

October 1, 2021

Event Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	3,954		3,603	
Sales (Rs. m)	65,856	75,729	62,521	71,830
% Chng.	5.3	5.4		
EBITDA (Rs. m)	11,854	13,643	11,093	12,941
% Chng.	6.9	5.4		
EPS (Rs.)	104.5	110.1	98.7	105.0
% Chng.	5.9	4.9		

Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. m)	41,879	54,525	65,856	75,729
EBITDA (Rs. m)	6,830	9,724	11,854	13,643
Margin (%)	16.3	17.8	18.0	18.0
PAT (Rs. m)	4,507	7,105	8,359	8,802
EPS (Rs.)	56.4	88.8	104.5	110.1
Gr. (%)	32.4	57.7	17.6	5.3
DPS (Rs.)	14.7	23.2	27.3	31.7
Yield (%)	0.4	0.6	0.7	0.9
RoE (%)	17.4	23.3	23.3	21.0
RoCE (%)	19.5	25.0	25.5	25.2
EV/Sales (x)	6.4	4.9	4.0	3.1
EV/EBITDA (x)	39.3	27.4	22.2	17.1
PE (x)	65.9	41.8	35.6	33.8
P/BV (x)	10.2	8.6	7.3	5.7

Key Data

PERS.BO | PSYS IN

52-W High / Low	Rs.3,839 / Rs.1,063
Sensex / Nifty	59,126 / 17,618
Market Cap	Rs.284bn/ \$ 3,826m
Shares Outstanding	76m
3M Avg. Daily Value	Rs.1819.08m

Shareholding Pattern (%)

Promoter's	33.66
Foreign	19.44
Domestic Institution	29.17
Public & Others	17.73
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	11.9	93.4	177.1
Relative	8.5	63.6	81.3

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Foraying in to strategic high growth areas...

Quick Pointers:

- SCI and Fusion 360 serves as the foundation for scaling high growth Payments business unit and is attractively valued at 3.1x EV/Sales
- Shree Partners strengthens cloud capabilities, consolidates Persistent's position with a strategic client and is acquired at inexpensive valuations of 0.9x EV/Sales.

Persistent's acquisition of SCI and its affiliate, Fusion 360, serves as the foundation for scaling up the newly announced Payment Business Unit given – 1) SCI's deep domain capabilities specializing in Payment solutions and Fusion 360's expertise in servicing leading Payment platforms including IBM's Financial Transaction Manager (FTM), 2) SCI provides inroads to 10 (most within top 20) leading banks in North America, 3) presence in Charlotte, North Carolina, one of the largest US banking hubs, 4) opens up cross-selling opportunities and 5) complements Persistent's work of taking FTM to hybrid cloud for their largest client. Payments has become strategic growth area not only for Banking clients, but payments deliver foundational functionality across all industries, as it accelerates the adoption of digital to improve customer experience.

Shree Partner's acquisition was part of 5-year vendor consolidation deal won by Persistent in Q2FY22. Since Shree Partners derived 50% of their revenue from this client, they approached Persistent to acquire them. Shree Partners 1) brings strategic client relationship - leader in the global claims management industry, 2) strengthens Persistent's cloud, infrastructure, data and AI/ML capabilities and 3) adds new delivery location in NCR, India with 200+ employees.

Management mentioned that Persistent has ability to scale up SCI at much higher rate compared to its historical growth rate. (revenue of ~USD 17.1 mn in CY20, 13% CAGR over CY18-20). Shree Partners has grown at 12% CAGR over FY19-21 with revenue of \$7.6 Mn for FY21. Both the acquisitions together add ~USD 25 mn, 4.4% of Persistent's revenue and are gross margin accretive, however there is expected to be 50-70 bps impact on EBIT margin because of amortization charge. Our EPS estimates increased by 5.9%/4.9% led by increase in revenue estimates by 5.3%/5.4% for FY23/24E year. We arrive at DCF based TP of INR 3954 (earlier: 3603). Persistent is currently trading at 36x/34x on FY23/24E earnings of INR 104.5/110.1 with Revenue/EPS CAGR of 20.2%/25.0% over FY21-24E

- **Strategic acquisition in high growth area:** Persistent entered in to an agreement to acquire Charlotte, North Carolina-based Software Corporation International (SCI) and its affiliate, Fusion360. SCI brings domain consulting capabilities and specializes in high growth area of Payments solutions, integration, and support services for leading US Banks. It also brings new points of presence in Charlotte, North Carolina, one of the largest US banking hubs

According to Everest Group, the Payments IT services market is expected to grow by 12.5% in 2021 to reach \$16.8 billion.

