Shinhan Securities



Binh Duong Water Environment JSC

[Vietnam / Utilities]

Bloomberg Code (BWE VN) | Reuters Code (BWE.HM)

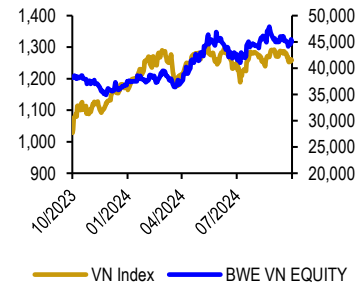
BUY

Updated Report

Target price (12 months)	**VND 58,000**
Current price (31/10/24)	VND 45,000
Upside (%)	+29.1%

VNINDEX		1,264
P/E market (24F, x)		11.8
Market Cap (bn VND)		9,897
Outstanding shares (mn)		220
Free-Floating (mn)		7
52-Wk High/Low (VND)		47,900/34,825
90-day avg. trading volume (mn)		0.27
90-day avg. turnover (bn VND)		11
Foreign ownership (%)		10.3
Major shareholders (%)	TDM	37.4
	Becamex IDC	19.4

Performance	3M	6M	12M
Absolute (%)	7.4	22.0	15.7
Relative to VN-Index (%)	6.3	17.9	-5.1



Source: Bloomberg

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The core business segment is driving the growth

Update BUY recommendation with target price of VND 58,000

Binh Duong Water - Environment JSC (HSX: BWE) is one of the leading enterprises in the water and environment industry in Vietnam. BWE has a sustainable business model with steady growth and a promising development strategy. We update a BUY recommendation for Biwase with a target price of VND 58,000 – corresponding to a potential upside of 29.1%. Our target price is based on the FCFF and P/E valuation methods, weighting at 40%-60%, respectively. We expect the net profit of BWE to grow at CAGR of 8.2% over the period 2024-2028 thanks to the stable growth in both demand and unit price.

Update Business Results Q3/2024

BWE reported Q3/2024 business results with a net revenue of VND 942 billion (+12.1% YoY) and NPAT of VND 191 billion (+7.3% YoY). Accumulated in the 9M/2024, BWE recorded a net revenue of VND 2,768 billion (+15.5% YoY) and NPAT of VND 511 billion (-3.4% YoY). The strong revenue growth is attributed to: (1) increased commercial water production of 149 million cubic meters in 9M/2024 (+8.8% YoY), and (2) consolidation of Biwase Long An's revenue. The decrease in NPAT is mainly due to: (1) unrecorded revenue of VND 238.75 billion from the waste and wastewater treatment segment while still incurring costs, and (2) a foreign exchange loss of nearly VND 67 billion.

Growth Strategy Focused on M&A

_ Water Supply Segment: We expect BWE to achieve a target of 192.4 million m3 of commercial water production (+5.1% YoY) and record revenue of VND 2,512 billion (+8.3% YoY) in 2024. In the period 2025-2028, we expect BWE to be approved for a +3%/year increase in water prices. Expansion plans: Increase the capacity of the Chon Thanh water plant by an additional 30,000 m3 per day, double the capacity of Nhi Thanh water (belonging to Biwase Long An) from 60,000 m3/day to 120,000 m3/day, and increase the capacity of the Gia Tan water plant from 50,000 m3/ day to 100,000 m3/ day. After adjusting for the ownership ratio, we estimate BWE's capacity to increase by about 10% to 1.14 million m3/day.

_ Waste Treatment Segment: BWE is submitting a request for approval to increase the price of household waste treatment, and expects to be approved for a +10% increase by the end of this year. Expansion plans: Increase the capacity of the incinerator from 200 tons/day, generating 5MW of electricity, to 500 tons/day, generating 17MW of electricity (Q3/2024). This waste-to-energy project has the potential to reduce BWE's electricity costs.

_ Wastewater Treatment Segment: We expect BWE to be approved for a +10% increase in wastewater treatment services in Q3/2024.

_ On October 23, BWE officially increased its ownership in Saigon Water - Can Tho from 47% to 65%, and officially sent people to Saigon Water - Can Tho to prepare for a capital increase plan and simultaneously restart the construction and upgrade of the Saigon Water - Me Kong plant to a capacity of 50,000 m3/day.

