

No mitigation of concerns

Risk of drag from HP channel (2/3 of revenue) continues to be a worry

Action: HP channel drag remains a risk; reaffirm REDUCE

Mphasis' 3Q results came in below expectations (ex one-offs) and concerns on drag from HP channel revenues (67% of revenue) continue. Our estimates build in greater caution on revenues from HP channel and moderation of growth expectations from the direct channel. We are cutting our EPS estimates by 7%/11% for FY12/13F. Reaffirm REDUCE; TP down to INR335 (from INR390).

High dependence and uncertainty on HP channel make us cautious

High dependence on HP channel revenues, which recorded a 5% q-q decline (ex of one-off revenues), and risks to volumes if Mphasis resists pricing pressure from HP make us cautious on the revenue outlook for the company. We believe despite better growth in direct business, USD revenue would grow at a moderate pace of 10.6% over FY11-13F on HP channel drag. Our estimates imply 5% growth in HP channel and 20% growth in the non-HP business, which, in our view, is not conservative.

Catalyst: Pricing/volume cuts in HP channel remain downside risks. Macro deterioration could put growth in direct channel at risk.

Valuation: Cut estimates by 7%/11% for FY12/13F, TP down to INR335

Moderation in revenue growth expectations leads to a 7/11% cut in our FY12/13F EPS estimates. We now look for USD revenue CAGR of 10.6%, EBITDA margin decline of 150bp and earnings to stay below FY11F adjusted earnings over the next two years. We reduce our TP to INR335 based on 9.5x 1-year rolling forward earnings (vs. 10x earlier) to reflect higher risks to: 1) HP channel revenues and 2) greater growth moderation possible in its direct business given macro deterioration.

31 Oct	FY10	FY11F		FY12F		FY13F	
Currency (INR)	Actual	Old	New	Old	New	Old	New
Revenue (mn)	50,366	51,074	50,176	58,566	54,709	67,314	59,841
Reported net profit (mn)	10,911	7,690	7,768	7,647	7,140	8,410	7,488
Normalised net profit (mn)	10,911	7,690	7,768	7,647	7,140	8,410	7,488
Normalised EPS	51.98	36.63	36.99	36.43	34.00	40.07	35.65
Norm. EPS growth (%)	19.6	-29.5	-28.8	-0.6	-8.1	10.0	4.9
Norm. P/E (x)	7.7	N/A	10.8	N/A	11.7	N/A	11.2
EV/EBITDA (x)	6.5	8.3	8.8	7.3	8.2	6.1	7.3
Price/book (x)	2.5	N/A	2.1	N/A	1.9	N/A	1.7
Dividend yield (%)	0.9	N/A	1.3	N/A	1.8	N/A	2.3
ROE (%)	38.7	21.3	21.6	18.2	17.1	17.4	15.9
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash	net cash	net cash

Source: Nomura estimates

Key company data: See page 2 for company data and detailed price/index chart.

Rating: See report end for details of Nomura's rating system.

August 25, 2011

Rating Remains	Reduce
Target price Reduced from 390	INR 335
Closing price August 25, 2011	INR 367
Potential downside	-8.7%

Anchor themes

Participate in sector through companies focused on market share gains, having low client concentration and better operating scope to tide over the current uncertain economic environment.

Nomura vs consensus

Our FY12F earnings estimate is 16% lower than Bloomberg consensus. We believe consensus numbers will be adjusted lower on the back of the 3QFY11 results.

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See Appendix A-1 for analyst certification and important disclosures. Analysts employed by non US affiliates are not registered or qualified as research analysts with FINRA in the US.

Key data on Mphasis

Income statement (INRmn)