- **Shree partners consolidates Persistent’s position in a strategic account:** Persistent also announced acquisition of East Brunswick, New Jersey-based Shree Partners including its subsidiary in India, Shree Infosoft. This acquisition was part of 5-year vendor consolidation deal won by Persistent in Q2FY22. Persistent won this deal beating other three vendors, one of them being Shree Partners, serving the client. Since Shree Partners derived 50% of their revenue from this client, they approached Persistent to acquire them. This acquisition was beneficial for Persistent as Shree Partners has strong relationship with the client and strengthens Persistent’s cloud, infrastructure, data and AI/ML capabilities.
- **SCI and Fusion 360 will serve as foundation of Payments business unit:** Persistent has announced a dedicated Payments Business unit on back of strong domain capabilities of SCI and Fusion 360. SCI brings deep domain consulting capabilities specializing in Payment solutions, integration, and support services for banks. Additionally, Fusion360 provides services for leading Payment platforms including IBM’s Financial Transaction Manager (FTM).
- **Strategic rationale for dedicated Payments business unit –** 1) Payments IT services market is rapidly growing at 12.5% in 2021 to reach USD 16.8 Bn, 2) Persistent derives 31% of revenue from BFSI vertical and payment being most profitable business for banks aligns well with long term strategy of Persistent’s clients, 3) complements Persistent’s work of taking FTM to hybrid cloud for their largest client with Payments now moving to cloud 4) Payments is also essential functionality across all industries as they accelerate digital adoption and improve customer experience.
- Management mentioned that they will be doubling down on Payments business vis inorganic tucking acquisitions and organic capabilities. They will be capitalizing on below key Payment trends -1) Payments-as-a-service, 2) Shift to Best of Breed from Core Processor, 3) Separate Revenue Stream, Business Unit, 4) New Payment Rails (RTP, Zelle etc.), 5) Digital Wallets gain momentum and 6) Payments platform of the future (leveraging blockchain etc.)
- **Acquisition provides inroads to strong clientele in BFSI space:** SCI and fusion 360 have impressive portfolio of ~10 market leading North American banks, with many in Top 20. This acquisition also opens up cross-selling opportunities – 1) mining existing Persistent clients and 2) expand value proposition for SCIs clients to include Persistent capabilities.
- Shree Partner acquisition provides strategic benefits by enabling Persistent to deliver critical services to a strategic client which is a leader in the global claims management industry. Shree’s expertise also expands Persistent’s BFSI footprint.
- **Shree Partner acquisition adds new delivery location:** and delivery center in Gurgaon, National Capital Region (NCR), India with ~200+ digital engineers. Persistent currently has delivery centers only southern and central parts of India (Nagpur, Pune, Hyderabad, Goa).

SCIs deep domain knowledge of Payments with Persistent's digital engineering, next-gen cloud services and global footprint allows the combined entity deliver immediate value to any Payments modernization initiative.