Risk: (1) Policy risks; (2) Risks from environment, upstream water; (3) Risks from M&A activities; (4) Risk of non-revenue water (5) Risk of interest rate and exchange rate

Year to Dec.	2021	2022	2023	2024F	2025F
Net revenue (bn VND)	**3,119**	**3,484**	**3,526**	**3,760**	**4,145**
OP (bn VND)	884	816	755	786	958
NP (bn VND)	**755**	**747**	**682**	**702**	**860**
EPS (VND)	3,254	3,196	2,902	3,580	4,371
BPS (VND)	19,597	23,289	24,887	22,497	24,305
OPM (%)	28.3	23.4	21.4	20.9	23.1
NPM (%)	24.2	21.4	19.3	18.7	20.7
ROA (%)	8.7	7.8	6.2	5.6	6.4
ROE (%)	21.2	17.9	14.4	13.9	16.1
PER (x)	10.6	14.6	15.5	16.2	13.3
PBR (x)	1.8	2.0	1.8	2.6	2.4
EV/EBITDA (x)	6.1	8.2	8.2	12.3	10.8

Source: Company data, Shinhan Securities Company

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Update Business Results Q3/2024 and 9M/2024

Update Business Results by Segment Q3/2024 and 9M/2024

(Unit: VND billion)	Q3/2023	Q3/2024	YoY	9M/2023	9M/2024	YoY
Commercial water production (million m3)	46	50	*8%*	137	149	*9%*
Revenue	**840**	**942**	*12%*	**2,397**	**2,768**	*15%*
Clean water production	596	617	*3%*	1,698	1,944	*14%*
Waste treatment	156	146	*-6%*	391	382	*-2%*
Waste water treatment	6	0	*-100%*	64	715	*1022%*
Others	82	180	*119%*	246	441	*80%*
Gross Profit	**367**	**394**	*7%*	**1,082**	**1,197**	*11%*
Clean water production	338	353	*4%*	963	1,116	*16%*
Waste treatment	9	7	*-19%*	42	19	*-56%*
Waste water treatment	0	0	*N/A*	11	-1.40	*-113%*
Others	20	34	*69%*	67	64	*-4%*
NPAT	**178**	**191**	*7%*	**529**	**511**	*-3%*
Clean water production	143	156	*9%*	429	467	*9%*
Waste treatment	3	-17	*-648%*	10	-14	*-233%*
Waste water treatment	-4	-5	*28%*	-1	-14	*N/A*
Others	35	56	*59%*	91	72	*-21%*

Prospects of BWE's consolidated revenue and profit (2021-2025F)

(Unit: VND billion)	2021A	2022A	2023A	2024F	2025F
Net revenue	**3,119**	**3,484**	**3,526**	**3,760**	**4,145**
Clean water production	1,970	2,159	2,321	2,512	2,769
Waste treatment	675	707	711	769	888
Waste water treatment	51	151	72	119	146
Others	423	467	422	359	342
Gross profit	**1,315**	**1,421**	**1,597**	**1,674**	**1,829**
Clean water production	1,072	1,136	1,298	1,419	1,551
Waste treatment	132	113	111	131	151
Waste water treatment	6	39	11	19	22

Others	105	133	145	105	105
Operating profit	**884**	**816**	**755**	**786**	**958**
NPAT	**755**	**747**	**682**	**702**	**860**
Clean water production	531	582	516	548	664
Waste treatment	52	13	4	1	4
Waste water treatment	-6	19	-5	0	4
Others	178	133	167	153	188
Profit margin (%)					
GPM	42.2	40.8	44.3	44.5	44.1
Operating profit margin	28.3	23.4	21.4	20.9	23.1
NPAT margin	24.2	21.4	19.3	18.7	20.7
Growth (%YoY)					
Net revenue	3.1	1.2	1.2	6.6	10.3
Operating profit	49.5	-7.5	-7.5	4.2	21.8
NPAT	41.0	-8.7	-8.7	2.9	22.5

Source: Company data, Shinhan Securities Vietnam

Recommendation and Valuation

Update BUY recommendation with target price of VND 58,000

We update valuation for Binh Duong Water - Environment JSC with a BUY recommendation and target price of VND 58,000, corresponding to a 29.1% upside from the current price as of October 31st, 2024. For a long-term view, BWE is an investment that can be considered based on the following advantages:

1) Effective business model, strong financial health;

2) The demand for water and the selling price of water have grown steadily;

3) The waste treatment segment still has a lot of room for development;

4) Development strategy and M&A have many prospects, promising a bright future.

Valuation

We apply FCFF and P/E multiples valuation methods, equally weighted of 40%-60%, respectively, to value BWE ticker.