Year-end 31 Oct	FY09	FY10	FY11F	FY12F	FY13F
Revenue	42,638	50,366	50,176	54,709	59,841
Cost of goods sold	-28,721	-34,993	-38,243	-42,306	-46,675
Gross profit	13,917	15,373	11,932	12,402	13,166
SG&A	-4,665	-4,358	-4,217	-4,656	-4,936
Employee share expense					
Operating profit	9,252	11,014	7,715	7,747	8,230
EBITDA	11,274	12,652	9,293	9,560	10,164
Depreciation	-2,022	-1,638	-1,578	-1,813	-1,934
Amortisation					
EBIT	9,252	11,014	7,715	7,747	8,230
Net interest expense					
Associates & JCEs					
Other income	476	1,089	1,686	1,526	1,369
Earnings before tax	9,727	12,103	9,401	9,273	9,599
Income tax	-641	-1,192	-1,633	-2,133	-2,112
Net profit after tax	9,086	10,911	7,768	7,140	7,488
Minority interests					
Other items					
Preferred dividends					
Normalised NPAT	9,086	10,911	7,768	7,140	7,488
Extraordinary items					
Reported NPAT	9,086	10,911	7,768	7,140	7,488
Dividends	0	0	0	0	0
Transfer to reserves	9,086	10,911	7,768	7,140	7,488

Valuation and ratio analysis

FD normalised P/E (x)	9.2	7.7	10.8	11.7	11.2
FD normalised P/E at price target (x)	9.3	7.7	10.9	11.8	11.3
Reported P/E (x)	9.1	7.6	10.7	11.7	11.1
Dividend yield (%)	0.9	0.9	1.3	1.8	2.3
Price/cashflow (x)	8.7	9.7	14.7	13.6	11.6
Price/book (x)	3.5	2.5	2.1	1.9	1.7
EV/EBITDA (x)	7.2	6.5	8.8	8.2	7.3
EV/EBIT (x)	8.8	7.4	10.6	10.1	9.0
Gross margin (%)	32.6	30.5	23.8	22.7	22.0
EBITDA margin (%)	26.4	25.1	18.5	17.5	17.0
EBIT margin (%)	21.7	21.9	15.4	14.2	13.8
Net margin (%)	21.3	21.7	15.5	13.1	12.5
Effective tax rate (%)	6.6	9.8	17.4	23.0	22.0
Dividend payout (%)	0.0	0.0	0.0	0.0	0.0
Capex to sales (%)	2.8	1.7	3.4	3.7	4.0
Capex to depreciation (x)	0.6	0.5	1.1	1.1	1.2
ROE (%)	48.1	38.7	21.6	17.1	15.9
ROA (pretax %)	36.7	29.7	16.7	15.3	15.5

Growth (%)

Revenue	123.6	18.1	-0.4	9.0	9.4
EBITDA	190.3	12.2	-26.5	2.9	6.3
EBIT	221.3	19.1	-29.9	0.4	6.2
Normalised EPS	207.5	19.6	-28.8	-8.1	4.9
Normalised FDEPS	207.6	19.8	-28.8	-8.1	4.9

Per share

Reported EPS (INR)	43.47	51.98	36.99	34.00	35.65
Norm EPS (INR)	43.47	51.98	36.99	34.00	35.65
Fully diluted norm EPS (INR)	43.21	51.78	36.87	33.88	35.53
Book value per share (INR)	112.21	157.17	185.09	211.48	236.29
DPS (INR)	3.50	3.50	5.00	7.00	9.00

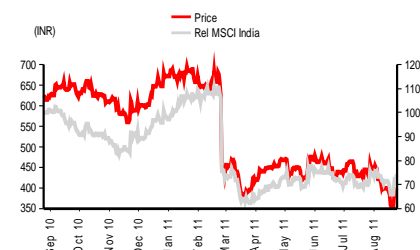
Source: Nomura estimates

Notes

We expect USD revenue growth of 10.2/10.9% in FY12/13F.

Note: FY11F financials exclude the impact of INR665mn of revenue booked in 3Q, as it is a prior-year item

Price and price relative chart (one year)



(%)	1M	3M	12M
Absolute (INR)	-10.8	-7.7	-34.3
Absolute (USD)	-14.0	-9.4	-33.1
Relative to index	3.0	3.1	-20.1
Market cap (USDmn)	1,808.8		
Estimated free float (%)	25.0		
52-week range (INR)	711.9/306.2		
3-mth avg daily turnover (USDmn)	3.88		
Major shareholders (%)			
HP	60.5		
Aberdeen Asset Mgmt	10.1		

Cashflow (INRmn)

