

Relaxo Footwears

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USD\$)	232.1 / 2.8
52-Week Range (INR)	1447 / 908
1, 6, 12 Rel. Per (%)	-15/-21/-36
12M Avg Val (INR M)	208

Financials & Valuations (INR b)

INRb	FY22	FY23E	FY24E
Net Sales	26.5	28.1	33.2
Gross Profit	14.4	14.8	18.2
EBITDA	4.2	4.1	5.7
Adj. PAT	2.3	2.2	3.3
Gross Margin (%)	54.1	52.5	55.0
EBITDA Margin (%)	15.7	14.7	17.2
Adj. EPS (INR)	9.3	9.0	13.4
EPS Gr. (%)	-20.4	-4.1	49.2
BV/Sh. (INR)	70.7	77.4	87.5

Ratios

Net D:E	0.0	0.0	-0.1
RoE (%)	14.0	12.1	16.2
RoCE (%)	13.2	11.5	15.2
RoIC (%)	15.8	13.5	19.9

Valuations

P/E (x)	99.9	104.2	69.8
EV/EBITDA (x)	55.9	56.1	40.4
EV/Sales (X)	8.8	8.2	7.0
Div. Yield (%)	0.3	0.2	0.4
FCF Yield (%)	-0.4	0.7	1.0

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	70.8	70.8	70.9
DII	7.4	7.1	7.2
FII	3.1	3.2	3.6
Others	18.7	19.0	18.4

FII Includes depository receipts

CMP: INR932 **TP: INR900 (-3%)** **Neutral**

High RM cost weighs on profitability; weakness in demand persists

- RLXF posted its worst performance in the last 10 quarters, dragged down by high raw material cost, price cuts, and general demand weakness. Revenue was in line, declining 6% YoY, while GM/EBITDA margin fell by 590bp/750bp YoY, resulting in a 67% PAT decline (big miss).
- We have cut our FY23 PAT estimate by 14% on lower GM, but expect RM to stabilize in FY24, along with a gradual demand recovery. We build in revenue/PAT CAGR of 12%/20% over FY22-24. RLXF has a strong cash generation capability, with a healthy RoE of 21% over FY17-21. However, valuations appear rich at 70x FY24 P/E, despite the recent earnings weakness. We maintain our Neutral rating.

Low demand and high RM drag EBITDA/PAT down 49%/67% YoY (40%/57% miss)

- Revenue fell 6% YoY (flat QoQ) to INR6.7b (in line), given the general demand weakness and high base in 2QFY22. Revenue grew 8% over 2QFY20 (pre-COVID) levels.
 - RLXF has slightly lowered prices by 2% QoQ in 2QFY23 to INR169. However, ASP is up 10% YoY. This, coupled with the impact of higher inflation in rural India, dampened demand.
 - The quantity sold in 2QFY23 was among the lowest in the last 10 quarters. RLXF reported a flat QoQ growth, but a 15% YoY volume decline.
- Gross margin was dented by 590bp/740bp to 48.9% from 2QFY22/2QFY20 levels due to the double impact of higher RM prices and recent rate cuts. This resulted in a gross profit of INR3.3b (miss 9%), down 16% YoY and 7% from pre-COVID levels.
- EBITDA fell 49% YoY and 43% from pre-COVID levels to INR594m (40% miss), due to: a) a higher RM cost, and b) an increase in SG&A cost to INR1.8b. Subsequently, margin stood at 8.9% v/s 16.4%/16.8% in 2QFY22/2QFY20 (a 620bp miss) against the management's annual EBITDA margin guidance of 16-17%.
- PAT fell 67% YoY and 68% from pre-COVID levels to INR224m (57% miss).
- Inventory has fallen to INR6b in 2QFY23 from INR6.7b in FY22, which led to a reduction in inventory days to 82 days from 93 days in FY22. Before the pandemic, inventory days stood at 65-70 days.
- FCFF stood at INR541m in 1HFY23 v/s an outflow of INR830m in FY22. The company has generated an FCFF in the last 10 years, barring FY22.