FCFF method: We assume a revenue CAGR of 8.2% over the period 2024-2028 based on stable growth in water demand and selling prices, along with BWE's positive M&A activities to expand the market. In our model, we expect BIWASE will have terminal growth rate of 0% as we assume that BIWASE will have no M&A expansion activities anymore.

Weighted average cost of capital (WACC)	
WACC (%)	**8.5**
Risk-free rate (%)	2.9
Equity risk premium (%)	9.0
Beta	0.67
Cost of debt (%)	7.0
Cost of equity (%)	9.0
Debt-to-equity ratio	0.55
Total debt (VND billion)	5,508

FCFF valuation model

Unit: VND billion	Q4/2024F	2025F	2026F	2027F	2028F
Net profit	**176**	**860**	**922**	**1,003**	**1,152**
Plus: After-tax interest expense	102	367	426	426	366
Plus: Depreciation & Amortization	179	854	894	716	806
Minus: Change in working capital	5	98	54	54	67
Minus: Capital expenditure	155	1,383	497	531	685
Free cash flows to the firm (FCFF)	**297**	**600**	**1,691**	**1,559**	**1,573**
Discount rate	0.98	0.90	0.83	0.77	0.71
Present value of FCFF	**291**	**542**	**1,407**	**1,195**	**1,111**
Terminal growth rate	0%				
Present value of terminal value	13,050				
Enterprise value	**17,595**				
Minus: Total debt	5,508				
Plus: Cash balance	488				

Minus: Minority interest	164
Number of shares outstanding (bn shares)	0.22
Target price (VND)	**56,434**

Source: Company data, Shinhan Securities Vietnam

P/E multiples method: We collected data from companies in the same industry and similar in size of BWE. The implied P/E forward is at 14.27x, estimated by averaging between: Mean P/E of chosen peers and 5-year ex-post mean P/E of BWE. The EPS forward is VND 4,371, corresponding 12-month target price of VND 59,175.

Summary of P/E valuation model

Current multiples of BWE	Average 5-year multiples of BWE	Peer industry multiples	Implied ex-ante multiples	Implied target price (VND)
18.50x	11.88x	15.19x	13.54x	59,175

Comparison of peer enterprises

Ticker	Company name	Country	P/E	Market cap (USD mn)	EPS growth YoY(%)	NPAT margin (%)	ROA (%)	ROE (%)
BWE VN Equity	BINH DUONG WATER ENVIRONMENT	Việt Nam	14.02	326.8	-9.2	19.1	6.5	13.0
300692 CH Equity	ANHUI ZHONGHUAN ENVIROMENT	China	30.33	307.8	-36.95	13.26	1.1	3.4
TTW TB Equity	TTW PCL	Thailand	12.60	1063.40	-1.35	51.96	14.2	19.1
WHAUP TB Equity	WHA UTILITIES AND POWER PCL	Thailand	15.56	611.66	258.33	58.64	5.6	12.8
MWC PM Equity	MANILA WATER	Philippines	9.23	1139.21	-2.51	18.21	3.5	10.1
PBAH MK Equity	PBA HOLDINGS BHD	Malaysia	8.25	177.19	-55.45	8.11	6.0	9.8
Mean			**15.19x**					

Source: Bloomberg, Shinhan Securities Vietnam

Company overview

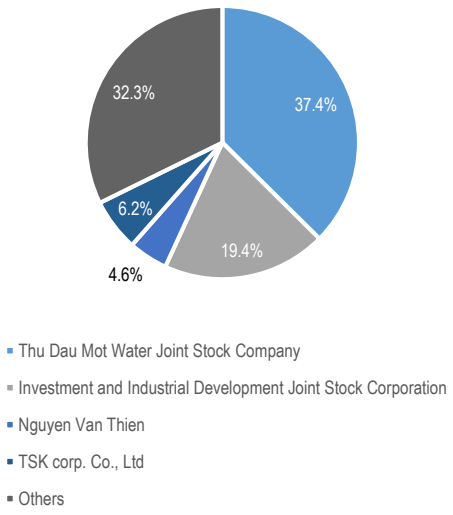
BWE's history

BWE was established before 1975, formerly known as "Binh Duong Water Supply Center" with 5 underground water pumping stations. In 1995, the company put the first surface water plant - Thu Dau Mot surface water plant into operation with a capacity of 7,500m3 / day and night.

Since September 30, 2016, the company has officially transformed from a limited liability company with 100% state-owned capital to a joint stock company with the name of Binh Duong Water - Environment Joint Stock Company with charter capital VND 1,500 billion.