Year-end 31 Oct	FY09	FY10	FY11F	FY12F	FY13F
EBITDA	11,274	12,652	9,293	9,560	10,164
Change in working capital	-724	-2,757	-1,891	-1,298	-877
Other operating cashflow	-990	-1,249	-1,729	-2,133	-2,112
Cashflow from operations	9,560	8,645	5,673	6,129	7,174
Capital expenditure	-1,180	-855	-1,705	-2,000	-2,400
Free cashflow	8,380	7,790	3,969	4,129	4,774
Reduction in investments	-7,612	-6,988	170	0	0
Net acquisitions					
Reduction in other LT assets					
Addition in other LT liabilities	0	0	0	0	0
Adjustments	14	-941	-4,016	0	0
Cashflow after investing acts	781	-138	123	4,129	4,774
Cash dividends	-858	-858	-1,229	-1,720	-2,211
Equity issue	861	-514	-657	121	-64
Debt issue	-21	421	-9	0	0
Convertible debt issue					
Others	476	1,089	1,686	1,526	1,369
Cashflow from financial acts	458	137	-208	-73	-906
Net cashflow	1,239	-1	-85	4,056	3,868
Beginning cash	548	1,787	1,786	1,701	5,756
Ending cash	1,787	1,786	1,701	5,756	9,625
Ending net debt	-1,754	-1,332	-1,256	-5,311	-9,180

Source: Nomura estimates

Notes

EBITDA drop in FY11F leads to lower cash flow from operations

Balance sheet (INRmn)

As at 31 Oct	FY09	FY10	FY11F	FY12F	FY13F
Cash & equivalents	1,787	1,786	1,701	5,756	9,625
Marketable securities	7,612	14,600	14,430	14,430	14,430
Accounts receivable	9,060	12,054	12,964	14,173	15,445
Inventories	0	0	0	0	0
Other current assets	7,240	9,446	10,542	11,525	12,560
Total current assets	25,700	37,886	39,636	45,885	52,060
LT investments	0	0	0	0	0
Fixed assets	3,294	2,512	2,639	2,826	3,292
Goodwill	2,946	3,886	7,902	7,902	7,902
Other intangible assets					
Other LT assets	694	751	847	847	847
Total assets	32,633	45,035	51,024	57,460	64,101
Short-term debt					
Accounts payable	9,147	11,590	11,705	12,600	14,029
Other current liabilities					
Total current liabilities	9,147	11,590	11,705	12,600	14,029
Long-term debt	33	454	445	445	445
Convertible debt					
Other LT liabilities	0	0	0	0	0
Total liabilities	9,181	12,044	12,150	13,045	14,474
Minority interest	0	0	0	0	0
Preferred stock	0	0	0	0	0
Common stock	2,097	2,099	2,100	2,100	2,100
Retained earnings	21,356	30,892	36,774	42,315	47,527
Proposed dividends					
Other equity and reserves					
Total shareholders' equity	23,453	32,991	38,874	44,415	49,627
Total equity & liabilities	32,633	45,035	51,024	57,460	64,101

Notes

Cash generation continues to be strong

Liquidity (x)

Current ratio	2.81	3.27	3.39	3.64	3.71
Interest cover	na	na	na	na	na

Leverage

Net debt/EBITDA (x)	net cash	net cash	net cash	net cash	net cash
Net debt/equity (%)	net cash	net cash	net cash	net cash	net cash

Activity (days)

Days receivable	76.5	76.5	91.0	90.8	90.3
Days inventory	0.0	0.0	0.0	0.0	0.0
Days payable	94.6	108.2	111.2	105.1	104.1
Cash cycle	-18.1	-31.6	-20.2	-14.4	-13.8

Source: Nomura estimates

High dependence and uncertainty on HP channel make us cautious

Mphasis generated one-off revenue of INR665mn in 3QFY11 on reversal of a credit note pertaining to a prior year. This revenue relates to the HP channel. As this revenue is one-off and does not have any associated cost, the reported margins and PAT appear inflated; hence, we have adjusted the same in our analysis of the results. Adjusted USD revenue declined by 2.3% q-q, adjusted EBITDA margins declined by 400bp (vs. our estimate of a 290bp decline) to 15.1% and adjusted PAT at INR1.4bn (vs. our estimate of INR1.6bn) was lower than expected.

Mphasis reported a 5% q-q decline in adjusted HP channel revenues, which at USD177mn is down 14% from the recent peak. Management commentary on the outlook here is not very comforting, as HP's Enterprise Services revenues itself is declining and HP's overall services business is sluggish. The non-enterprise services revenues for Mphasis from HP continue to be too small at ~3% of revenues to contribute meaningfully to HP channel growth.

