




Estimate change	
TP change	
Rating change	

CMP: INR3,961 TP: INR 4,230 (+7%) Neutral

Reassuring performance, valuations full

Demand intact, expect stable margin

Bloomberg	MTCL IN
Equity Shares (m)	165
M.Cap.(INRb)/(USDb)	652.9 / 8.6
52-Week Range (INR)	5059 / 2000
1, 6, 12 Rel. Per (%)	1/-8/74
12M Avg Val (INR M)	3936

Financials & Valuations (INR b)

Y/E Mar	2022	2023E	2024E
Sales	105.3	130.3	154.5
EBIT Margin (%)	18.6	18.2	18.4
PAT	16.5	19.4	23.3
EPS (INR)	100.1	117.7	141.0
EPS Gr. (%)	48.6	17.6	19.8
BV/Sh. (INR)	332	397	475

Ratios

RoE (%)	33.8	32.4	32.4
RoCE (%)	27.2	26.5	26.3
Payout (%)	45.0	45.0	45.0

Valuations

P/E (x)	39.6	33.6	28.1
P/BV (x)	11.9	10.0	8.3
EV/EBITDA (x)	28.2	23.1	19.0
Div Yield (%)	1.1	1.3	1.6

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	61.0	61.0	61.0
DII	9.7	10.1	10.6
FII	15.7	15.0	13.3
Others	13.6	13.9	15.1

FII Includes depository receipts

- MTCL reported a revenue of USD384m (+5.2% QoQ CC) in 4QFY22. Reported revenue grew 4.8% (inline), driven by broad-based growth across verticals and regions. Deal TCV rose 9% QoQ to USD390m in 4QFY22. The management reiterated that the demand environment continues to remain strong, and expects industry-leading growth in FY23.
- EBITDA margin fell 50bp QoQ (inline) in 4QFY22 on higher utilization and offshoring. MTCL was largely able to sustain margin, despite wage costs and higher attrition at 23.8%
- We view continued execution in both revenue growth and profitability as a key positive for the stock. We expect revenue to remain robust and margin to remain stable. We expect it to deliver 20% CAGR in USD revenue and 19% in INR PAT over FY22-24.
- Net additions (~3.1k, total headcount up 9.7% QoQ) in 4QFY22 continue to remain robust. MTCL has now added ~11.2k employees in FY23, with a large share coming from freshers.
- We maintain our Neutral rating on MTCL due to its fair valuations (28x FY24E P/E) as well as relatively higher client concentration (top client accounts for 24% of revenue), although it is moving in the right direction.
- We raise our FY23/FY24 EPS estimate by 1.9%/1.4%. Our margin estimate is on the higher side of the over 20% range guided by the management, given it was able to sustain margin in 4QFY22, despite the headcount addition. As the stock is trading at 28x FY24E EPS, we see limited upside hereafter. Our TP of INR4,230/share implies 30x FY24E EPS. We maintain our **Neutral** rating.

Inline result, higher other income

- USD revenue grew 5.2% QoQ in CC terms, INR EBIT rose 40.2% YoY, and INR PAT increased by 49.1% YoY in 4QFY22.
- USD revenue/INR EBIT/INR PAT grew 31%/40%/49% in FY22.
- USD revenue rose 4.8% QoQ and 33.2% YoY to USD383.8m (inline).
- Growth was broad-based in 4QFY22, while Retail and Manufacturing fell 3% on a sequential basis. Travel/BFSI/CMT rose 9.3%/8.9%/5.2% QoQ.
- Geography-wise, growth was broad-based, with the US growing 5.6% QoQ, while Europe fell 0.3%. RoW reported a growth of 8.5% QoQ.
- The top client grew 4.7% sequentially. The top two-to-five/top six-to-ten/non-top 10 accounts grew (fell) by 7.7%/(-4.1%)/5.7% QoQ.
- Deal TCV was up 9% QoQ at USD390m in 4QFY22.
- EBITDA margin fell 50bp QoQ to 21% (est. 21.1%). MTCL sustained margin, despite an addition of ~3,100 employees. Offshore ratio improved by 30bp to 86.3%.

