

SISB SISB TB

THAILAND / PROFESSIONAL SERVICE

BUY

UNCHANGED

Key takeaways from analyst meeting

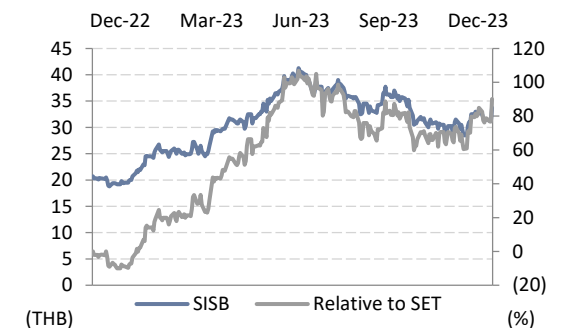
TARGET PRICE	THB42.00
CLOSE	THB33.75
UP/DOWNSIDE	+24.4%
TP vs CONSENSUS	+3.8%

Highlights

- The growing demand for international education in Thailand has been a blessing for SISB. Three campuses, Pracha-Uthit (PU), Thonburi (TR), and Chiangmai (CM) are currently running at around 80% utilization with some classes exceeding capacity. Management is proceeding with the expansion of its existing campuses as planned.
- With the first half of its expansion (150 seats) at PU campus being completed in October 2023, SISB currently has a total registered capacity of 6,715 seats from all six campuses. The company plans to add an additional 1,350 seats: 150 seats at PU campus (to be ready by August 2024), 300 seats at CM campus (to be ready by January 2024), and 900 seats at TR campus (to be ready by August 2025).
- Once completed, SISB will have a total enrolment capacity of 8,065 seats by 2025. Management expects the total number of students to reach 4,200 at end-2023 (+1,066 students y-y), with an additional 400 students per year during the next three years. Capacity utilization could then be 67% by 2026.
- The construction budget for the first half of the renovation at PU and CM is cTHB108m, while the second half of the renovation at PU is now under revisions, and the land acquisition and construction budget for TR is under the approval process.
- We estimate all six campuses to generate EBITDA of THB801m in 2023, THB1.1b in 2024, and THB1.3b in 2025. Its cash flow from operations is more than sufficient to fund these expansions.
- Management is still interested in untapped demand for international schools. The 'Halving Project' designed to offer English as the language of learning with an affordable price is still in the pipeline. This project would not only provide an alternative option for families in Greater Bangkok or upcountry but also can leverage SISB's strong points.
- We project a preliminary profit of around THB190m-200m in 4Q23, rising approximately 50% q-q. Our profit growth forecast of 46% y-y and 18% y-y in 2024-25 is maintained. We reiterate our BUY call on SISB with a TP of THB42 (DCF, 8.2% WACC, 5% LTG).

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,319	1,894	2,384	2,723
Net profit	369	613	892	1,052
EPS (THB)	0.39	0.65	0.95	1.12
vs Consensus (%)	-	(5.8)	2.4	(5.7)
EBITDA	551	801	1,110	1,283
Recurring net profit	369	613	892	1,052
Core EPS (THB)	0.39	0.65	0.95	1.12
EPS growth (%)	73.1	66.0	45.6	17.9
Core P/E (x)	85.9	51.8	35.6	30.2
Dividend yield (%)	0.3	0.8	1.1	1.3
EV/EBITDA (x)	57.0	39.1	28.3	24.5
Price/book (x)	13.9	11.9	9.9	8.9
Net debt/Equity (%)	(15.4)	(14.3)	(9.7)	(7.4)
ROE (%)	17.2	24.8	30.5	31.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.8	(5.6)	69.6
Relative to country (%)	12.1	5.2	100.4
Mkt cap (USD m)	903		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	41.50/18.50		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530
 jitra.a@fssia.com, +66 2646 9966

Exhibit 1: PU secondary expansion (+300 seats)