Furthermore, with renegotiations on HP on pricing continuing and the company maintaining its stance of not offering any price concessions, risks to volumes remain.

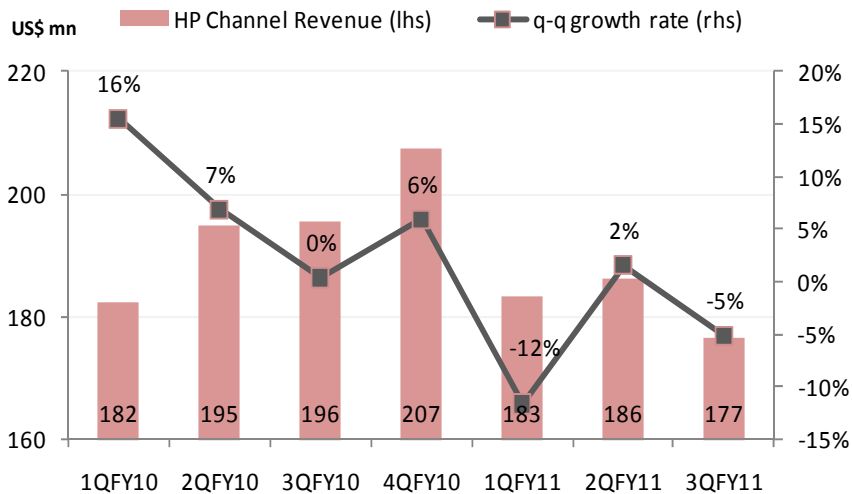
With HP channel revenues at 67% of overall revenues, we believe that even if the direct business (33% of revenue) were to grow faster, the company would continue to grow slower than industry growth rate. Direct channel revenues grew 2.9% q-q in 3QFY11.

We expect USD revenue CAGR of 10.6% over FY11-13F at Mphasis. To meet our revenue estimates, the company would have to grow its HP business at ~5% levels and non-HP business at ~20% levels, which we believe is not conservative. Our estimates factor in ~USD30mn contribution from the Wyde Corporation acquisition, expected to be consummated over the next two weeks, according to management.

Expect USD revenue CAGR of 10.6% over FY11-13F– implies ~5% growth in HP channel business and ~20% growth in the non-HP business; not conservative, in our view

Fig. 1: HP Channel revenue trend

HP channel quarterly revenue run-rate down 14% from recent peak



Note: 3QFY11 revenues exclude Rs665mn of one off prior year revenues

Source: Company, Nomura research

HP channel revenues exhibit a declining trend, to be a key drag on the company's overall revenue growth

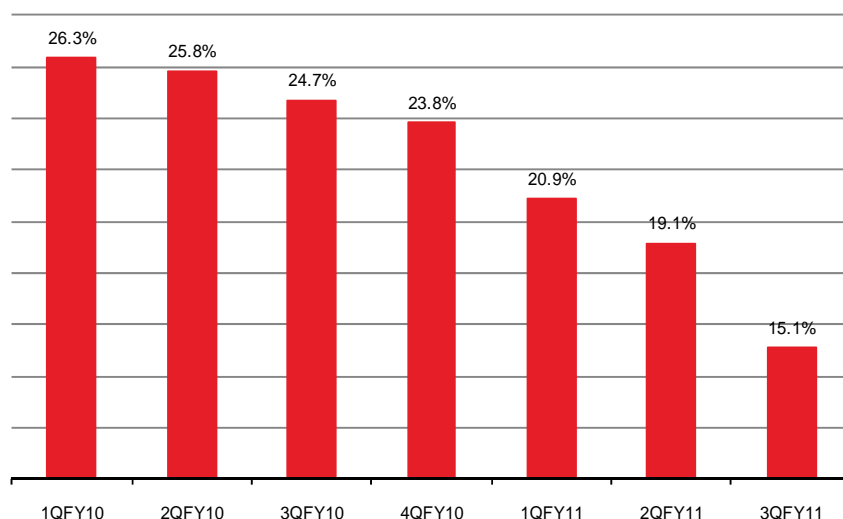
Margins trending downwards; 4Q to be better though

Mphasis' EBITDA margin, ex of the one-off revenue recognised in this quarter, which did not have an associated cost, was 15.1%, down 400bp q-q (vs our estimate of a 290bp decline). This equates to a fall of 11.2% over the past seven quarters.

