impact on ROCEs going ahead despite very strong



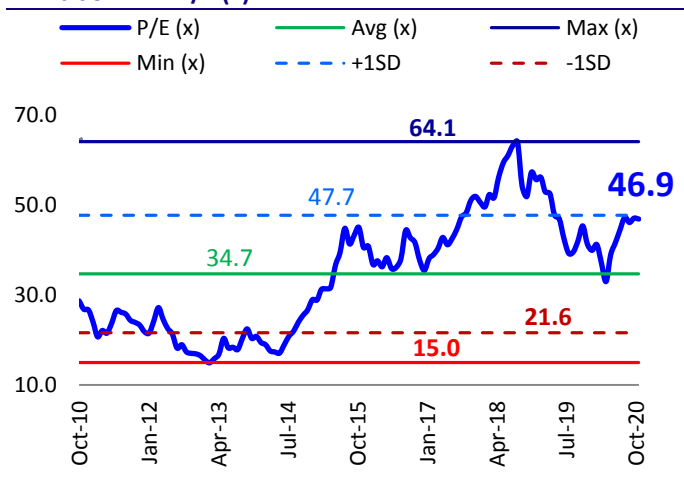
earnings growth in FY21 due to increased capex and the continued presence of high cash and debt levels on the books. Our TP of INR3,715 is set at 45x Sep'22 EPS.

Exhibit 8: We cut our PAT forecasts by 2.6%/1.9% for FY21/FY22

INR m	New		Old		% Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net Sales	133,645	144,849	137,178	148,609	-2.6%	-2.5%
EBITDA	25,272	25,423	25,877	26,078	-2.3%	-2.5%
Adj. PAT	19,071	18,794	19,587	19,160	-2.6%	-1.9%

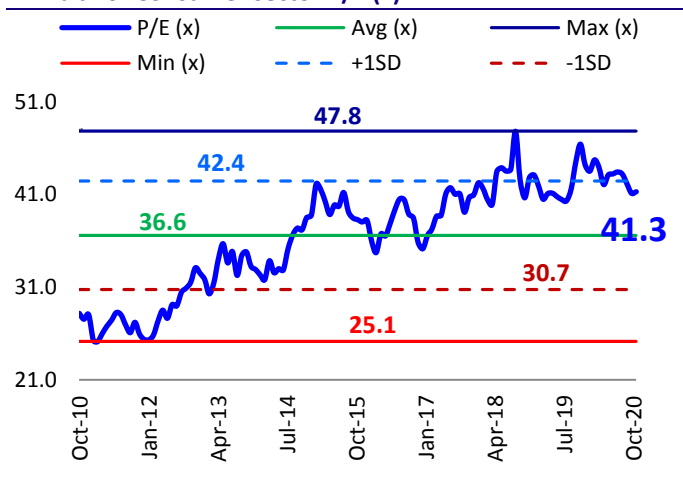
Source: Company, MOFSL

Exhibit 9: BRIT P/E (x)



Source: Company, MOFSL

Exhibit 10: Consumer sector P/E (x)