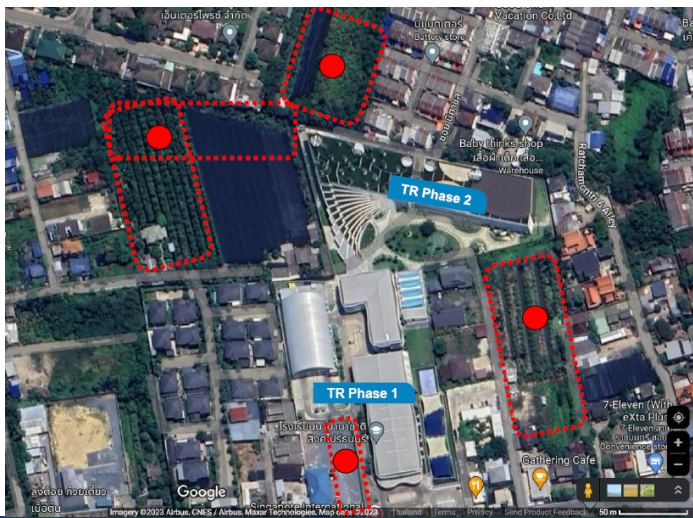
Source: SISB presentation 3Q23

Exhibit 2: CM phase 2 construction update (+300 seats)



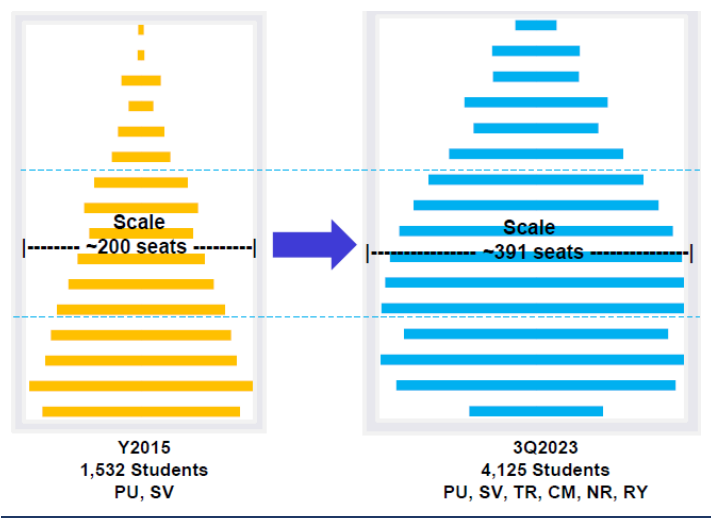
Source: SISB presentation 3Q23

Exhibit 3: TR phase 3 construction plan (+900 seats)