- **SCI CEO Keith to lead Payments Business Unit:** Experienced leadership team of both the acquired companies will be retained. Mr. D Keith Sides, President and CEO, SCI will lead the Payments business unit. Mr. Eric Massenburg, President, Fusion 360 will help in scaling FTM business. With 90+ domain consultants in North America, SCI bolsters Payments expertise of Persistent. Mr. Rajiv Dahiya, CEO, Shree Partners and key management is also being retained.
- **Revenue scale:** SCI revenue has grown at 13.2% CAGR over CY18-20. The consolidated revenue of SCI was \$17.08 Mn for CY20. (3% of Persistent's FY21 revenue). **With scale and engineering capabilities of Persistent, management expects to scale up the Payments business unit multi-fold.** Shree Partners and Shree Infosoft revenue has grown at 12% CAGR over FY19-21 with revenue of \$7.6 Mn for FY21. (1.3% of Persistent's FY21 revenue).
- **Both the acquisitions are gross margin accretive** for FY22 and beyond. SCI is expected to have impact of Amortization charge of 50-70bps on EBIT. Shree Partners will have very minimal impact on EBIT. Management mentioned that as they scale up both the acquisitions, operating leverage will overcome the impact of amortization charge and retention costs.
- **Attractive valuations:** SCI's annual revenue of USD 17.1 Mn and total purchase consideration of USD 53 mn implies attractive valuation multiple of 3.1x EV/Sales. Shree Partners is also acquired at inexpensive valuations of 0.9x EV/Sales with total purchase consideration of USD 6.9 Mn and FY21 revenue of USD 7.6 Mn.
- **The total purchase consideration for SCI and Fusion 360 is \$53 M.** This includes: 1) **Upfront payment** of \$34.45 M, 2) **Earn out** – maximum amount payable over \$5.96 Mn per annum over next two years' contingent on achievement of certain performance thresholds. 3) **Retention Payment** – Key employees and consultants of SCI will be eligible for an aggregate amount of \$ 2.21 M per annum at the end of Year 1, Year 2 and Year 3.
- **The total purchase consideration for Shree Partners is \$6.87 Mn.** This includes 1) **Upfront** payment of \$2.37 M in USA and \$1 M (INR 7.35 Cr.) in India, 2) **Earn out** – maximum amount of \$1.5 Mn per annum payable over next two years' contingent on achievement of certain performance thresholds, 3) **Retention Payment** – key employees will be eligible for an aggregate amount of \$500,000 over the next three years.
- **Acquisition closure timelines:** Shree Partners acquisition is expected to close within 3 to 5 weeks, while SCI & Fusion 360 is expected to close within 2 weeks' subject to customary closing conditions.
- **About SCI and Fusion 360:** Software Corporation was incorporated in 1990 while Fusion360 was incorporated in 2011 in the US. Software Corporation provides consulting services in the payment ecosystem with respect to products such as ACH, Check Processing Systems, Corporate Payments, SWIFT etc. in the US. It leverages payment platforms such as Financial Transaction Manager (FTM) to provide payment consulting services. Fusion360 supports consulting services of Software Corporation with

application development, maintenance, and support services for leading payment platforms. Software Corporation and Fusion360 have an integrated business operation and their teams often jointly work on customer engagements.

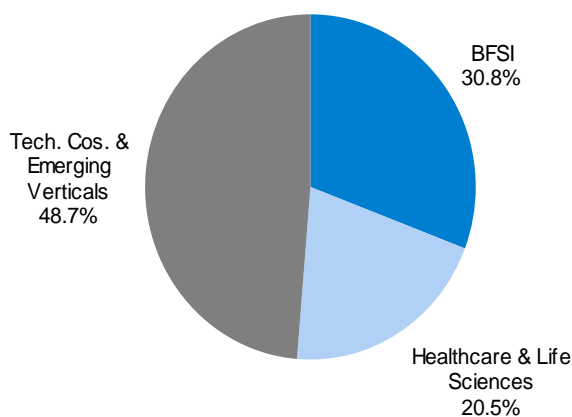
- About Shree Partners:** Incorporated in 2005, Shree Partners LLC along with Shree Infosoft Pvt. Ltd. provides data management and analytics, IT infrastructure management and support services to companies based predominantly out of the US.

Exhibit 1: Key financial metrics

	FY20	FY21	FY22E	FY23E	FY24E
Organic Revenue US\$ mn	502	566	725	838	951
<i>Growth YoY</i>	4.3%	12.8%	28.1%	15.7%	13.4%
SCI Fusion 360			9	20	23
<i>Growth YoY</i>					18.6%
Shree Partners			4	8	9
<i>Growth YoY</i>					12.6%
Total Revenue US \$ mn	502	566	737	867	983
<i>Growth YoY</i>			30.3%	17.5%	13.5%
EBIT (INR mn)	3270	5075	7672	9220	10614
<i>EBIT margin</i>	9.2%	12.1%	14.1%	14.0%	14.0%
EPS (Rs.)	42.5	56.4	88.8	104.5	110.1
<i>Growth YoY</i>		32.4%	57.7%	17.6%	5.3%