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)	
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	
Net Revenues	83,972	90,541	99,140	110,547	115,996	133,645	144,849	
Change (%)	6.9	7.8	9.5	11.5	4.9	15.2	8.4	
Raw Material Cost	50,127	55,888	61,071	65,615	69,275	77,990	85,509	
Gross Profit	33,845	34,653	38,069	44,932	46,721	55,654	59,340	
Margin (%)	40.3	38.3	38.4	40.6	40.3	41.6	41.0	
Advertising	4,461	3,850	4,113	5,008	4,754	5,278	6,718	
% of Sales	5.3	4.3	4.1	4.5	4.1	3.9	4.6	
Other Expenditure	17,240	18,022	18,940	22,590	23,535	25,105	27,199	
EBITDA	12,144	12,781	15,017	17,334	18,432	25,272	25,423	
Change (%)	40.6	5.2	17.5	15.4	6.3	37.1	0.6	
Margin (%)	14.5	14.1	15.1	15.7	15.9	18.9	17.6	
Depreciation	1,134	1,193	1,421	1,619	1,848	1,988	2,552	
Int. and Fin. Charges	49	55	76	91	769	1,181	1,371	
Financial Other Income	1,244	1,505	1,664	2,065	2,794	3,384	3,615	
PBT	12,205	13,039	15,184	17,689	18,609	25,486	25,115	
Tax	3,967	4,019	5,137	5,998	4,477	6,415	6,322	
Deferred Tax	-6	178	5	127	30	0	0	
Tax Rate (%)	32.5	32.2	33.9	34.6	24.2	25.2	25.2	
PAT	8,244	8,842	10,041	11,564	14,102	19,071	18,794	
Change (%)	43.6	7.3	13.6	15.2	21.9	35.2	-1.5	
Margin (%)	9.8	9.8	10.1	10.5	12.2	14.3	13.0	
Non-rec. (Exp.)/Income	0	0	0	0	-170	0	0	
Reported PAT	8,246	8,845	10,040	11,555	13,936	19,071	18,794	
Balance Sheet							(INR m)	
Y/E March	2016	2017	2018	2019	2020	2021E	2022E	
Share Capital	240	240	240	240	241	241	241	
Reserves	20,677	26,724	33,822	42,292	43,788	41,734	43,057	
Networth	20,917	26,964	34,062	42,533	44,028	41,975	43,298	
Minority Interest	25	26	131	327	357	0	0	
Loans	1,311	1,246	2,007	1,560	15,376	16,124	16,124	
Capital Employed	22,252	28,236	36,201	44,420	59,761	58,099	59,422	
Gross Block	18,142	12,309	15,554	20,615	24,750	28,750	32,750	
Less: Accum. Depn.	-9,799	-1,988	-3,380	-5,035	-7,358	-9,346	-11,898	
Net Fixed Assets	8,343	10,322	12,174	15,579	17,392	19,405	20,852	
Goodwill on consolidation	1,159	1,278	1,282	1,304	1,390	1,390	1,390	
Capital WIP	901	301	2,028	1,012	396	396	396	
Investments	7,884	4,869	10,793	14,763	28,932	27,365	27,721	
Current	6,623	3,588	8,918	9,197	14,109	12,542	12,898	
Non-current	1,261	1,280	1,875	5,566	14,823	14,823	14,823	
Deferred Liability	-444	-231	-226	-99	-69	-69	-69	
Currents Assets	16,208	24,088	25,377	29,623	30,117	30,776	32,265	
Inventory	4,407	6,615	6,528	7,814	7,410	8,973	10,005	
Account Receivables	1,706	1,792	3,046	3,942	3,204	4,052	4,426	
Cash and Bank Balance	877	1,208	1,864	1,098	1,229	1,258	1,196	
Others	9,219	14,474	13,938	16,768	18,275	16,492	16,638	
Curr. Liab. & Prov.	12,687	12,852	15,679	17,960	18,535	21,301	23,270	
Account Payables	7,691	7,573	9,941	11,405	11,163	13,278	14,530	
Other Liabilities	4,996	5,279	5,738	6,555	7,372	8,024	8,741	
Net Current Assets	3,521	11,236	9,698	11,663	11,582	9,475	8,995	
Net Assets	22,252	28,236	36,201	44,420	59,761	58,098	59,422	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2016	2017	2018	2019	2020	2021E	2022E
Basic (INR)							
EPS	34.3	36.8	41.8	48.1	58.6	79.3	78.1
BV/Share	87.2	112.4	141.9	177.0	183.1	174.5	180.0
DPS	10.0	11.0	12.5	15.0	35.0	63.4	62.5
Payout (%)	29.1	29.9	29.9	31.2	59.7	80.0	80.0
Valuation (x)							
P/E	103.4	96.4	84.9	73.8	60.6	44.8	45.4
EV/Sales	10.1	9.4	8.5	7.6	7.2	6.3	5.8
EV/EBITDA	69.6	66.3	56.1	48.4	45.5	33.3	33.1
P/BV	40.8	31.6	25.0	20.1	19.4	20.3	19.7
Dividend Yield	0.3	0.3	0.4	0.4	1.0	1.8	1.8
Return Ratios (%)							
RoE	49.5	36.9	32.9	30.2	32.6	44.4	44.1
RoCE	41.1	31.1	27.9	25.5	24.1	29.6	29.1
RoIC	80.0	45.6	41.5	41.9	44.3	59.8	57.8
Working Capital Ratios							
Debtor (Days)	7	7	11	13	10	11	11
Asset Turnover (x)	3.8	3.2	2.7	2.5	1.9	2.3	2.4
Leverage Ratio							
Debt/Equity (x)	0.1	0.0	0.1	0.0	0.3	0.4	0.4

Cash Flow Statement

Y/E March	2016	2017	2018	2019	2020	2021E	2022E
(INR m)							
OP Profit	12,205	13,040	15,184	17,689	18,439	25,486	25,115
Dep	1,134	1,193	1,421	1,619	1,848	1,988	2,552
Financial Other Income	-368	-497	-470	-487	-684	-3,384	-3,615
Net Interest Paid	675	843	964	1,277	999	-1,181	-1,371
Direct Taxes Paid	4,032	3,966	4,965	5,961	5,033	6,415	6,322
Inc in WC	-1,329	4,514	-2,283	25	-1,274	-2,138	-417
CF from Operations	9,592	4,413	12,488	11,558	14,845	20,994	19,519
(Inc)/Dec in FA	-2,494	-3,518	-4,212	-3,994	-2,434	-4,000	-4,000
Free Cash Flow	7,098	895	8,276	7,564	12,411	16,994	15,519
(Pur.)/Sale of Investments	-2,109	3,593	-5,374	-3,341	-13,266	1,567	-355
Other Non Rec Exp	-3,914	-1,206	72	-1,462	406	-369	3,615
CF from Investments	-8,517	-1,131	-9,514	-8,797	-15,294	-2,802	-740
Issue of Shares	43	58	151	298	7,449	0	0
Inc in Debt	0	0	0	-419	-2,305	748	0
Dividend Paid	2,308	2,884	3,174	3,544	4,325	17,729	17,471
Other Item	197	125	-706	-138	240	1,181	1,371
CF from Fin. Activity	-2,462	-2,951	-2,318	-3,527	579	-18,162	-18,841
Inc/Dec of Cash	-1,387	331	657	-766	130	30	-62
Add: Beginning Balance	2,263	877	1,208	1,864	1,098	1,229	1,259
Closing Balance	877	1,208	1,864	1,098	1,229	1,259	1,197

E: MOFSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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