Key takeaways from the management interaction

- The RM price arbitrage in the local market has widened v/s the international market, thus making local players more competitive, particularly when there is a general demand weakness.

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

- The management sees a recovery from Mar'23 with the completion of the inventory unwinding. The 15-20% price cut in Hawai slippers will also make it more competitive.
- RLXF is expanding Sparx's capacity by 2x from 50k pairs/day at present as it is growing at 30% YoY.
- The management guided at an annual capex outlay of INR800-1,000m.

Valuation and view

- RLXF's premium multiple does not reflect the ongoing RM pressures and unwind of high-cost inventory, which may persist for the next couple of quarters. Weakness in general demand is yet to show signs of an improvement. Subsequently, the rich multiples may shrink.
- In the longer term, a) a recovery in the open Footwear category, b) product mixed ASP improvement, and c) increasing mix of the closed Footwear category, particularly in the S&A wear, should bear fruit. We factor in a revenue/PAT CAGR of 15%/21% over FY22-25.
- Recovery in rural areas and a decline in raw material cost can act as a positive catalyst for the stock.
- We ascribe a P/E of 55x on FY25 EPS to arrive at our TP of INR900. We maintain our Neutral rating.

Consolidated quarterly earnings

Y/E March	(INR m)											
	FY22				FY23				FY22	FY23E	FY23E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		(%)
Gross Sales	4,971	7,144	7,435	6,982	6,672	6,697	7,356	7,375	26,533	28,100	6,598	1
Change (YoY %)	36.7	24.1	10.6	-6.6	34.2	-6.3	-1.1	5.6	12.5	5.9	-7.6	
Total RM Cost	2,262	3,230	3,480	3,195	3,063	3,422	3,641	3,221	12,167	13,347.3	3,015	13
Gross Profit	2,709	3,915	3,955	3,787	3,609	3,275	3,715	4,154	14,366	14,752	3,583	-9
Gross Profit Ratio (%)	54.5	54.8	53.2	54.2	54.1	48.9	50.5	56.3	54.1	52.5	54.3	-540
Total Expenditure	4,310	5,976	6,219	5,871	5,810	6,102	6,266	5,790	22,375	23,969	5,604	9
EBITDA	662	1,168	1,216	1,111	861	594	1,090	1,585	4,158	4,131	994	-40
Margin (%)	13.3	16.4	16.4	15.9	12.9	8.9	14.8	21.5	15.7	14.7	15.1	-619
Depreciation	275	283	291	287	298	305	316	314	1,135	1,234	340	-10
Interest	37	36	41	39	69	41	41	8	153	159	30	37
Other Income	53	71	55	59	42	57	57	82	237	237	65	-13
PBT before EO expense	403	919	940	844	536	304	789	1,346	3,106	2,976	689	-56
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	403	919	940	844	536	304	789	1,346	3,106	2,976	689	-56
Tax	93	233	239	215	149	80	197	317	779	744	172	-53
Rate (%)	23.1	25.3	25.4	25.5	27.8	26.3	25.0	23.6	25.1	25.0	25.0	
Minority Interest and P & L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	310	687	701	629	387	224	592	1,029	2,327	2,232	517	-57
Adj. PAT	310	687	701	629	387	224	592	1,029	2,327	2,232	517	-57
Change (YoY %)	27.8	-8.5	-22.2	-38.4	24.9	-67.3	-15.5	63.5	-20.2	-4.1	-24.8	
Margin (%)	6.2	9.6	9.4	9.0	5.8	3.3	8.0	13.9	8.8	7.9	7.8	-448

E: MOFSL estimates

Exhibit 1: Valuation-based on FY25E

Particulars	INR/share
EPS	16.5
Target P/E ratio (x)	55
Equity value/share (INR)	900
Upside/(downside) (%)	-4%
CMP (INR)	934

Source: MOFSL, Company



Takeaways from the management interaction

Key highlights

- The RM price arbitrage in the local market has widened v/s the international market, thus making local players more competitive, particularly when there is a general demand weakness.
- The management sees a recovery from Mar'23 with the completion of the inventory unwinding. The 15-20% price cut in Hawai slippers will also make it more competitive.
- RLXF is expanding Sparx's capacity by 2x from 50k pairs/day at present as it is growing at 30% YoY.
- The management guided at an annual capex outlay of INR800-1,000m.