On 20/7/2017, Binh Duong Water - Environment Joint Stock Company officially listed shares on the Ho Chi Minh City Stock Exchange with the stock ticker BWE. In March 2019, Binh Duong Provincial People's Committee withdrew capital from 41% to 25%.

Shareholder structure (30/06/2024)



Source: Company data, Shinhan Securities Vietnam

List of subsidiaries, associated companies, and other long-term investments of BWE as of 30/09/2024

Subsidiaries level 1	Segment	Address	Ownership of BWE
Can Giuoc Urban JSC	Supply clean water	Long An	97.27%
ChauThanh Urban ProjectJSC	Supply clean water	Ca Mau	96.06%
Biwase – Long An Water JSC* (BWE LA)	Supply clean water	Long An	94.54%
Bang Tam Water and Environment JSC	Supply clean water	Long An	84.64%
Biwase Electric – Construction JSC (Biwelco)	Power generation, electrical construction	Binh Duong	52.00%
Biwase Consulting LLC	Consulting	Binh Duong	100%
Biwase Production - Trading - Services LLC	Fertilizer production	Binh Duong	100%
Biwase Science, Technology and Environment Union LLC	Waste treament	Binh Duong	100%
Biwase Binh Phuoc Water LLC	Supply clean water	Binh Duong	100%

Subsidiaries level 2

Can Duoc Water and Environment JSC*	Supply clean water	Long An	94.35%
Associates			
Chanh Phu Hoa Construction And Investment JSC	Real Estate	Binh Duong	43.43%
Can Tho 2 Water Supply JSC (CT2)	Supply clean water	Can Tho	48.86%
Quang Binh Water Supply JSC (NQB)	Supply clean water	Quang Binh	41.0%
Long An Water Supply JSC (LAW)	Supply clean water	Long An	38.06%
Gia Tan Water Supply JSC (GIWACO)	Supply clean water	Dong Nai	34.68%
Can Tho Water Supply JSC (CTW)	Supply clean water	Can Tho	24.64%
Thu Thua Project JSC	Supply clean water	Long An	48.25%
Sai Gon Can Tho Water JSC	Supply clean water	Can Tho	47.0%
Associates level 2			
Biwase Quang Binh JSC **	Supply clean water	Quang Binh	38.48%
Vinh Long Water Supply JSC (VLW) **	Supply clean water	Vĩnh Long	17.5%
Other longterm investments			
Dong Nai Water JSC (DNW)	Supply clean water	Dong Nai	18.8%
Bình Dương Production and Trading Goods Corporation (PRT)	Commercial, industrial real estate	Dong Nai	4.0%
Thanh Le production and Trading Goods Corportation (TLP)	Oil and gas business, Real estate	Binh Duong	0.51%
Sonzadezi Corporatioin (SNZ)	Industrial real estate	Dong Nai	0.05%

Source: Company data at 30/09/2024, *Can Duoc Water and Environment JSC is a subsidiary of Biwase Long An Water JSC; ** Biwelco owns VLW and Biwase Quang Binh with ownership rate of 33.65% and 41.9%, respectively.

Business model

BWE operates in 3 main segments, including tap water supply, waste treatment, and wastewater treatment. The core business of BWE is water supply, which contributes 58% of revenue and 80.0% of net profit for the



whole enterprise. In 2023, BWE has actively expanded its water supply business through M&A deals, especially with: Biwase Long An, Thu Thua Project, Quang Binh Water Supply,….

In the tap water supply sector, BWE has a completed value chain from the water pump to distribution. Specifically, BWE absorbs water from the Dong Nai River and Phuoc Hoa Lake. After that, BWE processes raw water and then delivers it through the pipeline to residential and industrial customers.