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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.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Net profit rose 8.1% QoQ to INR4.73b and was 7% above our estimates on a beat in other income and lower ETR.
- Attrition (LTM) rose 190bp QoQ to 23.8%.
- DSO for 4QFY22 was flat at 60 days as compared to 4QFY21 levels.
- In 4QFY22, FCF/EBITDA and OCF/EBITDA stood ~83% and ~93%, respectively.

Key highlights from the management commentary

- MTCL continues to witness robust demand and iterated that demand is intact in the near term. Customers are looking at long-term transformational initiatives, with a long tail of growth, though the deal size may be smaller in nature.
- The Communications, Media, and Technology verticals saw strong demand in product engineering, digital marketing, cyber security, and customer experience.
- Retail faced impact of a ramp-down in one deal. The management reiterated that the demand environment remains strong.
- BFSI is witnessing traction for core modernization and data integration services.
- The Travel vertical crossed pre-COVID levels. Diversification in areas such as surface transport and food and beverage gives MTCL strong growth visibility at least in the near term.
- The management has increased investments in new-age technologies like Metaverse, Blockchain, AR/VR, and low code – no code.
- It is seeing cost pressures from supply-side challenges, but the company continues to offset that with operating efficiencies. Pyramid rationalization, reduced sub-contracting, and pricing continue to provide tailwinds, while there may be some headwinds on travel costs, which will accrue gradually over the next few quarters as travel resumes.
- The management is confident of maintaining over 20% EBITDA margin on a structural basis.

Valuations fair, upside limited

- The management's increased focus on annuity revenue and strategic accounts is reflected in its revenue and client mix.
- A strong outlook on strategic accounts, decent deal signings, and the ability to sustain improved margin are key positives.
- The stock is currently trading at 28x FY24E EPS. As the key positives are already captured, we see limited upside hereafter. Our TP of INR4,230 per share implies 30x FY24E EPS. We maintain our **Neutral** rating.

Quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22	FY22	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	253	261	274	288	311	350	366	384	1,077	1,411	383	0.1
QoQ (%)	-9.1	3.1	5.0	5.1	7.7	12.8	4.7	4.7	-1.1	31.1	4.6	11bp
Revenue (INR m)	19,088	19,260	20,237	21,093	22,917	25,862	27,500	28,974	79,678	1,05,253	28,831	0.5
YoY (%)	4.1	0.6	3.0	2.9	20.1	34.3	35.9	37.4	2.6	32.1	36.7	68bp
GPM (%)	26.3	27.5	30.6	29.9	29.0	28.9	30.4	30.1	28.6	29.6	30.1	-9bp
SGA (%)	8.1	7.9	7.5	7.9	8.8	8.4	8.8	9.1	7.8	8.8	9.0	6bp
EBITDA (INR m)	3,478	3,784	4,679	4,626	4,645	5,307	5,921	6,083	16,567	21,956	6,094	-0.2
EBITDA margin (%)	18.2	19.6	23.1	21.9	20.3	20.5	21.5	21.0	20.8	20.9	21.1	-14bp
EBIT (INR m)	2,881	3,215	3,962	3,913	4,063	4,697	5,289	5,487	13,971	19,536	5,403	1.6
EBIT margin (%)	15.1	16.7	19.6	18.6	17.7	18.2	19.2	18.9	17.5	18.6	18.7	20bp
Other income	17	232	489	275	589	623	581	778	1,013	2,571	577	34.9
ETR (%)	26.5	26.4	26.6	24.2	26.2	25.0	25.5	24.5	25.9	25.2	26.0	-151bp
PAT	2,130	2,537	3,265	3,173	3,434	3,989	4,375	4,731	11,105	16,529	4,425	6.9
QoQ (%)	3.3	19.1	28.7	-2.8	8.2	16.2	9.7	8.1			1.1	700bp
YoY (%)	129.8	87.9	65.7	53.9	61.2	57.2	34.0	49.1	76.0	48.8	39.4	966bp
EPS (INR)	12.9	15.4	19.8	19.2	20.8	24.2	26.5	28.7	67.4	100.1	26.8	6.9