Detailed notes

ASP rate cut at 15-20% in Sep'22

- There has been seen a shift in consumer habits towards alternative products that are cheaper than RLXF. Hence, it has aggressively cut prices in Sep'22.
- The price cut has been welcomed by distributors and customers. The management expects a recovery from Mar'23.
- The price correction was 15-20% in low ASP products such as Hawai slippers.

Volatility in raw material prices

- Monthly RM consumption stood ~1,000t.
- RM prices remain volatile. In the last one year, prices have touched INR300/kg from INR120/kg and are currently near INR200/kg.
- The increase in raw material prices is due to higher prices of EVA, PVC, polymer and natural rubber.
- Local production cost has turned cheaper vis-à-vis the international market. However, RLXF can't depend on local sources for sourcing raw materials as they require additional capacity and brook no interruption in the sourcing of inputs.
- The price of RM in the local market is lower than of RLXF. Hence, the ASP of local players is cheaper than it, resulting in a customer shift.
- The supply chain for RM is near six months.
- RM purchased in FY22 was at a higher price, thus affecting profitability. It expects a full recovery by 4QFY23. Its high inventory will be released by Nov-Dec'22. However, retailers will need an additional one-to-two months to clear the same.
- Gross margin for 3QFY23 can be lower.
- It is difficult to determine the price of RM in 3QFY23 as it is totally dependent on market conditions.

To increase Sparx's capacity

- Customer preference lies more in the mid-Premium and Premium segment than in the Mass segment.
- Average ASP in Sparx stood at INR450.
- It currently has a daily capacity of 50,000 pairs. The management aims to increase daily production to 0.1m pairs from Apr'23.
- It is doubling capacity as demand for S&A footwear is rising.

- The management guided at an annual capex outlay of INR800-1,000m.
- Sparx is performing well in South and West India. It is now targeting East and North India. The competitive intensity is higher in East and North India.
- The Sports segment is performing well. Its online and distribution network is seeing good demand. It is adding more designs in the S&A segment, and expects a growth of ~30% YoY in Sparx going forward.
- Sparx contributes 41% to total revenue. In the last six months, volumes grew 30% YoY. There has been an over 20% decline in Hawaii and Flite.

Portfolio mix

- EVA-based products in the portfolio stood at 50-60%.
- Retail contributes ~8% of the business.
- The ratio of open to closed footwear stood at 80:20.
- The share of exports stood at 4% of the total business.

Others

- There has been no correction in Sportswear prices.
- The management aims to increase online sales.
- Rural India still remains under stress. The Mass and Affordable segments have been affected by inflation in rural areas. However, RLXF has seen a recovery in urban areas.
- RLXF has over 300 sales personnel. It has not lost market share, but in fact is seeing positive traction after the price correction.

Exhibit 2: Quarterly performance

	2QFY22	1QFY23	2QFY23	YoY (%)	QoQ (%)	2QFY23E	Var. (%)	2QFY20	v/s pre-covid (%)
Net sales	7,144	6,672	6,697	-6.3	0.4	6,598	1.5	6,218	7.7
Total Revenue	7,144	6,672	6,697	-6.3	0.4	6,598	1.5	6,218	7.7
Raw Material cost	3,230	3,063	3,422	5.9	11.7	3,015	13.5	2,716	26.0
Gross Profit	3,915	3,609	3,275	-16.3	-9.3	3,583	-8.6	3,502	-6.5
Gross margin (%)	54.8	54.1	48.9	-589	-519	54.3	-540	56.3	-741
Employee Costs	864	872	845	-2.2	-3.1	880	-4.1	722	17.1
SGA Expenses	1,883	1,876	1,836	-2.5	-2.1	1,708	7.5	1,733	5.9
Total OPEX	5,976	5,810	6,102	2.1	5.0	5,604	8.9	5,171	18.0
EBITDA	1,168	861	594	-49.1	-31.0	994	-40.2	1,047	-43.2
EBITDA margin (%)	16.4	12.9	8.9	-748	-403	15.1	-619	16.8	-797
Depreciation and amortization	283	298	305	7.8	2.3	340	-10.2	278	10.0
EBIT	885	563	289	-67.3	-48.6	654	-55.8	770	-62.4
EBIT margin (%)	12.4	8.4	4.3	-807	-412	9.9	-559	12.4	-806
Finance Costs	36	69	41	13.2	-40.0	30	37.4	43	-4.4
Other income	71	42	57	-19.9	35.7	65	-13.1	17	243.0
Exceptional item	0	0	0			0		0	
Profit before Tax	919	536	304	-66.9	-43.2	689	-55.8	743	-59.0
Tax	233	149	80	-65.5	-46.3	172	-53.5	38	113.0
Tax rate (%)	25.3	27.8	26.3			25.0		5.1	
Profit after Tax	687	387	224	-67.3	-42.0	517	-56.6	705	-68.2
Adj. Profit after Tax	687	387	224	-67.3	-42.0	517	-56.6	705	-68.2