4QF margin bump up likely on unrecognised revenues from 3Q

The company indicated that revenue of INR346mn was not recognised in this quarter, while associated costs have been booked. There will be a likely margin benefit of approximately 230bp q-q in 4QF, when these revenues are recognised. If we were to include the INR346mn of unrecognised revenue in 3Q, EBITDA margins would be at 17.4%, a decline of 890bps over the past seven quarters.

Fig. 2: EBITDA margin trend, 2010-3Q11



Note: 3QFY11 margin excludes the impact of one off revenues of Rs665mn, as they are for a prior year

Source: Company, Nomura research

Expect EBITDA margins to decline by 150bps over FY11-13F

We expect EBITDA margins to decline by 150bps over FY11-13F to 17% levels. On EBIT, we expect margins to touch 13.8% in FY13F, down by a similar amount over the past two years. This is lower than the company's medium-term targeted range of 15-18% for EBIT margins, which we believe is aggressive.

Earnings revised downward by 7%/11% for FY12/13F

We have moderated our revenue growth estimates on the back of: 1) the declines in HP channel revenues and a weaker outlook and 2) direct channels revenue coming in at the lower end of the company's earlier indications. We now look for 9.5%/11.4% revenue growth in FY12/13F (vs. our previous expectations of 15.9%/16.7%)

Our margin estimates remain largely unchanged. We estimate EBITDA margin will see a correction of 150bps over FY11-13F. Our EPS estimates are reduced by 7%/11% for FY12/13F on lower revenue growth assumptions.

Fig. 3: Earnings revisions

	New			Old			Change (%)		
	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F	FY11F	FY12F	FY13F
Revenue (US\$ mn)	1,119	1,233	1,368	1,138	1,319	1,540	-1.6	-6.5	-11.1
US\$/INR rate	44.8	44.2	43.5	44.9	44.2	43.5	-0.1	0.0	0.0
Revenue (Rs bn)	50.2	54.7	59.8	51.1	58.6	67.3	-1.8	-6.6	-11.1
EBITDA margin (%)	18.5	17.5	17.0	18.5	17.3	17.1	10 bps	10 bps	-10 bps
Tax Rate (%)	17.4	23.0	22.0	18.2	24.0	24.0	-90 bps	-100 bps	-200 bps
Diluted EPS (Rs)	36.9	33.9	35.5	36.5	36.3	39.9	1.0	-6.6	-11.0

Source: Nomura estimates

Maintain REDUCE; cut TP to INR335

We remain cautious on the stock on:

- High dependence on HP channel revenue at 67% of revenue, dim outlook on this business and sluggishness in HP's own services business. This could lead to risks to pricing/volumes, in our view. Mphasis' 3Q results provide no comfort on this business segment with declines in the HP channel business.
- A worsening macro environment, putting its direct business growth at risk, with lower confidence given performance at the lower end of earlier indications on growth in 3Q in this segment.
- Limited scope for outperformance on revenue growth expectations and flattish earnings trajectory.

Maintain REDUCE, cut TP to INR335

Moderation in revenue growth expectations lead to a 7%/11% cut in our FY12/13F EPS estimates. We now look for USD revenue CAGR of 10.6%, EBITDA margin decline of 150bp and earnings to stay below FY11F adjusted earnings over the next two years.

We reaffirm our REDUCE rating on the stock, with a revised TP of INR335 (from INR390) based on 9.5x 1-yr rolling forward earnings (vs. 10x earlier) to reflect higher risks to 1) HP channel revenues and 2) greater growth moderation possible in its direct business given macroeconomic deterioration.

Valuation methodology

We value Mphasis on a P/E basis at 9.5x one-year rolling forward earnings (INR35.5), a discount of ~50% to the target multiple at which we value Infosys. We consider the discount justified on high revenue and earnings risks given significant dependence on HP channel (67% of revenues), where volume and pricing pressure might persist.

Risks to our investment view

Inorganic triggers on usage of cash of USD450mn+, favourable rethink on HP's offshoring strategy towards Mphasis and delisting by the promoter remain upside risks.