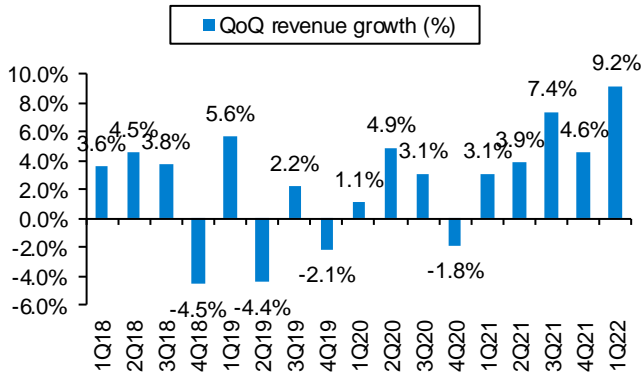
Source: Company, PL

Exhibit 2: BFSI has ~31% revenue share



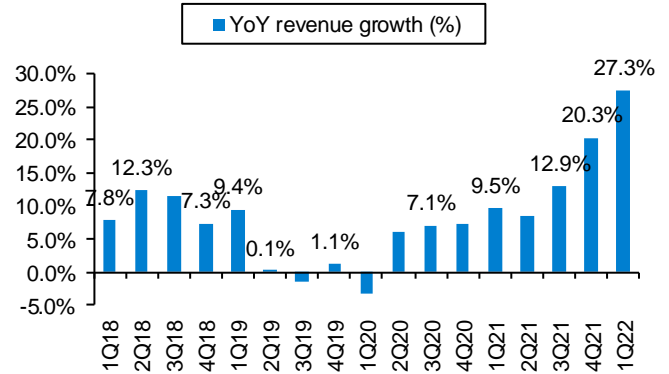
Source: Company, PL

Exhibit 3: Highest ever QoQ growth in 1Q22 (%)



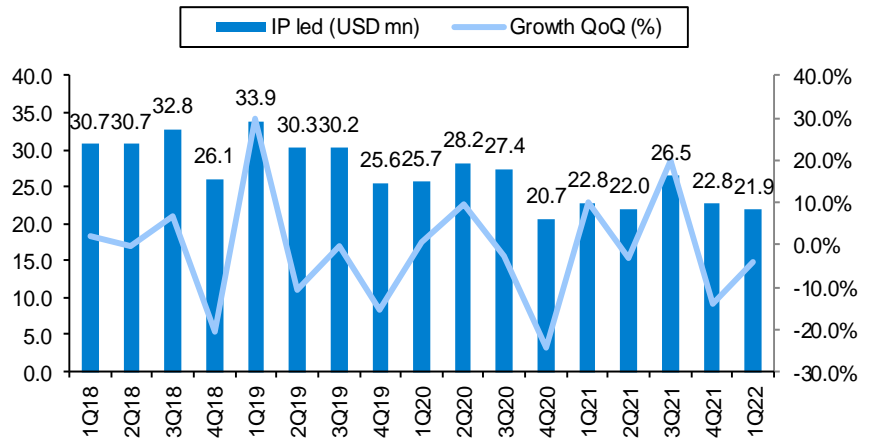
Source: Company, PL

Exhibit 4: Highest ever YoY revenue growth in 1Q22 (%)



Source: Company, PL

Exhibit 5: Lower growth in IP led business due to revenue recognition of reseller business on net accounting basis



Source: Company, PL

Exhibit 6: Revenue contribution by Geography (%)

Revenue by geography (%)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
America	79.7%	82.6%	83.7%	80.9%	82.5%	81.4%	80.1%	80.2%	80.4%	82.9%	81.1%	79.2%	78.9%
Europe	12.0%	7.5%	7.6%	7.9%	8.5%	9.9%	10.6%	8.8%	10.2%	7.6%	8.8%	10.0%	9.5%
APAC	8.3%	9.9%	8.7%	11.2%	9.0%	8.7%	9.3%	11.0%	9.4%	9.5%	10.1%	10.8%	11.6%

Source: Company, PL

Exhibit 7: Client Metrics

Revenue by clients (%)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Top Client	23.8%	25.7%	26.3%	20.2%	23.6%	23.7%	21.5%	19.2%	17.7%	19.4%	18.5%	17.9%	17.0%
Top 5 Clients	43.8%	43.3%	45.0%	40.0%	44.6%	44.3%	42.3%	41.5%	40.8%	41.6%	37.8%	36.4%	36.5%
Top 10 Clients	53.7%	52.4%	54.6%	50.2%	52.6%	53.4%	51.1%	49.9%	49.0%	50.5%	47.0%	46.3%	46.7%
Non Top 10 Clients	46.3%	47.6%	45.4%	49.8%	47.4%	46.6%	48.9%	50.1%	51.0%	49.5%	53.0%	53.7%	53.3%