Source: MOFSL, Company

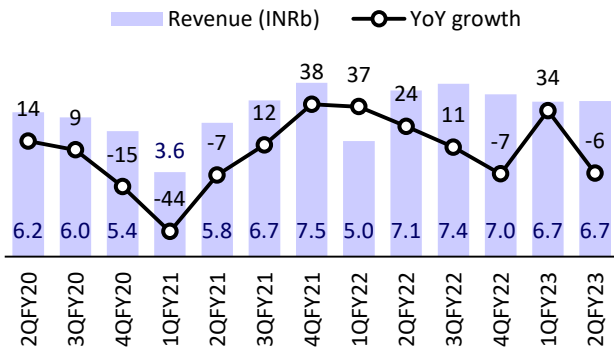
Exhibit 3: Revisions to our estimates

	FY23E	FY24E	FY25E
Revenue (INR m)			
Old	28,687	34,640	41,429
Actual/New	28,100	33,158	39,908
Change (%)	-2.0	-4.3	-3.7
EBITDA (INR m)			
Old	4,848	6,097	7,457
Actual/New	4,131	5,703	6,984
Change (%)	-14.8	-6.5	-6.3
EBITDA margin (%)			
Old	17%	18%	18%
Actual/New	15%	17%	18%
Change (bp)	-2	0	-1
Net Profit (INR m)			
Old	2,598	3,441	4,250
Actual/New	2,232	3,331	4,110
Change (%)	-14.1	-3.2	-3.3
EPS (INR)			
Old	10	14	17
Actual/New	9	13	17
Change (%)	-14.1	-3.2	-3.3