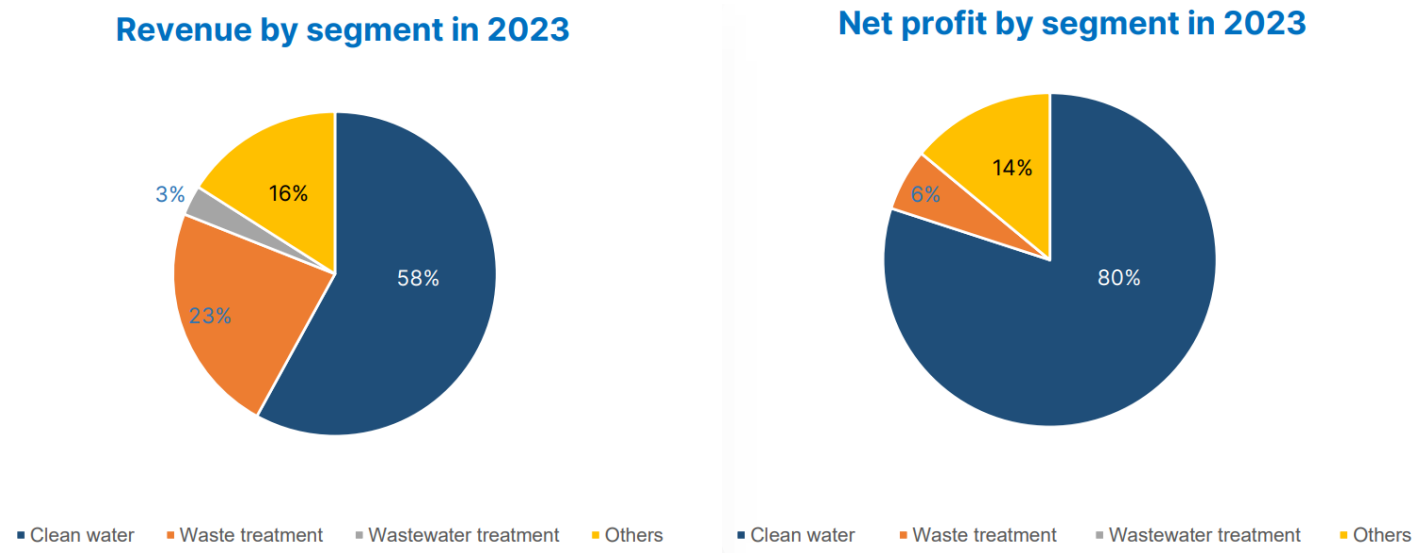
BWE owns 9 water supply branches with a maximum supply capacity of nearly 1 million cbm/day. In addition, BWE also has 1 waste treatment branch, 4 wastewater treatment branches, 1 water supply, and drainage consulting branch, 1 urban service branch, 1BWE M&E technology branch, and 1 Con Voi trade branch.

No	Water plant	Capacity (m3/day)
1	Di An water plant	350,000
2	Tan Uyen water plant	90,000
3	Thu Dau Mot water plant	65,000
4	Chon Thanh water plant *	30,000
5	Bau Bang water plant	30,000
6	Dau Tieng water plant	10,000
7	Phuoc Vinh water plant	5,000
8	Khu Lien Hop water plant	250,000
9	Thuan An water plant	60,000
No	**Wastewater treatment plant**	**Capacity (m3/day)**
1	Thu Dau Mot	17,650
2	Thuan An	17,000
3	Tan Uyen	15,000
4	Di An	20,000

Source: Company data at 30/09/2024, *Replaced by the Biwase Binh Phuoc Water LLC

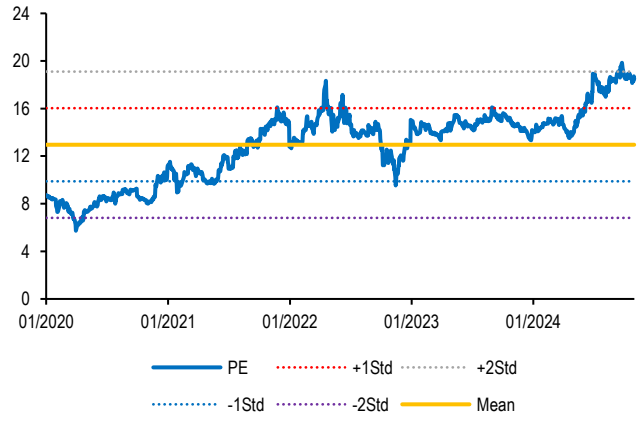
Revenue and Income Structure

The main source of revenue for BWE comes from the clean water supply segment, accounting for nearly 60% of total revenue, followed by the waste treatment segment with about 20% of revenue, other services (bottled water sales, pipelines, etc.) accounting for 16%, and the remaining 3% is wastewater treatment.