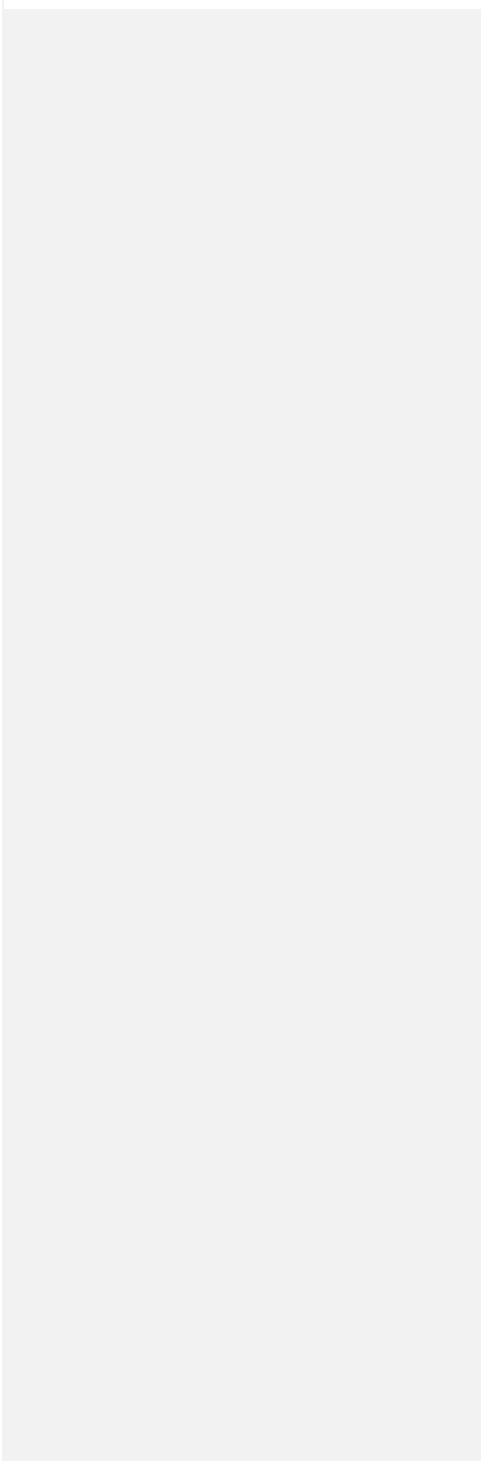
Source: Company, PL



Exhibit 8: Other Operating Metrics

Billing rates (USD/p.p.m)	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Rest of the world	16360	15787	16204	16846	16742	17155	16761	17276	17036	16993	16790	16603	17004
India	4333	4372	4392	4385	4427	4437	4420	4427	4308	4304	4204	4203	4286
Billed person months													
Rest of the World	2,348	2,221	2,232	2,206	2,179	2,271	2,430	2,425	2,595	2,647	2,651	2,794	3,080
India	11,857	12,097	12,402	12,674	12,962	13,138	13,865	14,550	14,866	16,033	17,879	19,892	21,596
TOTAL	14,205	14,318	14,634	14,880	15,141	15,409	16,295	16,975	17,461	18,680	20,530	22,686	24,676
DSO Days	68	63	61	63	65	64	68	65	69	63	57	55	54

Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Net Revenues	41,879	54,525	65,856	75,729
YoY gr. (%)	17.4	30.2	20.8	15.0
Employee Cost	27,650	35,801	42,806	49,407
Gross Profit	14,229	18,723	23,050	26,322
Margin (%)	34.0	34.3	35.0	34.8
SG&A Expenses	-	-	-	-
Other Expenses	7,398	8,999	11,196	12,679
EBITDA	6,830	9,724	11,854	13,643
YoY gr. (%)	38.6	42.4	21.9	15.1
Margin (%)	16.3	17.8	18.0	18.0
Depreciation and Amortization	1,756	2,052	2,634	3,029
EBIT	5,075	7,672	9,220	10,614
Margin (%)	12.1	14.1	14.0	14.0
Net Interest	-	-	-	-
Other Income	1,020	1,865	2,000	1,200
Profit Before Tax	6,094	9,538	11,220	11,814
Margin (%)	14.6	17.5	17.0	15.6
Total Tax	1,588	2,432	2,861	3,013
Effective tax rate (%)	26.1	25.5	25.5	25.5
Profit after tax	4,507	7,105	8,359	8,802
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,507	7,105	8,359	8,802
YoY gr. (%)	32.4	57.7	17.6	5.3
Margin (%)	10.8	13.0	12.7	11.6
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,507	7,105	8,359	8,802
YoY gr. (%)	32.4	57.7	17.6	5.3
Margin (%)	10.8	13.0	12.7	11.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,507	7,105	8,359	8,802
Equity Shares O/s (m)	76	76	76	69
EPS (Rs)	56.4	88.8	104.5	110.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
Non-Current Assets				
Gross Block	4,484	5,284	6,084	6,784
Tangibles	3,254	3,654	4,054	4,404
Intangibles	1,230	1,630	2,030	2,380
Acc: Dep / Amortization	-	-	-	-
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	4,484	5,284	6,084	6,784
Tangibles	3,254	3,654	4,054	4,404
Intangibles	1,230	1,630	2,030	2,380
Capital Work In Progress	122	122	122	122
Goodwill	86	86	86	86
Non-Current Investments	3,782	3,882	3,982	4,082
Net Deferred tax assets	1,038	1,038	1,038	1,038
Other Non-Current Assets	442	442	442	442
Current Assets				
Investments	6,375	6,375	6,375	6,375
Inventories	-	-	-	-
Trade receivables	5,709	8,216	9,924	11,411
Cash & Bank Balance	9,809	11,355	14,644	18,543
Other Current Assets	2,272	2,322	2,372	2,422
Total Assets	36,656	41,984	48,591	55,415
Equity				
Equity Share Capital	764	764	764	764
Other Equity	27,192	32,159	38,002	44,154
Total Network	27,957	32,923	38,766	44,918
Non-Current Liabilities				
Long Term borrowings	44	44	44	44
Provisions	241	241	241	241
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	222	222	222	222
Trade payables	3,124	3,436	4,150	4,772
Other current liabilities	4,352	4,402	4,452	4,502
Total Equity & Liabilities	36,655	41,984	48,591	55,415

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	6,094	9,538	11,220	11,814
Add. Depreciation	1,756	2,052	2,634	3,029
Add. Interest	(559)	(874)	(960)	(480)
Less Financial Other Income	1,020	1,865	2,000	1,200
Add. Other	-	-	-	-
Op. profit before WC changes	-	10,716	12,894	14,363
Net Changes-WC	1,578	(2,621)	(1,753)	(1,553)
Direct tax	(1,582)	(2,432)	(2,861)	(3,013)
Net cash from Op. activities	-	5,663	8,280	9,797
Capital expenditures	(1,638)	(2,852)	(3,434)	(3,729)
Interest / Dividend Income	-	874	960	480
Others	(3,717)	-	-	-
Net Cash from Invt. activities	-	(1,978)	(2,474)	(3,249)
Issue of share cap. / premium	-	-	-	-
Debt changes	(5)	-	-	-
Dividend paid	-	(1,776)	(2,090)	(2,200)
Interest paid	(319)	-	-	-
Others	9	(362)	(426)	(449)
Net cash from Fin. activities	(315)	(2,139)	(2,516)	(2,649)
Net change in cash	-	1,546	3,290	3,899
Free Cash Flow	-	2,811	4,846	6,068

Source: Company Data, PL Research

Quarterly Financials (Rs m)