Source: MOFSL, Company

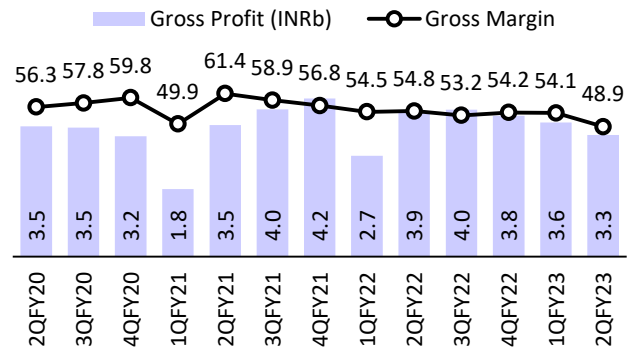
Story in charts

Exhibit 4: Fall in volumes led to a revenue decline in 2QFY23



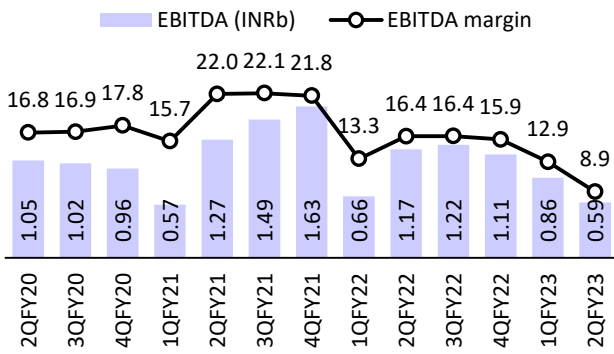
Source: MOFSL, Company

Exhibit 5: High RM cost drives decline in gross profit



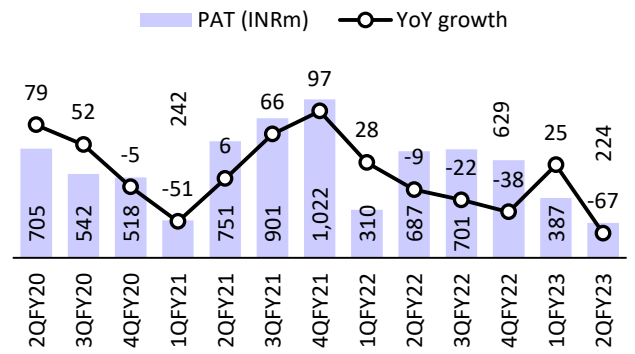
Source: MOFSL, Company

Exhibit 6: EBITDA decline is led by high RM and SGA cost



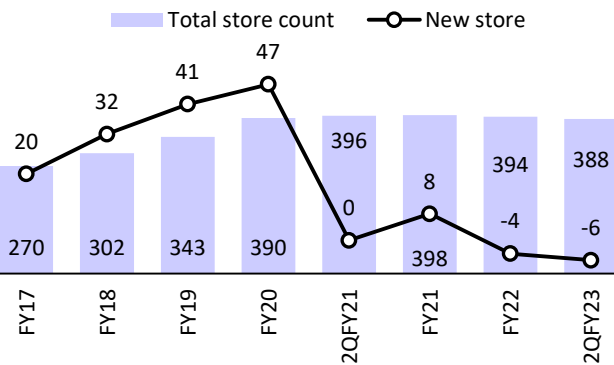
Source: MOFSL, Company

Exhibit 7: High RM cost dents profitability



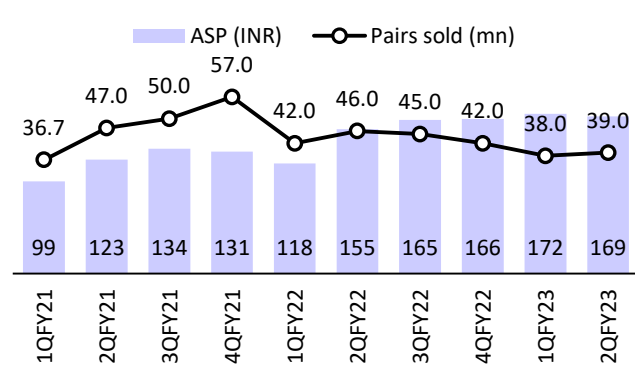
Source: MOFSL, Company

Exhibit 8: Store count



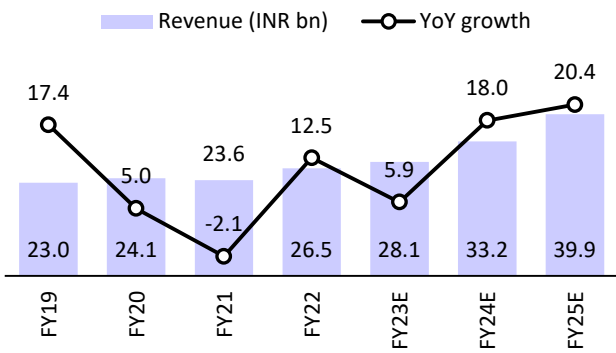
Source: MOFSL, Company

Exhibit 9: ASP declines marginally to INR169



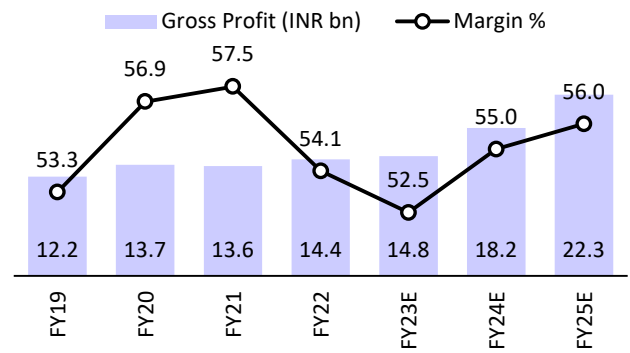
Source: MOFSL, Company

Exhibit 10: Expect revenue to recover from 2HFY23



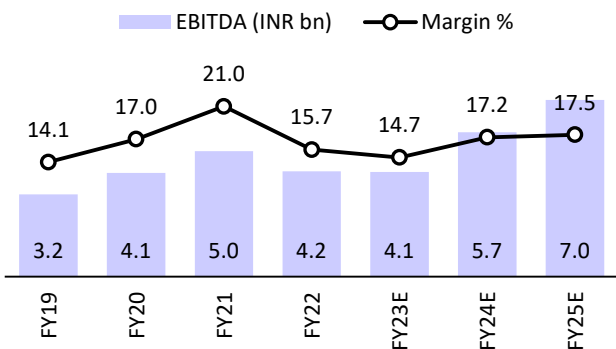
Source: MOFSL, Company

Exhibit 11: Recovery in RM cost will lead to a recovery in GM



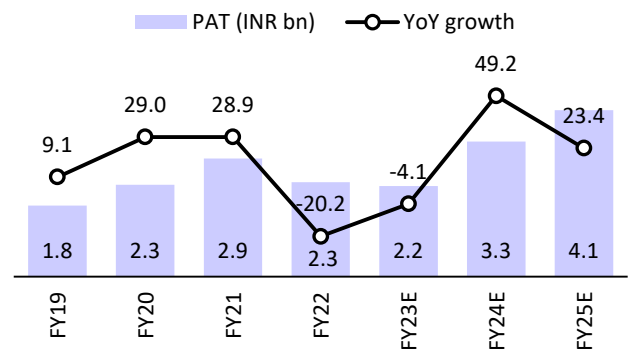
Source: MOFSL, Company

Exhibit 12: Expect lower margin due to higher raw material cost in FY23



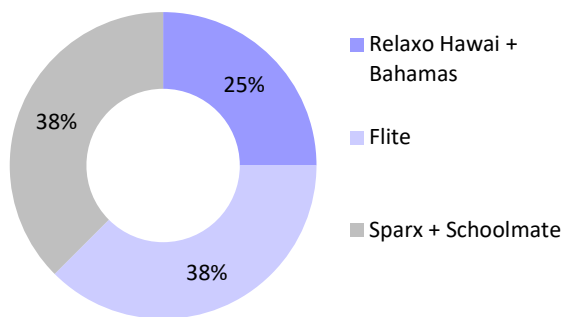
Source: MOFSL, Company

Exhibit 13: Expect PAT to decline by 4% YoY in FY23



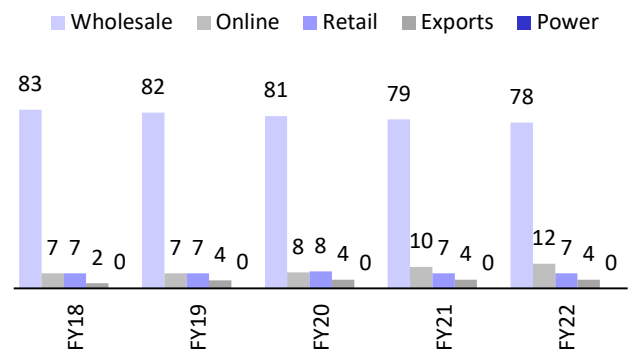
Source: MOFSL, Company

Exhibit 14: Product portfolio in FY22



Source: MOFSL, Company

Exhibit 15: Distribution-wise revenue mix



Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement(INR m