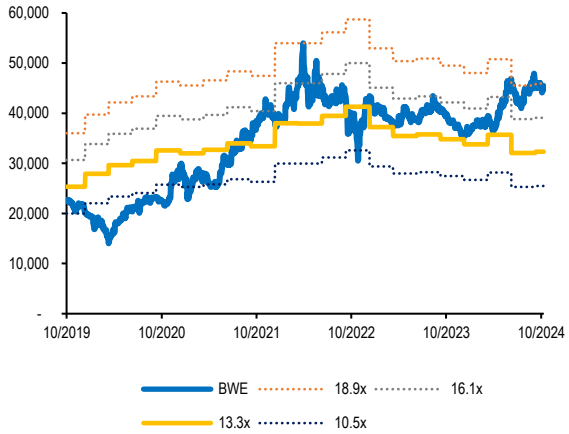
Source: Company data, Shinhan Securities Vietnam

PER of BWE



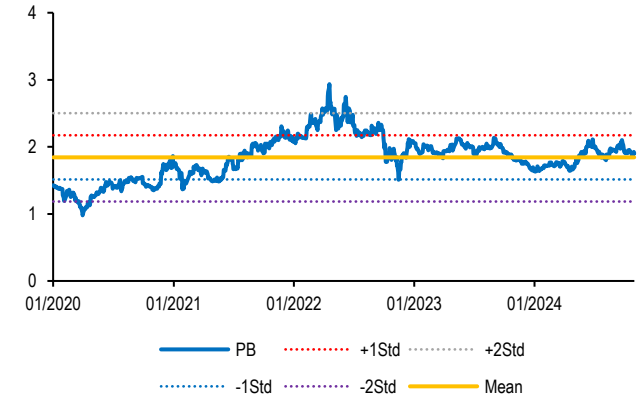
Source: Bloomberg, company data, Shinhan Securities Vietnam

PER band of BWE



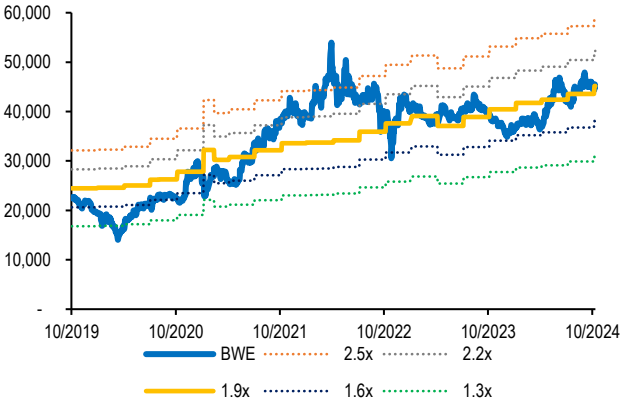
Source: Bloomberg, company data, Shinhan Securities Vietnam

PBR of BWE



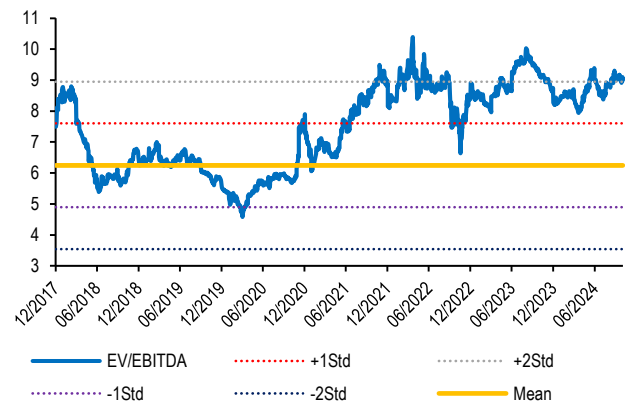
Source: Bloomberg, company data, Shinhan Securities Vietnam

PBR band of BWE



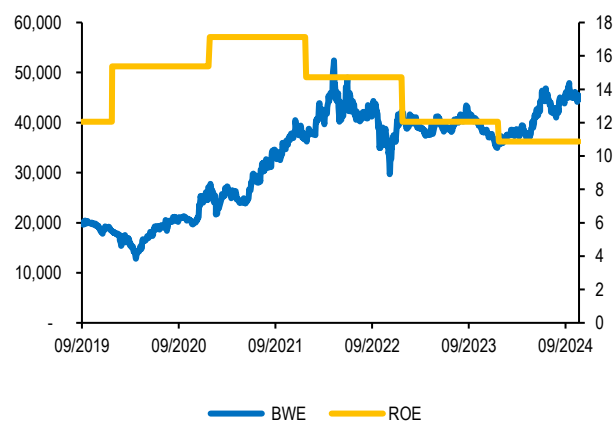
Source: Bloomberg, company data, Shinhan Securities Vietnam