3QFY11 result highlights

- Reported revenue of USD290mn (growth of 2.9% q-q).
- Adjusted revenues were USD275mn, a decline of 2.3% (vs. our estimate of USD288mn). This is after adjusting for ~USD15mn of revenues recognised in this quarter, which was prior-year item. This revenue is related to the HP channel and pertains to reversal of a credit note.
- Direct channel USD revenue increased 2.9% q-q, accounting for 33% of revenues, while HP channel revenues declined ~5% q-q (adjusted for one-off revenue).
- Apps grew 5.4% and ITO by 2.9%, while BPO declined by 9.6% on a reported basis.
- Adjusted EBITDA margins declined by 400bp to 15.1%, driven by wage inflation and SGA coming back to trend after reversals in the prior quarters.
- Headcount declined by 475 to 41,264, with a ~3% decline in ITO and BPO and ~2% increase in apps.
- Pricing declined in apps, onsite from USD72 to USD70 per hour, while ITO pricing improved from USD20 to USD21.
- Cash and cash equivalents are at Rs20.3bn.
- The company expects the Wyde acquisition to close over the next two weeks; this is expected to contribute roughly USD30mn in revenues annually.

Fig. 4: Mphasis: Quarterly performance and expectations

Key parameters	3QFY11		2QFY11	q-q (%)	3QFY10	y-y (%)
	Actual	Est.				
Revenues (US\$ mn)	275	288	282	-2.3%	276	-0.2%
Revenues (Rs mn)	12,271	12,884	12,571	-2.4%	12,791	-4.1%
EBITDA (Rs mn)	1,851	2,059	2,406	-23.1%	3,159	-41.4%
EBITDA (%)	15.1	16.0	19.1	-410bp	24.7	-960bp
Adj. PAT (Rs mn)	1,430	1,597	2,173	-34.2%	2,712	-47.3%

Note: 3QFY11 revenues, EBITDA and PAT exclude impact of Rs665mn of one-off prior year revenues

Source: Company, Nomura estimates

Fig. 5: Mphasis: Financial performance

Y/E Oct (Rs mn)	FY10				FY11				FY10	FY11F
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QF		
Revenues (US\$ mn)	257	271	276	296	271	282	275	292	1,099	1,119
q-q change (%)	10.5	5.4	1.8	7.5	-8.5	3.9	-2.3	6.1	25.6	1.8
Revenues	11,916	12,205	12,791	13,454	12,335	12,571	12,271	12,999	50,366	50,176
q-q change (%)	5.3	2.4	4.8	5.2	-8.3	1.9	-2.4	5.9	18.1	-0.4
Direct Expenses	7,794	8,077	8,598	9,051	8,769	9,186	9,397	9,472	33,519	36,823
SG&A	983	978	1,034	1,199	992	979	1,023	1,065	4,195	4,059
EBITDA	3,139	3,150	3,159	3,204	2,574	2,406	1,851	2,462	12,652	9,293
EBITDA margin (%)	26.3	25.8	24.7	23.8	20.9	19.1	15.1	18.9	25.1	18.5
Other Income	330	275	174	310	347	497	429	413	1,089	1,686
Depreciation	458	402	404	374	359	337	440	441	1,638	1,578
PBT	3,011	3,023	2,929	3,140	2,562	2,566	1,840	2,433	12,103	9,401
Provision for Tax	325	350	217	300	295	393	410	535	1,192	1,633
Tax rate (%)	10.8	11.6	7.4	9.6	11.5	15.3	22.3	22.0	9.8	17.4
PAT	2,686	2,673	2,712	2,840	2,267	2,173	1,430	1,898	10,911	7,768
q-q change (%)	9.7	-0.5	1.5	4.7	-20.2	-4.2	-34.2	32.7	20.1	-28.8
Adj. Diluted EPS (Rs)	12.7	12.7	12.9	13.5	10.8	10.3	6.8	9.0	51.8	36.9

Note: 3QFY11 financials are after excluding impact of Rs665mn of one off prior year revenues

Source: Company, Nomura estimates

Appendix A-1

Analyst Certification

We, Ashwin Mehta and Pinku Pappan, hereby certify (1) that the views expressed in this Research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Issuer Specific Regulatory Disclosures