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Total Income from Operations	19,569	22,966	24,105	23,592	26,533	28,100	33,158	39,908
Change (%)	20.0	17.4	5.0	-2.1	12.5	5.9	18.0	20.4
RM Cost	8,833	10,723	10,393	10,032	12,167	13,347	14,921	17,560
Gross Profit	10,736	12,243	13,712	13,559	14,366	14,752	18,237	22,349
Margin (%)	55%	53%	57%	57%	54%	53%	55%	56%
Employees Cost	2,141	2,587	2,940	3,014	3,347	3,456	4,078	5,188
Other Expenses	5,577	6,413	6,682	5,590	6,861	7,165	8,455	10,177
Total Expenditure	16,551	19,723	20,015	18,636	22,375	23,969	27,454	32,924
As a percentage of Sales	84.6	85.9	83.0	79.0	84.3	85.3	82.8	82.5
EBITDA	3,018	3,243	4,090	4,956	4,158	4,131	5,703	6,984
Margin (%)	15.4	14.1	17.0	21.0	15.7	14.7	17.2	17.5
Depreciation	543	624	1,094	1,100	1,135	1,234	1,332	1,546
EBIT	2,475	2,619	2,995	3,855	3,022	2,897	4,371	5,438
Margin (%)	12.6	11.4	12.4	16.3	11.4	10.3	13.2	13.6
Int. and Finance Charges	86	69	169	171	153	159	167	196
Other Income	45	130	91	228	237	237	237	237
PBT bef. EO Exp.	2,433	2,680	2,917	3,912	3,106	2,976	4,441	5,480
Total Tax	826	925	655	996	779	744	1,110	1,370
Tax Rate (%)	33.9	34.5	22.4	25.5	25.1	25.0	25.0	25.0
Reported PAT	1,608	1,754	2,263	2,916	2,327	2,232	3,331	4,110
Adjusted PAT	1,608	1,754	2,263	2,916	2,327	2,232	3,331	4,110
Change (%)	34.0	9.1	29.0	28.9	-20.2	-4.1	49.2	23.4
Margin (%)	8.2	7.6	9.4	12.4	8.8	7.9	10.0	10.3

Consolidated Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	120	124	248	248	249	249	249	249
