

T.A.C. CONSUMER TACC TB

THAILAND / AGRO & FOOD INDUSTRY

BUY

 UNCHANGED

2Q23 results at first glance

TARGET PRICE	THB6.60
CLOSE	THB4.74
UP/DOWNSIDE	+39.2%
TP vs CONSENSUS	-9.4%

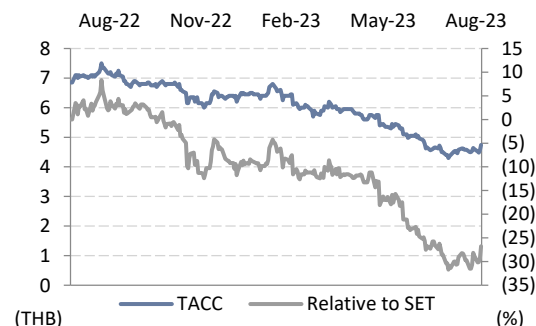
2Q23 net profit in line with our estimate – we are impressed by its revenue growth and gross margin recovery

Highlights

- TACC posted a 2Q23 net profit of THB54m (+27.4% q-q, -21.2% y-y). Excluding an FX gain of THB0.6m, the company's 2Q23 core profit was equal to THB53m (+26% q-q, -16.7% y-y), in line with our estimate.
- The q-q profit growth was mainly from 1) the high season of the beverage industry; 2) declining raw material costs; and 3) a higher selling price for powered drinks.
- We are impressed with the 2Q23 total revenue growth of 17.7% q-q and 16.1% y-y – higher than 7-Eleven's SSSG at 7.9% y-y, thanks to the seasonality and the launch of new flavors as seasonal beverages for 7-Eleven.
- Its 2Q23 gross margin recovered to 32.7%, up from a low margin at 31.6% in 1Q23. However, it still dropped from 36.8% in 2Q22 due to higher raw material costs.
- SG&A to sales increased to 17.7%, up from 17.1% in 1Q23 and 15.6% in 2Q22, due to higher marketing and personnel expenses.
- Its 2Q23 sharing loss contribution from TCI was high at THB2.4m, equal to 1Q23. We expect to see this sharing loss disappear, if TACC can exit from TCI within 2H23.
- TACC's 1H23 net profit was equal to THB96m (-25% y-y), accounting for 48% of our 2023 profit forecast. We expect that its net profit will continue to recover in 2H23, in line with the seasonality and a gross margin recovery, after raw material costs decline.
- We maintain our 2023 net profit estimate of a 14.4% y-y drop, with 22.6% y-y growth expected in 2024. We retain our BUY call and TP of THB6.6.
- TACC announced a 1H23 DPS of THB0.17, implying a high dividend yield of 3.6%.
- TACC's board approved the treasury stock program with an amount not exceeding THB50m and the number of repurchased shares not exceeding 11 million shares, or 1.81% of total paid-up capital. The repurchase period is from 17 August 2023 to 16 February 2024.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,523	1,672	1,845	2,039
Net profit	235	201	247	281
EPS (THB)	0.39	0.33	0.41	0.46
vs Consensus (%)	-	-	0.0	-
EBITDA	315	294	354	406
Recurring net profit	231	201	247	281
Core EPS (THB)	0.38	0.33	0.41	0.46
EPS growth (%)	11.7	(13.0)	22.6	14.0
Core P/E (x)	12.5	14.3	11.7	10.2
Dividend yield (%)	7.6	6.3	7.7	8.8
EV/EBITDA (x)	7.1	7.7	6.4	5.5
Price/book (x)	3.8	3.7	3.6	3.4
Net debt/Equity (%)	(83.4)	(79.0)	(78.1)	(78.5)
ROE (%)	30.7	26.0	31.0	34.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.7	(17.6)	(31.8)
Relative to country (%)	5.2	(15.6)	(28.1)
Mkt cap (USD m)	82		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	66		
Major shareholder	Mr.Chatchawe Vatanasuk (24%)		
12m high/low (THB)	7.55/4.24		
Issued shares (m)	608.00		

Sources: Bloomberg consensus; FSSIA estimates


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Exhibit 1: TACC – 2Q23 operations summary