E: MOFSL estimates

Key performance indicators

Y/E March	FY21				FY22				FY21	FY22
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Margins										
Gross margin	26.3	27.5	30.6	29.9	29.0	28.9	30.4	30.1	28.6	29.6
EBIT margin	15.1	16.7	19.6	18.6	17.7	18.2	19.2	18.9	17.5	18.6
Net margin	11.2	13.2	16.1	15.0	15.0	15.4	15.9	16.3	13.9	15.7
Operating metrics										
Headcount	21,955	21,827	22,195	23,814	27,256	29,732	31,959	34,827	23,814	27,256
Attrition (%)	16.6	13.8	12.5	12.1	13.7	17.7	21.9	23.8	12.1	13.7
Utilization	75.5	78.8	83.1	84.3	83.2	82.9	81.5	83.1	80.4	82.4
Deal win TCV (USD m)	391.0	303.0	312.0	375.0	504.0	360.0	358.0	390.0	1381.0	1494.0
Top client (YoY %)										
Top client	43.5	35.1	22.9	16.9	11.6	12.8	16.8	18.4	28.5	15.0
Outside top 10 clients	-19.3	-14.4	-6.6	3.7	34.1	45.5	44.4	40.5	-9.3	41.3
Key geographies (YoY %)										
North America	2.7	1.1	3.1	3.4	18.9	26.2	26.4	28.0	2.6	25.0

Highlights from the management commentary

4QFY22 performance and order book

- MTCL delivered a strong growth of 4.8% QoQ and 33.2% YoY, despite of seasonally weak quarter.
- The order book rose 9% QoQ to USD390m in 4QFY22, with a strong pipeline for FY23.

Overall demand environment

- MTCL continues to witness robust demand and iterated that demand is intact in the near term. Customers are looking at long-term transformational initiatives, with a long tail of growth, though the deal size may be smaller in nature.
- These smaller-sized deals do not reflect in the pipeline, but are part of larger transformation initiatives and will drive near-term growth.
- The management reiterated that it will clock industry-leading growth in FY23.

Vertical outlook

- The Communications, Media, and Technology verticals saw strong demand in product engineering, digital marketing, cyber security, and customer experience.

- Retail faced impact of a ramp-down in one deal. The management reiterated that the demand environment remains strong.
- BFSI is witnessing traction for core modernization and data integration services.
- The Travel vertical crossed pre-COVID levels. Diversification in areas such as surface transport and food and beverage gives MTCL strong growth visibility at least in the near term.
- The Healthcare vertical saw four new logos, with one large product engineering deal.
- The management has increased investments in new-age technologies like Metaverse, Blockchain, AR/VR, and low code – no code.

Client metrics

- The top client grew 4.7% sequentially. The top two-to-five/top six-to-ten/non-top 10 accounts grew (fell) by 7.7%/(-4.1%)/5.7% QoQ. The management's focus remains on gradually reducing revenue concentration from its top clients.
- MTCL continued the strategy of rationalizing tail accounts and focusing on upsell and cross-sell opportunities in its focus 100 accounts. Focus 100 accounts now contribute more than 90% of revenue.
- The company added 11 clients in 4QFY22. Active clients rose to 276 v/s 265 in 3QFY22. It continues to add new logos, which are strategic to the business.

Supply-side

- LTM attrition surged 190bp QoQ to 23.8%. While the supply-side environment is challenging, the management doesn't expect it to continue for long. It expects normalization in coming quarters.
- The management stressed on the importance of its fresher hiring program and a ramp-up in hiring.
- It expects said offshoring to normalize in 2Q or 3QFY23 as onshore companies resume work from offices.