Total Reserves	7,492	10,927	12,476	15,476	17,352	19,026	21,524	24,606
Net Worth	7,612	11,051	12,724	15,724	17,601	19,275	21,773	24,855
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	1,254	869	192	0	200	200	200	200
Lease Liabilities	0	0	1,474	1,442	1,540	1,634	1,955	2,501
Capital Employed	9,129	12,264	14,637	17,394	19,540	21,308	24,126	27,755
Provision and others	85	90	109	163	188	198	234	281
Gross Block	6,300	9,627	10,235	10,524	11,673	13,017	14,517	16,193
Less: Accum. Deprn.	1,052	1,654	2,324	2,980	3,694	4,517	5,387	6,354
Net Fixed Assets	5,249	7,973	7,911	7,544	7,980	8,500	9,131	9,839
Capital WIP	1,376	114	456	1,180	1,490	2,250	3,010	3,770
Right to use asset	0	509	1,899	1,837	1,893	1,900	2,101	2,479
Total Investments	7	2	2	3,382	1,943	1,943	1,943	1,943
Curr. Assets, Loans, and Adv.	5,801	7,270	7,912	7,419	10,177	10,731	12,606	15,341
Inventory	3,139	3,824	4,477	4,221	6,733	6,217	6,132	7,216
Account Receivables	1,924	2,226	1,721	1,815	2,508	2,694	3,179	3,827
Cash and Bank Balance	40	22	41	77	125	977	2,300	3,101
Loans and Advances	699	1,198	1,673	1,306	812	843	995	1,197
Curr. Liability and Prov.	3,474	3,760	3,665	4,202	4,098	4,161	4,774	5,680
Account Payables	1,749	1,718	1,838	2,228	2,217	2,194	2,453	2,887
Other Current Liabilities	1,050	1,535	1,531	1,702	1,589	1,686	1,989	2,395
Provisions	675	507	297	272	292	281	332	399
Net Current Assets	2,328	3,510	4,247	3,218	6,079	6,570	7,832	9,661
Appl. of Funds	9,213	12,354	14,746	17,556	19,728	21,506	24,360	28,036