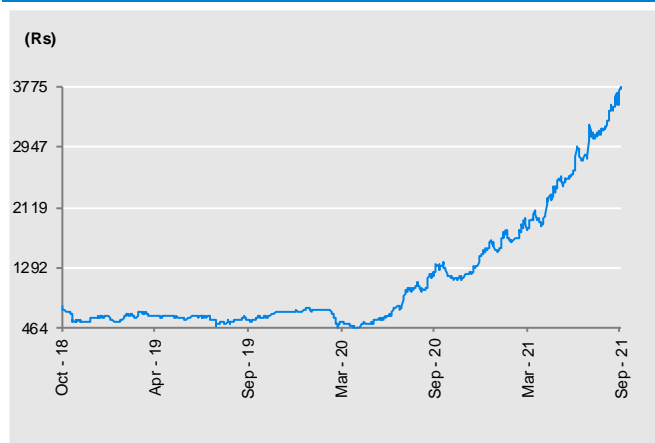
Y/e Mar	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Net Revenue	10,077	10,754	11,134	12,299
YoY gr. (%)	13.9	16.5	20.2	24.1
Raw Material Expenses	6,577	7,064	7,363	8,173
Gross Profit	3,501	3,690	3,771	4,126
Margin (%)	34.7	34.3	33.9	33.5
EBITDA	1,658	1,825	1,883	2,015
YoY gr. (%)	36.3	47.8	47.5	37.6
Margin (%)	16.4	17.0	16.9	16.4
Depreciation / Depletion	440	461	419	350
EBIT	1,218	1,364	1,464	1,665
Margin (%)	12.1	12.7	13.2	13.5
Net Interest	-	-	-	-
Other Income	157	286	385	365
Profit before Tax	1,375	1,650	1,849	2,031
Margin (%)	13.6	15.3	16.6	16.5
Total Tax	355	441	471	518
Effective tax rate (%)	25.8	26.7	25.5	25.5
Profit after Tax	1,020	1,209	1,378	1,512
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,020	1,209	1,378	1,512
YoY gr. (%)	18.5	37.5	64.3	68.0
Margin (%)	10.1	11.2	12.4	12.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,020	1,209	1,378	1,512
YoY gr. (%)	18.5	37.5	64.3	68.0
Margin (%)	10.1	11.2	12.4	12.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,020	1,209	1,378	1,512
Avg. Shares O/s (m)	76	80	80	80
EPS (Rs)	13.3	15.1	17.2	18.9

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY21	FY22E	FY23E	FY24E
Per Share(Rs)				
EPS	56.4	88.8	104.5	110.1
CEPS	81.9	119.8	143.8	170.3
BVPS	365.8	430.8	507.2	646.5
FCF	-	36.8	63.4	87.3
DPS	14.7	23.2	27.3	31.7
Return Ratio(%)				
RoCE	19.5	25.0	25.5	25.2
ROIC	31.2	37.0	38.1	39.0
RoE	17.4	23.3	23.3	21.0
Balance Sheet				
Net Debt : Equity (x)	(0.6)	(0.5)	(0.5)	(0.5)
Debtor (Days)	50	55	55	55
Valuation(x)				
PER	65.9	41.8	35.6	33.8
P/B	10.2	8.6	7.3	5.7
P/CEPS	81.9	119.8	143.8	170.3
EV/EBITDA	39.3	27.4	22.2	17.1
EV/Sales	6.4	4.9	4.0	3.1
Dividend Yield (%)	0.4	0.6	0.7	0.9

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	6-Aug-21	BUY	3,603	3,118
2	25-Jul-21	Hold	2,851	3,039
3	2-Jul-21	UR	-	2,965
4	1-May-21	BUY	2,344	2,038
5	5-Apr-21	BUY	2,017	1,954
6	1-Feb-21	BUY	1,727	1,524
7	4-Jan-21	BUY	1,526	1,498
8	27-Oct-20	BUY	1,368	1,189
9	5-Oct-20	BUY	1,304	1,304

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Affle (India)	BUY	7,023	5,174
2	Coforge	BUY	5,393	4,790
3	Cyient	BUY	1,088	967
4	HCL Technologies	BUY	1,239	1,050
5	Infosys	BUY	1,847	1,650
6	L&T Technology Services	BUY	4,791	4,339
7	Larsen & Toubro Infotech	BUY	5,416	4,763
8	Mindtree	BUY	3,450	2,842
9	Mphasis	BUY	3,573	3,251
10	Persistent Systems	BUY	3,603	3,118
11	Redington (India)	BUY	202	145
12	Sonata Software	BUY	927	842
13	Tata Consultancy Services	BUY	3,807	3,310
14	TeamLease Services	BUY	4,716	3,954
15	Tech Mahindra	BUY	1,509	1,265
16	Wipro	BUY	665	598
17	Zensar Technologies	BUY	424	429

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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