EV/EBITDA of BWE



Source: Bloomberg, company data, Shinhan Securities Vietnam

Price and forcasted ROE of BWE



Source: Bloomberg, company data, Shinhan Securities Vietnam

Key event chart of BWE



Source: Bloomberg, company data, Shinhan Securities Vietnam

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2021	2022	2023	2024F	2025F
Total assets	**9,074**	**9,987**	**12,122**	**12,795**	**13,947**
Current assets	2,719	2,786	2,706	3,158	3,460
Cash & equivalents	476	275	655	1,149	1,220
Short-term financial asset	600	872	265	296	317
Accounts receivable	911	912	781	808	887
Inventories	698	714	923	814	936
Others	35	13	82	91	98
Non-current assets	6,355	7,201	9,416	9,637	10,488
Net fixed assets	3,253	3,617	4,538	4,444	5,214
Long-term incomplete assets	981	1,447	2,089	2,403	2,707
Others	2,121	2,138	2,789	2,791	2,566
Total liabilities	**5,149**	**5,449**	**7,158**	**7,674**	**8,412**
Current liabilities	2,008	1,989	2,385	2,685	2,923
Accounts payable	198	184	453	255	336
Short-term borrowings	1,210	1,326	1,433	1,839	1,984
Others	600	479	499	591	602
Non-current liabilities	3,141	3,460	4,773	4,990	5,490
Long-term borrowings	2,371	2,692	3,997	4,218	4,717
Others	770	769	776	772	772
Total equity	**3,828**	**4,537**	**4,963**	**5,121**	**5,535**
Capital stock	1,929	1,929	1,929	2,199	2,199
Capital surplus	621	621	621	621	621
Other capital	625	986	1,232	1,464	1,711
Retained earnings	606	957	1,019	663	814
Non-controlling interest equity	47	44	162	173	190
* Total debt	3,581	4,018	5,431	6,057	6,701
* Net debt (cash)	2,505	2,871	4,511	4,612	5,163

Statement of comprehensive income

Year to Dec. (bn VND)	2021	2022	2023	2024F	2025F
Net revenue	**3,119**	**3,484**	**3,526**	**3,760**	**4,145**
Growth (%)	*3.1*	*11.7*	*1.2*	*6.6*	*10.3*
COGS	(1,804)	(2,063)	(1,962)	(2,085)	(2,316)
Gross profit	**1,315**	**1,421**	**1,564**	**1,674**	**1,829**
GPM (%)	*42.2*	*40.8*	*44.3*	*44.5*	*44.1*
SG&A	**(470)**	**(502)**	**(584)**	**(624)**	**(675)**
Operating profit	**845**	**919**	**980**	**1,050**	**1,154**
Growth (%)	*49.5*	*(7.7)*	*6.6*	*21.8*	*7.7*
OPM (%)	*27.1*	*26.4*	*27.8*	*27.9*	*27.8*
Non-operating profit	**19**	**(81)**	**(218)**	**(259)**	**(186)**
Financial income (FI)	110	104	126	133	143
Financial expense (FE)	(79)	(226)	(395)	(428)	(366)
In which: interest expenses	(155)	(170)	(344)	(341)	(306)
Net other non-operating profit	(12)	41	50	36	37
Pre-tax profit	**864**	**838**	**762**	**791**	**968**
Income tax	(109)	(92)	(80)	(89)	(108)
Net profit	**755**	**747**	**682**	**702**	**860**
Growth (%)	*41.0*	*(1.1)*	*(8.7)*	*2.9*	*22.5*
NPM (%)	*24.2*	*21.4*	*19.3*	*18.7*	*20.7*
Controlling interest	749	743	674	691	843
Non-controlling interest	7	4	8	11	17
EBIT	**1,030**	**968**	**1,056**	**1,097**	**1,237**
Growth (%)	*41.1*	*(6.1)*	*9.1*	*3.9*	*12.8*
EBIT Margin (%)	*33.0*	*27.8*	*29.9*	*29.2*	*29.8*
EBITDA	**1,514**	**1,447**	**1,601**	**1,812**	**2,074**
Growth (%)	*26.6*	*(4.4)*	*10.7*	*13.2*	*14.4*
EBITDA margin (%)	*48.6*	*41.5*	*45.4*	*48.2*	*50.0*