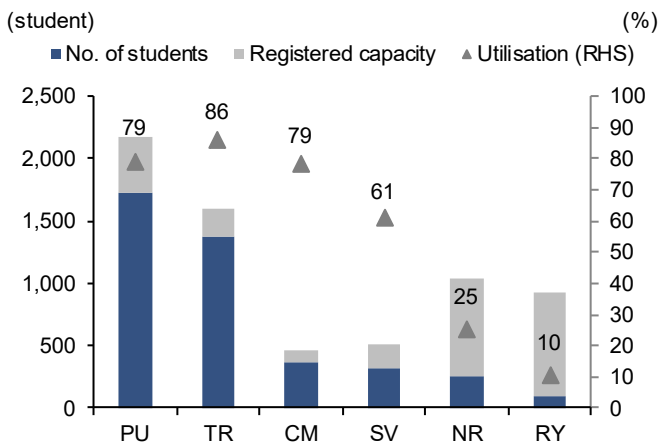
Source: SISB presentation 3Q23

Exhibit 4: SISB student demographics



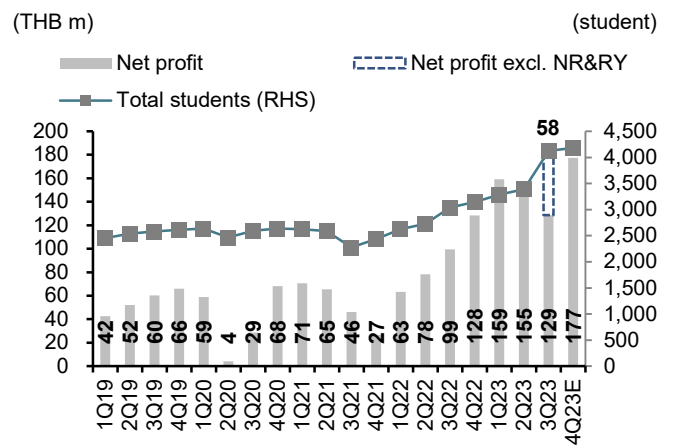
Source: SISB presentation 3Q23

Exhibit 5: Number of students and capacity by campus



Sources: SISB, FSSIA's compilation

Exhibit 6: Net profit and accumulated students



Sources: SISB, FSSIA estimates

Financial Statements

SISB

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	1,055	1,319	1,894	2,384	2,723
Cost of goods sold	(558)	(653)	(847)	(974)	(1,096)
Gross profit	496	666	1,047	1,410	1,626
Other operating income	20	25	30	28	32
Operating costs	(279)	(301)	(456)	(539)	(602)
Operating EBITDA	390	551	801	1,110	1,283
Depreciation	(152)	(161)	(180)	(211)	(227)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	238	390	621	899	1,056
Net financing costs	(26)	(25)	(26)	(25)	(25)
Associates	1	5	18	20	22
Recurring non-operating income	1	5	18	20	22
Non-recurring items	0	0	0	0	0
Profit before tax	213	370	614	894	1,054
Tax	0	(1)	(1)	(2)	(2)
Profit after tax	213	369	613	892	1,052
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	213	369	613	892	1,052
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	213	369	613	892	1,052
Per share (THB)					
Recurring EPS *	0.23	0.39	0.65	0.95	1.12
Reported EPS	0.23	0.39	0.65	0.95	1.12
DPS	0.08	0.10	0.26	0.38	0.45
Diluted shares (used to calculate per share data)	940	940	940	940	940
Growth					
Revenue (%)	0.6	25.1	43.6	25.9	14.2
Operating EBITDA (%)	14.4	41.3	45.4	38.5	15.7
Operating EBIT (%)	28.8	63.8	59.2	44.8	17.5
Recurring EPS (%)	33.2	73.1	66.0	45.6	17.9
Reported EPS (%)	33.2	73.1	66.0	45.6	17.9
Operating performance					
Gross margin inc. depreciation (%)	47.1	50.5	55.3	59.2	59.7
Gross margin exc. depreciation (%)	61.4	62.7	64.8	68.0	68.1
Operating EBITDA margin (%)	37.0	41.7	42.3	46.5	47.1
Operating EBIT margin (%)	22.6	29.6	32.8	37.7	38.8
Net margin (%)	20.2	28.0	32.4	37.4	38.6
Effective tax rate (%)	0.1	0.2	0.2	0.2	0.2
Dividend payout on recurring profit (%)	33.5	25.5	40.0	40.0	40.0
Interest cover (X)	9.4	15.6	25.0	36.6	43.7
Inventory days	6.7	5.7	4.1	3.8	3.5
Debtor days	25.3	22.6	20.0	23.6	28.0
Creditor days	72.2	86.3	83.9	74.7	45.1
Operating ROIC (%)	19.5	23.8	31.5	36.0	(0.3)
ROIC (%)	13.7	18.6	25.8	30.5	(0.3)
ROE (%)	11.0	17.2	24.8	30.5	31.1
ROA (%)	7.3	10.9	15.4	20.2	21.8
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Tuition fees and service income	1,050	1,311	1,885	2,375	2,713
Education equipment revenue	5	9	9	10	10

Sources: SISB; FSSIA estimates

Financial Statements

SISB

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	213	369	613	892	1,052
Depreciation	152	161	180	211	227
Associates & minorities	(1)	(5)	(18)	(20)	(22)
Other non-cash items	0	0	0	0	0
Change in working capital	22	198	362	(284)	(160)
Cash flow from operations	386	723	1,137	799	1,097
Capex - maintenance	-	-	-	-	-
Capex - new investment	(591)	(452)	(556)	(448)	(432)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	0	0	0	0	0
Cash flow from investing	(591)	(452)	(556)	(448)	(432)
Dividends paid	(71)	(94)	(245)	(357)	(421)
Equity finance	0	0	0	0	0
Debt finance	(33)	(36)	44	49	46
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(104)	(130)	(202)	(308)	(375)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	65	0	0	0	0
Net other adjustments	65	(96)	(359)	(124)	(341)
Movement in cash	(244)	46	19	(80)	(51)
Free cash flow to firm (FCFF)	(179.69)	296.58	605.78	376.47	689.88
Free cash flow to equity (FCFE)	(172.72)	139.69	264.42	276.60	370.10