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	----- Change -----		1H22	1H23	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	337	385	382	420	380	447	17.7	16.1	722	827	14.5
Cost	206	243	247	290	260	301	15.8	23.6	449	561	24.8
Gross profit	131	142	134	129	120	146	21.6	3.2	273	266	(2.5)
SG&A	57	60	61	75	65	79	21.7	31.4	117	144	23.3
Operating profit	76	82	75	61	57	69	20.9	(15.8)	158	126	(20.4)
Profit (-loss) sharing	(0.3)	(0.3)	(0.3)	(0.4)	(2.4)	(2.4)	<i>nm</i>	<i>nm</i>	(1)	(5)	<i>nm</i>
Tax expense	15	17	15	12	12	14	13.9	(20.4)	32	26	(20.5)
Reported net profit	61	68	62	44	42	54	27.4	(21.2)	129	96	(25.4)
Core profit	61	64	59	48	42	53	26.0	(16.7)	125	96	(23.3)
Key ratios (%)											
Gross margin	39.0	36.8	35.1	30.8	31.6	32.7	1.1	(4.1)	37.8	32.2	(5.6)
SG&A / Sales	16.8	15.6	16.1	17.8	17.1	17.7	0.6	2.1	16.2	17.4	1.2
Operating margin	22.7	21.3	19.6	14.4	15.0	15.4	0.4	(5.8)	21.9	15.3	(6.7)
Net margin	18.0	17.8	16.3	10.5	11.1	12.1	0.9	(5.7)	17.9	11.6	(6.2)
Core margin	18.0	16.6	15.4	11.5	11.1	11.9	0.8	(4.7)	17.3	11.6	(5.7)

Sources: TACC; FSSIA estimates

Financial Statements

T.A.C. Consumer

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	1,341	1,523	1,672	1,845	2,039
Cost of goods sold	(831)	(987)	(1,129)	(1,218)	(1,336)
Gross profit	510	536	543	627	703
Other operating income	5	10	7	6	7
Operating costs	(252)	(253)	(286)	(317)	(351)
Operating EBITDA	287	315	294	354	406
Depreciation	(24)	(22)	(30)	(38)	(46)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	263	293	264	316	360
Net financing costs	(1)	(1)	(1)	(1)	(1)
Associates	(1)	(1)	(10)	(5)	(5)
Recurring non-operating income	(1)	(1)	(10)	(5)	(5)
Non-recurring items	7	4	0	0	0
Profit before tax	267	295	253	310	354
Tax	(53)	(59)	(52)	(63)	(72)
Profit after tax	214	235	201	247	281
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	214	235	201	247	281
Non-recurring items & goodwill (net)	(7)	(4)	0	0	0
Recurring net profit	207	231	201	247	281
Per share (THB)					
Recurring EPS *	0.34	0.38	0.33	0.41	0.46
Reported EPS	0.35	0.39	0.33	0.41	0.46
DPS	0.33	0.36	0.30	0.37	0.42
Diluted shares (used to calculate per share data)	608	608	608	608	608
Growth					
Revenue (%)	2.0	13.6	9.8	10.3	10.5
Operating EBITDA (%)	12.6	9.9	(6.7)	20.5	14.5
Operating EBIT (%)	11.4	11.6	(9.9)	19.8	13.7
Recurring EPS (%)	9.9	11.7	(13.0)	22.6	14.0
Reported EPS (%)	13.7	9.8	(14.4)	22.6	14.0
Operating performance					
Gross margin inc. depreciation (%)	38.0	35.2	32.5	34.0	34.5
Gross margin exc. depreciation (%)	39.8	36.6	34.3	36.0	36.7
Operating EBITDA margin (%)	21.4	20.7	17.6	19.2	19.9
Operating EBIT margin (%)	19.6	19.3	15.8	17.2	17.7
Net margin (%)	15.5	15.2	12.0	13.4	13.8
Effective tax rate (%)	19.9	20.2	20.4	20.4	20.4
Dividend payout on recurring profit (%)	96.8	94.6	90.0	90.0	90.0
Interest cover (X)	243.0	253.4	209.4	263.2	308.1
Inventory days	20.8	20.3	18.6	19.9	19.8
Debtor days	68.5	68.5	71.3	71.5	71.4
Creditor days	101.9	101.3	101.1	99.4	99.0
Operating ROIC (%)	138.7	178.8	163.4	160.6	172.7
ROIC (%)	115.2	131.8	117.0	123.1	133.1
ROE (%)	28.3	30.7	26.0	31.0	34.3
ROA (%)	20.0	20.7	16.9	19.9	21.6
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
B2B sales	1,301	1,417	1,544	1,692	1,863
B2C sales	40	107	128	154	177

Sources: T.A.C. Consumer; FSSIA estimates

Financial Statements

T.A.C. Consumer

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	207	231	201	247	281
Depreciation	24	22	30	38	46
Associates & minorities	1	1	10	5	5
Other non-cash items	0	4	0	0	0
Change in working capital	(11)	16	(32)	(12)	(10)
Cash flow from operations	221	274	209	278	323
Capex - maintenance	(53)	(21)	(49)	(47)	(47)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(53)	(21)	(49)	(47)	(47)
Dividends paid	(195)	(215)	(181)	(222)	(253)
Equity finance	0	0	0	0	0
Debt finance	7	(2)	0	(1)	(1)
Other financing cash flows	3	35	3	3	3
Cash flow from financing	(185)	(182)	(178)	(220)	(251)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(17)	72	(18)	11	25
Free cash flow to firm (FCFF)	168.99	254.52	161.06	232.07	276.91
Free cash flow to equity (FCFE)	177.60	286.52	163.41	232.78	277.99