Statement of cash flow

Year to Dec. (bn VND)	2021	2022	2023	2024F	2025F
Cash flow from operations	**892**	**1,303**	**1,070**	**1,596**	**1,569**
Net profit	864	838	762	791	968
D&A expenses	484	479	546	716	837
(Gain)/loss from investing activities	(92)	(120)	(160)	(197)	(191)
Change in working capital	(141)	233	52	(21)	(98)
Others	(223)	(127)	(129)	307	53
Cash flow from investments	**(1,081)**	**(1,650)**	**(1,212)**	**(909)**	**(1,687)**
Change in fixed assets	(770)	(823)	(955)	(619)	(1,383)
Change in investment assets	(405)	(926)	(386)	(418)	(445)
Others	94	99	130	128	141
Cash flow from financing	**(63)**	**146**	**523**	**5**	**380**
Change in equity	93	(0)	75	270	-
Net borrowings	68	383	704	20	644
Dividends	(225)	(236)	(256)	(286)	(264)
Change in total cash	**(252)**	**(201)**	**382**	**692**	**261**
Beginning cash	728	476	275	655	1,346
Change in FX rates	(0)	0	(1)	(1)	(1)
Ending cash	476	275	655	1,346	1,606

Source: Company data, Shinhan Securities Company

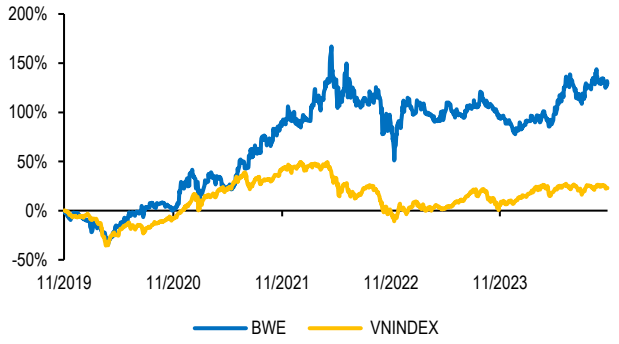
Key ratios

Year to Dec.	2021	2022	2023	2024F	2025F
EPS (VND)	3,254	3,196	2,902	3,580	4,371
BPS (VND)	19,597	23,289	24,887	22,497	24,305
PER (x)	10.6	14.6	15.5	16.2	13.3
PBR (x)	1.8	2.0	1.8	2.6	2.4
EV/EBITDA (x)	6.1	8.2	8.2	12.3	10.8
Dividend payout ratio (%)	30.9	33.8	0.0	41.4	31.3
Dividend yield (%)	3.4	2.6	3.0	1.6	1.5
Profitability					
EBITDA margin (%)	48.6	41.5	45.4	48.2	50.0
OPM (%)	27.1	26.4	27.8	27.9	27.8
NPM (%)	24.2	21.4	19.3	18.7	20.7
ROA (%)	8.7	7.8	6.2	5.6	6.4
ROE (%)	21.2	17.9	14.4	13.9	16.1
Stability					
Debt to equity ratio (x)	0.9	0.9	1.1	1.2	1.2
Net debt ratio (x)	1.7	2.0	2.8	2.5	2.5
Cash ratio	0.5	0.6	0.4	0.5	0.5
Interest coverage ratio (x)	6.7	5.7	3.1	3.2	4.0
Activity (%)					
Payable turnover (days)	9	11	7	8	7
Inventory turnover (days)	3	3	2	3	2
Receivable turnover (days)	7	7	7	7	7

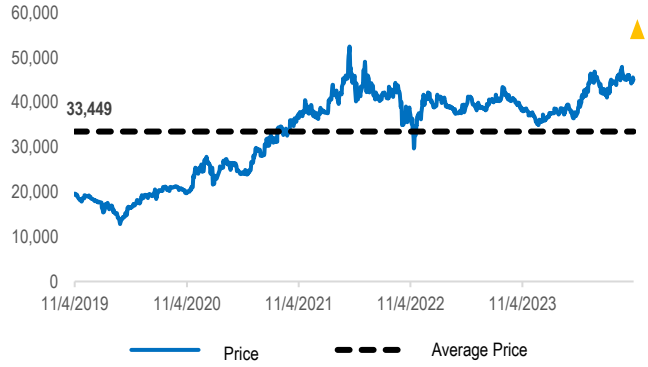
Source: Company data, Shinhan Securities Company

Binh Duong Water Environment JSC (BWE VN)

Stock price



Target price



Date	Rating	Target price (VND)	Target price gap (%)	
			Average	Max/ Min
May 07th, 2024 (Initial report)	BUY	55,750	26.1	12.6/40.1
Nov 01st, 2024 (Updated report)	BUY	58,000	28.39	9.2/49.8

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

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