Margin performance and outlook

- MTCL reported an EBITDA margin of 21% (-50bp QoQ) and an EBIT margin of 18.9% (-30bp) despite robust employee additions.
- The management reiterated that revenue growth will be at a decent margin.
- It is seeing cost pressures from supply-side challenges, but the company continues to offset that with operating efficiencies. Pyramid rationalization, reduced sub-contracting, and pricing continue to provide tailwinds, while there may be some headwinds on travel costs, which will accrue gradually over the next few quarters as travel resumes.
- The management is confident of maintaining over 20% EBITDA margin on a structural basis.

Other highlights

- MTCL reported a net headcount addition of ~3.1k employees in anticipation of good demand environment and to handle attrition.
- In 4QFY22, FCF/EBITDA and OCF/EBITDA stood ~83% and ~93%, respectively.

Exhibit 1: Broad-based growth led by Travel and BFSI

Verticals	Contribution to revenue (%)	Growth (QoQ %)	Growth (YoY %)
Communications, Media, and Technology	43.3	5.2	25.9
BFSI	18.2	8.9	31.7
Manufacturing, CPG, and Retail	22.5	-3.0	35.6
Travel and Hospitality	14.4	9.3	51.0

Source: Company, MOFSL

Exhibit 2: Strong sequential growth across geographies; UK slows down

Geographies	Contribution to revenue (%)	Growth (QoQ %)	Growth (YoY %)
North America	73.6	5.6	28.0
Continental Europe	9.0	5.8	69.2
The UK and Ireland	8.7	-6.0	33.6
Asia Pacific	8.7	8.9	51.3

Source: Company, MOFSL

Exhibit 3: Data Intelligence led the QoQ growth in service offerings

Service offerings	Contribution to revenue (%)	Growth (QoQ %)	Growth (YoY %)
Customer success	42.9	4.7	48.0
Data and Intelligence	14.9	5.5	24.0
Cloud	19.1	4.7	31.1
Enterprise IT	23.1	4.3	18.3

Source: Company, MOFSL

Valuations fair, upside limited

- The management's increased focus on annuity revenue and strategic accounts is reflected in its revenue and client mix.
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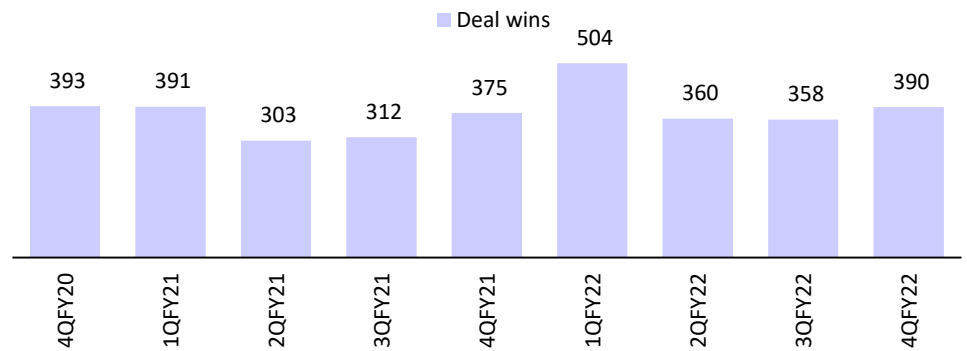
Exhibit 4: Revisions to our estimates

	Revised			Earlier			Change (%)		
	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
USD:INR	74.6	76.0	76.0	74.5	75.0	75.0	0.1	1.3	1.3
Revenue (USD m)	1,411	1,715	2,033	1,410	1,719	2,028	0.0	-0.2	0.2
Growth (%)	31.1	21.6	18.5	31.0	21.9	18.0	0bp	-30bp	50bp
EBIT margin (%)	18.6	18.2	18.4	18.5	18.1	18.4	10bp	0bp	0bp
PAT (INR m)	16,529	19,440	23,280	16,223	19,179	22,971	1.9	1.4	1.3
EPS	100.1	117.7	141.0	98.3	116.2	139.1	1.9	1.4	1.3