Per share (THB)

FCFF per share	0.28	0.42	0.26	0.38	0.46
FCFE per share	0.29	0.47	0.27	0.38	0.46
Recurring cash flow per share	0.38	0.42	0.40	0.48	0.55

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	192	207	224	242	261
Less: Accumulated depreciation	(79)	(95)	(101)	(117)	(142)
Tangible fixed assets (net)	113	113	123	125	119
Intangible fixed assets (net)	1	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	29	27	27	27	27
Cash & equivalents	583	655	637	648	672
A/C receivable	262	310	344	379	419
Inventories	57	50	62	67	73
Other current assets	2	6	7	7	8
Current assets	905	1,021	1,049	1,101	1,173
Other assets	17	17	17	18	20
Total assets	1,065	1,179	1,216	1,272	1,340
Common equity	742	763	783	808	836
Minorities etc.	0	0	0	0	0
Total shareholders' equity	742	763	783	808	836
Long term debt	15	12	14	12	11
Other long-term liabilities	21	27	30	33	37
Long-term liabilities	36	39	44	46	48
A/C payable	236	300	309	334	366
Short term debt	6	6	5	5	5
Other current liabilities	44	71	75	80	85
Current liabilities	286	377	389	418	456
Total liabilities and shareholders' equity	1,065	1,179	1,216	1,272	1,340
Net working capital	41	(4)	28	40	49
Invested capital	201	153	194	210	216

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	1.22	1.25	1.29	1.33	1.37
Tangible book value per share	1.22	1.25	1.29	1.33	1.37

Financial strength

Net debt/equity (%)	(75.8)	(83.4)	(79.0)	(78.1)	(78.5)
Net debt/total assets (%)	(52.8)	(54.0)	(50.9)	(49.6)	(49.0)
Current ratio (x)	3.2	2.7	2.7	2.6	2.6
CF interest cover (x)	166.1	249.7	135.6	197.7	242.4

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	13.9	12.5	14.3	11.7	10.2
Recurring P/E @ target price (x) *	19.4	17.3	19.9	16.3	14.3
Reported P/E (x)	13.5	12.3	14.3	11.7	10.2
Dividend yield (%)	7.0	7.6	6.3	7.7	8.8
Price/book (x)	3.9	3.8	3.7	3.6	3.4
Price/tangible book (x)	3.9	3.8	3.7	3.6	3.4
EV/EBITDA (x) **	8.1	7.1	7.7	6.4	5.5
EV/EBITDA @ target price (x) **	12.0	10.7	11.5	9.5	8.3
EV/invested capital (x)	11.5	14.7	11.6	10.7	10.3

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: T.A.C. Consumer; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

Corporate Governance Report Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **E**nvironmental, and **S**ocial issues, by managing business with transparency in **G**overnance. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **E**conomic (CG, risk management, customer relation management, supply chain management, and innovation); **E**nvironmental (environmental management, eco-efficiency, and climate risk); **S**ocial (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

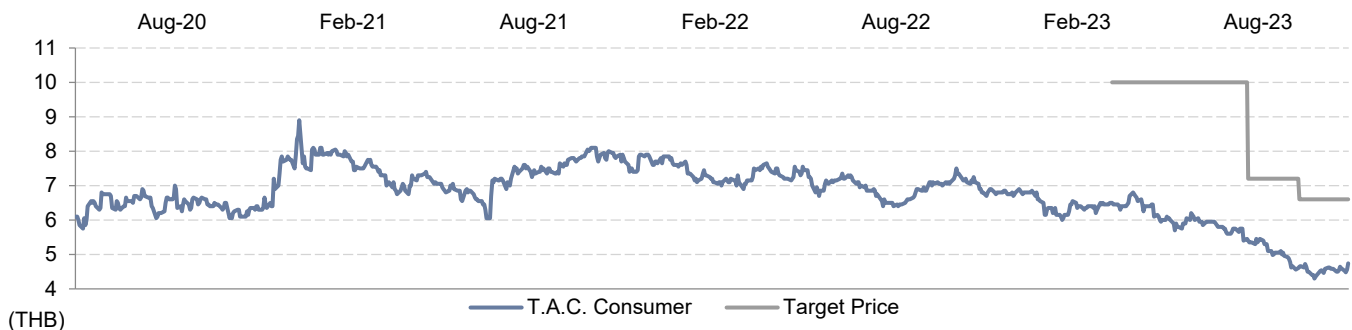
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

T.A.C. Consumer (TACC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	10.00	15-May-2023	BUY	7.20	28-Jun-2023	BUY	6.60

Sureporn Teewasuwet started covering this stock from 18-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
T.A.C. Consumer	TACC TB	THB 4.74	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected recovery in consumption; 2) the high volatility of raw material prices; 3) rain and cold weather lasting longer than expected; and 4) changing consumer demand and lifestyles.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 10-Aug-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.