Mentioned companies

Issuer name	Ticker	Price	Price date	Stock rating	Sector rating	Disclosures
Mphasis	MPHL IN	INR 367	25-Aug-2011	Reduce	Not rated	

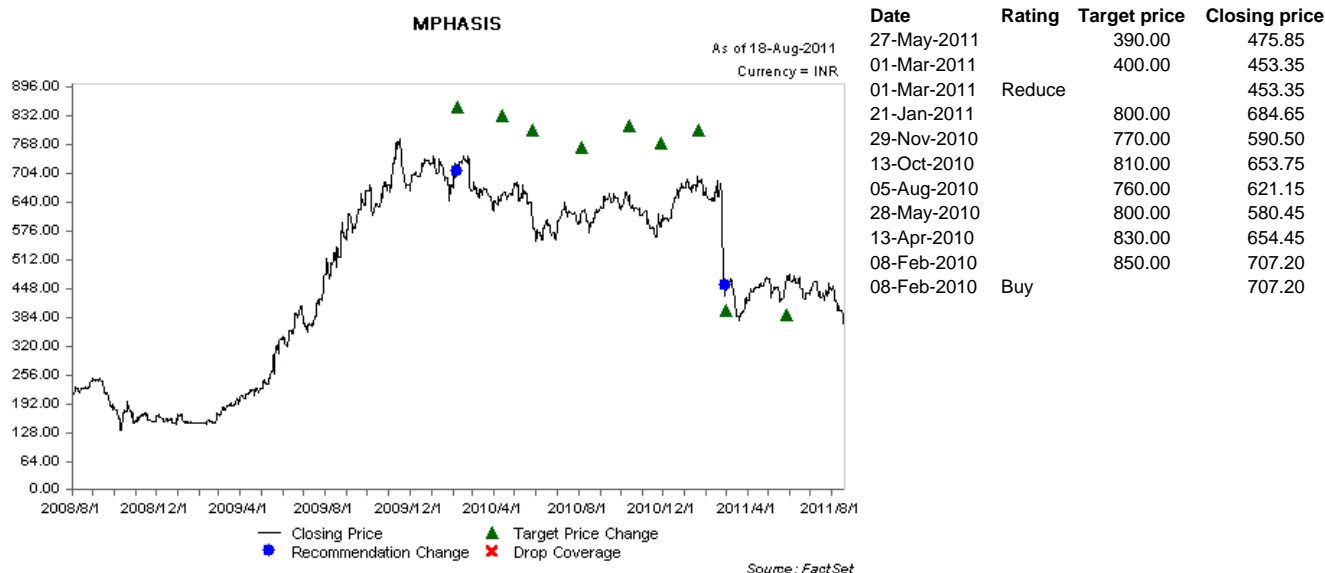
Previous Rating

Issuer name	Previous Rating	Date of change
Mphasis	Buy	01-Mar-2011

Mphasis (MPHL IN)

INR 367 (25-Aug-2011) Reduce (Sector rating: Not rated)

Rating and target price chart (three year history)



For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology Our target price of INR335 is based on 9.5x one-year rolling forward earnings (INR35.5), a discount of ~50% to the target multiple at which we value Infosys. We consider the discount justified based on deterioration in the HP channel outlook.

Risks that may impede the achievement of the target price Inorganic triggers on usage of cash of USD450mn+, favourable rethink on HP's offshoring strategy towards Mphasis and delisting by the promoter remain upside risks.

Important Disclosures

Online availability of research and additional conflict-of-interest disclosures

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STOCKS

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A rating of '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months.

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SECTORS

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Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009

STOCKS

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Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009 (and ratings in Europe, Middle East and Africa, US and Latin America published prior to 27 October 2008)

STOCKS

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Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published prior to 30 October 2008

STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Fair Value - Current Price)/Current Price, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow or Multiple analysis etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

A **'Strong buy'** recommendation indicates that upside is more than 20%.

A **'Buy'** recommendation indicates that upside is between 10% and 20%.

A **'Neutral'** recommendation indicates that upside or downside is less than 10%.

A **'Reduce'** recommendation indicates that downside is between 10% and 20%.

A **'Sell'** recommendation indicates that downside is more than 20%.

SECTORS

A **'Bullish'** rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

A **'Neutral'** rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

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