Source: MOFSL

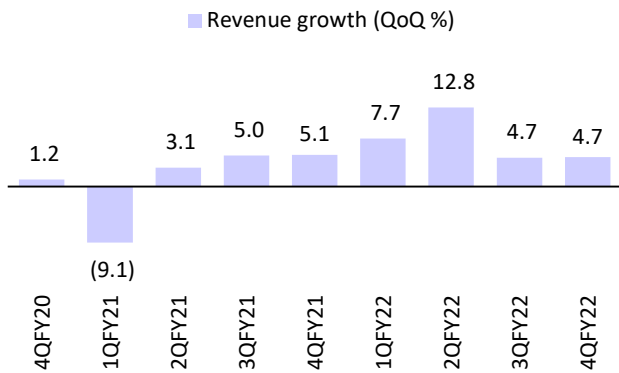
Story in charts

Exhibit 5: Deal wins up 9% on a sequential basis



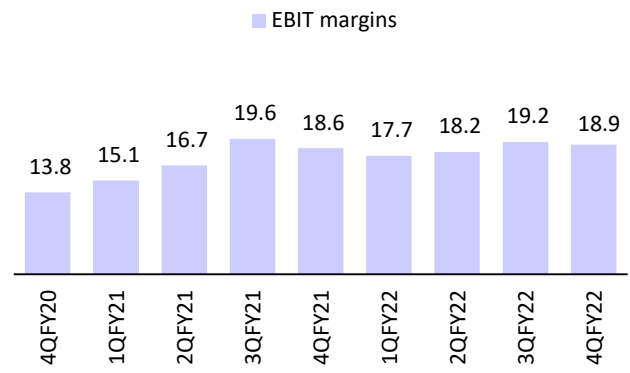
Source: Company, MOFSL

Exhibit 6: Revenue grew 4.7% QoQ in 4QFY22



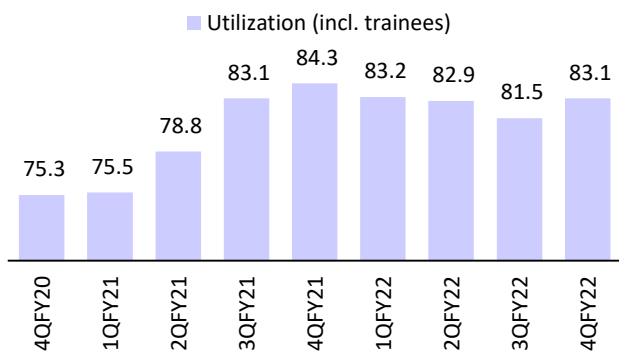
Source: Company, MOFSL

Exhibit 7: MTCL sustains margin in 4QFY22



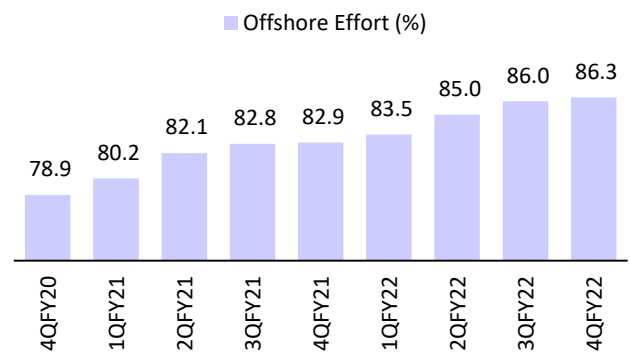
Source: Company, MOFSL

Exhibit 8: Utilization rose 160bp QoQ



Source: Company, MOFSL

Exhibit 9: Offshoring touches new highs in 4QFY22



Source: Company, MOFSL

Operating metrics

Exhibit 10: Operating metrics

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Geographic mix (%)*									
North America	76.7	79.0	77.4	77.2	76.6	76.6	72.8	73.0	73.6
Continental Europe	7.6	6.6	7.5	7.4	7.1	8.6	8.7	18.6	17.7
The UK and Ireland	7.8	6.5	7.9	7.8	8.6	7.6	10.9		
Asia Pacific	7.9	7.9	7.2	7.6	7.7	7.2	7.6	8.4	8.7
Utilization (%)									
Including trainees	75.3	75.5	78.8	83.1	84.3	83.2	82.9	81.5	83.1
Client metrics									
No. of active clients	307	292	283	276	270	260	263	265	276
New clients added	5	6	8	8	4	7	7	8	11
Client buckets									
USD1m clients	134	127	125	120	118	120	127	136	139
USD5m clients	47	44	43	43	44	47	50	52	56
USD10m clients	23	23	24	21	20	25	30	33	32
USD50m clients	1	1	1	1	1	1	1	1	1
USD100m clients	1	1	1	1	1	1	1	1	1
Contribution from clients (%)									
Top clients	24.8	30.1	28.9	28.5	28.0	27.4	24.3	24.9	24.9
Top five clients	37.9	42.9	40.6	39.8	38.6	38.5	35.7	35.4	35.7
Top 10 clients	47.4	52.0	49.4	49.0	47.3	47.5	45.1	44.9	44.4
Service lines (%)*									
Customer success	40.5	39.8	38.9	38.1	38.6	40.0	43.2	42.9	42.9
Data and Intelligence	15.0	13.9	14.2	14.9	16.0	15.0	14.3	14.8	14.9
Cloud	16.5	20.1	19.0	19.2	19.4	19.9	18.7	19.1	19.1
Enterprise IT	28.0	26.2	27.9	27.8	26.0	25.1	23.8	23.2	23.1

Source: MOFSL, Company

Financials and valuations

Income Statement							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Sales	52,365	54,628	70,215	77,643	79,678	1,05,253	1,30,348	1,54,504
Change (%)	12.1	4.3	28.5	10.6	2.6	32.1	23.8	18.5
Cost of Services	36,500	38,192	47,997	55,686	56,862	74,066	92,080	1,08,830
SG&A Expenses	8,681	9,021	11,522	10,582	6,249	9,231	11,867	14,060