Per share (THB)

FCFF per share	(0.19)	0.32	0.64	0.40	0.73
FCFE per share	(0.18)	0.15	0.28	0.29	0.39
Recurring cash flow per share	0.39	0.56	0.82	1.15	1.34

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	2,697	3,327	3,927	4,427	4,927
Less: Accumulated depreciation	(697)	(833)	(1,013)	(1,224)	(1,451)
Tangible fixed assets (net)	1,999	2,493	2,913	3,203	3,475
Intangible fixed assets (net)	8	1	10	10	10
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	55	60	60	60	60
Cash & equivalents	764	810	829	749	698
A/C receivable	70	93	114	195	223
Inventories	8	7	8	8	8
Other current assets	21	15	16	16	16
Current assets	863	926	966	968	946
Other assets	408	434	442	451	460
Total assets	3,334	3,914	4,392	4,692	4,951
Common equity	2,014	2,290	2,657	3,193	3,568
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,014	2,290	2,657	3,193	3,568
Long term debt	445	442	434	425	416
Other long-term liabilities	239	323	376	434	488
Long-term liabilities	684	766	809	859	904
A/C payable	84	149	158	155	60
Short term debt	12	14	16	15	16
Other current liabilities	539	696	752	470	403
Current liabilities	635	858	925	640	479
Total liabilities and shareholders' equity	3,334	3,914	4,392	4,692	4,951
Net working capital	(524)	(728)	(773)	(406)	(215)
Invested capital	1,947	2,260	2,653	3,318	3,791

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

Per share (THB)

Book value per share	2.14	2.44	2.83	3.40	3.80
Tangible book value per share	2.13	2.43	2.82	3.39	3.79

Financial strength

Net debt/equity (%)	(15.2)	(15.4)	(14.3)	(9.7)	(7.4)
Net debt/total assets (%)	(9.2)	(9.0)	(8.6)	(6.6)	(5.4)
Current ratio (x)	1.4	1.1	1.0	1.5	2.0
CF interest cover (x)	17.4	24.4	33.1	29.9	33.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	148.7	85.9	51.8	35.6	30.2
Recurring P/E @ target price (x) *	185.1	106.9	64.4	44.2	37.5
Reported P/E (x)	148.7	85.9	51.8	35.6	30.2
Dividend yield (%)	0.2	0.3	0.8	1.1	1.3
Price/book (x)	15.7	13.9	11.9	9.9	8.9
Price/tangible book (x)	15.8	13.9	12.0	10.0	8.9
EV/EBITDA (x) **	80.6	57.0	39.1	28.3	24.5
EV/EBITDA @ target price (x) **	100.5	71.0	48.8	35.3	30.6
EV/invested capital (x)	16.1	13.9	11.8	9.5	8.3

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

Sources: SISB; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.																											
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating 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.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
NEGL	Low	Medium	High	Severe																									
0-10	10-20	20-30	30-40	40+																									
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																										
AA	7.143-8.570																												
A	5.714-7.142																												
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																										
BB	2.857-4.285																												
B	1.429-2.856																												
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																										
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

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"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum 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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

SISB (SISB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Mar-2023	BUY	30.00	08-Jun-2023	BUY	45.00	26-Sep-2023	BUY	42.00

Jitra Amornthum started covering this stock from 27-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SISB	SISB TB	THB 33.75	BUY	Downside risks to our DCF-based TP include 1) intensified competition; 2) less demand from China; 3) staff shortages; and 4) risks from legal requirements and government policies relating to the business of private schools.

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.

All share prices are as at market close on 06-Dec-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.