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)								
EPS	6.7	7.1	9.1	11.7	9.3	9.0	13.4	16.5
Cash EPS	8.9	9.6	13.5	16.2	13.9	13.9	18.7	22.7
BV/Share	31.6	44.6	51.3	63.3	70.7	77.4	87.5	99.9
Valuation (x)								
P/E ratio	139.8	132.0	102.5	79.6	99.9	104.2	69.8	56.6
Cash P/E ratio	104.5	97.4	69.1	57.8	67.1	67.1	49.9	41.1
P/BV ratio	29.5	21.0	18.2	14.8	13.2	12.1	10.7	9.4
EV/Sales ratio	11.9	10.2	9.7	9.8	8.8	8.2	7.0	5.8
EV/EBITDA ratio	77.4	71.9	57.2	46.5	55.9	56.1	40.4	33.0
Dividend Yield (%)	0.1	0.1	0.1	0.3	0.3	0.2	0.4	0.4
FCF per share	1.9	1.3	8.2	15.7	-3.3	6.6	9.6	8.6
Return Ratios (%)								
RoE	23.5	18.8	19.0	20.5	14.0	12.1	16.2	17.6
RoCE	19.9	16.8	17.8	19.0	13.2	11.5	15.2	16.4
RoIC	22.3	17.3	17.7	21.4	15.8	13.5	19.9	22.8
Working Capital Ratios								
Fixed Asset Turnover (x)	3.1	2.4	2.4	2.2	2.3	2.2	2.3	2.5
Asset Turnover (x)	2.6	2.0	2.0	2.2	1.9	1.9	2.0	2.0
Inventory (Days)	59	61	68	65	93	81	68	66
Debtor (Days)	36	35	26	28	35	35	35	35
Creditor (Days)	33	27	28	34	31	29	27	26
Working Capital (Days)	62	69	66	59	97	87	76	75
Leverage Ratio (x)								
Current Ratio	1.7	1.9	2.2	1.8	2.5	2.6	2.6	2.7
Interest Coverage Ratio	28.8	38.0	17.8	22.6	19.7	18.3	26.2	27.8
Net Debt/Equity ratio	0.2	0.1	0.1	-0.1	0.0	0.0	-0.1	-0.1

Consolidated Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	2,436	2,680	2,917	3,912	3,106	2,976	4,441	5,480
Depreciation	543	624	1,094	1,100	1,135	1,234	1,332	1,546
Interest and Finance Charges	80	69	169	171	153	159	167	196
Direct Taxes Paid	-801	-863	-831	-891	-839	-744	-1,110	-1,370
(Inc.)/Dec. in WC	-732	-1,319	-198	930	-2,816	361	61	-1,028
CF from Operations	1,527	1,174	3,146	5,214	728	3,748	4,654	4,586
Others	16	61	43	-83	-168	0	0	0
CF from Operations incl. EO	1,543	1,235	3,189	5,131	560	3,748	4,654	4,586
(Inc.)/Dec. in FA	-1,087	-914	-1,159	-1,219	-1,389	-2,104	-2,260	-2,435
Free Cash Flow	456	321	2,030	3,912	-829	1,644	2,393	2,151
(Pur.)/Sale of Investments	5	321	11	-3,306	1,519	0	0	0
CF from Investments	-1,084	-569	-1,157	-4,532	146	-1,867	-2,023	-2,198
Issue of Shares	0	32	32	49	139	0	0	0
Inc./Dec. in Debt	-217	-416	-914	-192	200	0	0	0
Payment of LL	0	0	-326	-248	-263	-323	-343	-411
Interest Paid	-146	-81	-174	-171	-153	-159	-167	-196
Dividend Paid	-145	-218	-643	0	-621	-558	-833	-1,027
CF from Fin. Activity	-455	-682	-2,026	-562	-698	-1,030	-1,307	-1,587
Inc./Dec. in Cash	3	-17	7	38	8	852	1,323	801
Opening Balance	37	40	23	30	68	76	927	2,250
Closing Balance	40	23	30	68	76	927	2,250	3,051
Add: Bank Balance	0	0	11	9	49	50	50	50
Net Closing Balance	40	23	41	77	125	977	2,300	3,101

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
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