EBITDA	7,184	7,415	10,696	11,375	16,567	21,956	26,400	31,615
As a percentage of Net Sales	13.7	13.6	15.2	14.7	20.8	20.9	20.3	20.5
Depreciation and Amortization	1,850	1,715	1,692	2,754	2,596	2,420	2,737	3,245
Other Income	216	1,723	864	-333	1,013	2,571	2,607	3,090
PBT	5,550	7,423	9,868	8,288	14,984	22,107	26,270	31,460
Tax	1,390	1,722	2,327	1,979	3,879	5,578	6,830	8,180
Rate (%)	25.0	23.2	23.6	23.9	25.9	25.2	26.0	26.0
PAT	4,160	5,701	7,541	6,309	11,105	16,529	19,440	23,280
Change (%)	-24.7	37.0	32.3	-16.3	76.0	48.8	17.6	19.8

Balance Sheet							(INR m)	
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Share Capital	1,680	1,639	1,642	1,646	1,647	1,648	1,648	1,648
Other components	1,019	0	993	0	0	0	0	0
Reserves	23,072	25,775	30,430	29,922	41,543	53,091	63,783	76,587
Net Worth	25,771	27,414	33,065	31,568	43,190	54,739	65,431	78,235
Loans	991	3,009	10	0	0	0	0	0
Long term liabilities	301	85	174	6,762	4,498	4,826	7,358	8,722
Capital Employed	27,063	30,508	33,249	38,330	47,688	59,565	72,789	86,957
Gross Block	14,288	15,988	12,321	14,321	16,421	18,921	21,421	23,921
Less: Depreciation	7,995	9,710	889	3,643	6,239	8,659	11,396	14,641
Net Block	5,942	5,121	5,234	9,496	8,250	9,235	8,998	8,253
Goodwill	4,470	4,539	4,732	4,732	4,732	4,732	4,732	4,732
Other LT Assets	2,826	2,616	2,952	3,985	3,717	3,750	6,081	7,208
Investments	58	58	1,200	804	1,161	3,116	3,116	3,116
Curr. Assets	20,610	25,031	27,672	32,549	45,754	60,740	75,566	91,873
Current Investments	5,869	10,287	6,920	8,905	19,307	22,391	26,476	30,561
Debtors	11,187	10,155	16,347	17,194	15,665	23,124	27,355	32,425
Cash and Bank Balance	2,508	3,289	2,562	3,909	7,597	10,513	16,592	22,791
Other Current Assets	1,046	1,283	1,843	2,541	3,144	4,696	5,143	6,097
Current Liab. and Prov.	6,843	6,857	8,541	13,236	15,926	22,008	25,703	28,225
Trade payables	1,651	1,710	2,131	2,587	2,676	5,357	6,071	7,196
Other liabilities	4,087	3,929	5,666	8,925	11,023	14,209	15,989	16,710
Provisions	1,105	1,218	744	1,724	2,227	2,442	3,643	4,318
Net Current Assets	13,767	18,174	19,131	19,313	29,828	38,732	49,863	63,648
Application of Funds	27,063	30,508	33,249	38,330	47,688	59,565	72,789	86,957

E: MOFSL estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	24.7	34.2	45.8	38.3	67.4	100.1	117.7	141.0
Cash EPS	35.7	44.5	56.1	55.1	83.1	114.8	134.3	160.7
Book Value	153.5	164.9	201.5	191.9	262.2	332.2	397.1	474.8
DPS	10.0	9.0	33.0	16.0	25.0	45.1	53.0	63.5
Payout (%)	40.4	26.3	72.0	41.7	37.1	45.0	45.0	45.0
Valuation (x)								
P/E	160.2	115.8	86.4	103.3	58.8	39.6	33.6	28.1
Cash P/E	110.9	89.0	70.6	71.9	47.7	34.5	29.5	24.7
EV/EBITDA	91.5	87.4	59.9	56.2	37.8	28.2	23.1	19.0
EV/Sales	12.6	11.9	9.1	8.2	7.9	5.9	4.7	3.9
Price/Book Value	25.8	24.0	19.7	20.6	15.1	11.9	10.0	8.3
Dividend Yield (%)	0.3	0.2	0.8	0.4	0.6	1.1	1.3	1.6
Profitability Ratios (%)								
RoE	16.7	21.4	24.9	19.5	29.7	33.8	32.4	32.4
RoCE	15.6	16.3	22.7	18.3	24.1	27.2	26.5	26.3
Turnover Ratios								
Debtors (Days)	78	68	85	81	72	80	77	77
Fixed Asset Turnover (x)	8.8	10.7	13.4	8.2	9.7	11.4	14.5	18.7

Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
CF from Operations	5,318	6,477	8,716	9,792	13,868	18,484	19,570	23,435
Cash for Working Capital	902	-819	-2,371	-1,541	6,092	-3,114	-765	-3,265
Net Operating CF	6,220	5,658	6,345	8,251	19,960	15,370	18,805	20,170
Net Purchase of FA	-846	-1,011	-1,759	-1,220	-160	-1,972	-2,500	-2,500
Free Cash Flow	5,374	4,647	4,586	7,031	19,800	13,398	16,305	17,670
Net Purchase of Invest.	-3,687	-989	-225	991	-11,673	-4,888	-1,478	-995
Net Cash from Invest.	-4,533	-2,000	-1,984	-229	-11,833	-6,860	-3,978	-3,495
Proc. from equity issues	8	1	3	4	1	1	0	0
Proceeds from LTB/STB	550	1,906	-3,044	-1,024	-1,346	-1,430	0	0
Dividend Payments	-1,934	-4,782	-2,180	-5,940	-2,880	-4,528	-8,748	-10,476
Cash Flow from Fin.	-1,376	-2,875	-5,221	-6,960	-4,225	-5,957	-8,748	-10,476
Exchange difference	-135	-2	133	285	-214	363	0	0
Net Cash Flow	176	781	-727	1,347	3,688	2,916	6,079	6,199
Opening Cash Bal.	2,332	2,508	3,289	2,562	3,909	7,597	10,513	16,591
Add: Net Cash	176	781	-727	1,347	3,688	2,916	6,079	6,199
Closing Cash Bal.	2,508	3,289	2,562	3,909	7,597	10,513	16,591	22,790

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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