

India

**ADD** (no change)

Consensus ratings\*: Buy 35 Hold 3 Sell 1

Current price:	Rs343
Target price:	Rs435
Previous target:	Rs480
Up/downside:	26.8%
InCred Research / Consensus:	-10.1%
Reuters:	CROP.NS
Bloomberg:	CROMPTON IN
Market cap:	US\$2,544m
	Rs220,870m
Average daily turnover:	US\$11.6m
	Rs1010.4m
Current shares o/s:	643.1m
Free float:	12.5%

\*Source: Bloomberg

**Key changes in this note**

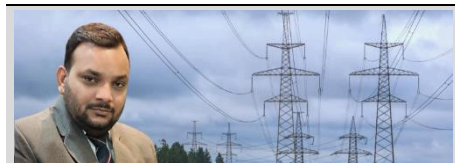
- Cut our revenue estimates by 2%/3%/3%, EBITDA estimates by 3%/2%/2% and PAT estimates by 4%/2%/2% for FY25F/26F/27F, respectively.



Price performance	1M	3M	12M
Absolute (%)	(4.6)	(12.1)	19.6
Relative (%)	(3.3)	(9.4)	11.4

Major shareholders	% held
HDFC Mutual Fund	9.5
Mirae Asset Tax Saver Fund	5.3
Nippon Life	5.5

**Research Analyst(s)**



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# Crompton Greaves Consumer Electricals

## Focus on cost optimization & premiumization

- 3Q EBITDA rose by 25% YoY to Rs1.9bn, 5% above our/Bloomberg consensus estimates. Margin surged by 178bp YoY to 10.6% led by cost optimization.
- Butterfly business showed signs of recovery. While revenue declined slightly, the EBIT margin improved by 600bp led by positive pricing action.
- We retain our ADD rating on the stock while valuing it at 35x FY27F EPS (40x Sep 2026F earlier) with a lower target price of Rs435.

### Cost optimization improves profitability

Crompton Greaves Consumer Electricals or CGCEL reported consolidated 3QFY25 revenue of Rs17.7bn, up by ~5% YoY, 4% below our/Bloomberg or BB consensus estimates. The ECD segment's revenue grew 6.5% YoY while Butterfly products witnessed a decline of 4% for the quarter. However, EBITDA improved by 25% YoY to Rs1.9bn, 5% above our/BB consensus estimates. Margin expanded by 178bp YoY to 10.6% led by cost optimization. PAT came in at Rs1.1bn, up 31% YoY, in line with our estimate and 4% below BB consensus estimate. The fan business saw mid-single-digit growth, driven by TPWF fans. Moreover, there was strong inventory build-up in air coolers ahead of the summer season. CGCEL is optimistic about the fan market, expecting reasonable strength in demand, depending on the weather conditions.

### New product launches and Crompton 2.0 to aid growth

CGCEL is set to launch new energy-efficient products, including a high-speed five-star induction fan (HS Duro) and a water heater with remote control capabilities. These innovations are part of CGCEL's broader strategy to premiumize its product portfolio. The Crompton 2.0 strategy is well in place, including the development of next-generation BLDC (brushless DC) and induction fan platforms. These innovations are expected to drive future product launches and strengthen CGCEL's market position. Moreover, the company has deepened its engagement with channel partners through digital platforms, improving overall experience and efficiency.

### Valuation and outlook

CGCEL is all set to benefit from higher premiumization and new product launches in the near term. Butterfly products have witnessed margin improvement during the quarter and is expected to post revenue growth in the next few quarters. We cut our revenue estimates by 2%/3%/3%, EBITDA estimates by 3%/2%/2% and PAT estimates by 4%/2%/2% for FY25F/26F/27F, respectively. We retain our ADD rating on the stock while valuing it at 35x FY27F EPS (40x Sep 2026F earlier) with a lower target price of Rs435 (Rs480 earlier) Downside risks: Realignment delay and lower-than-estimated margin.

Financial Summary	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	68,696	73,128	81,214	90,067	101,184
Operating EBITDA (Rsm)	7,705	7,137	8,927	10,533	11,736
Net Profit (Rsm)	4,764	4,418	5,790	7,050	7,949
Core EPS (Rs)	7.5	6.9	9.0	11.0	12.4
Core EPS Growth	(19.8%)	(7.5%)	30.8%	21.8%	12.7%
FD Core P/E (x)	45.89	49.60	37.93	31.15	27.63
DPS (Rs)	3.0	3.0	4.0	5.0	6.0
Dividend Yield	0.87%	0.87%	1.17%	1.46%	1.76%
EV/EBITDA (x)	29.30	30.84	24.41	20.47	18.01
P/FCFE (x)	(37.83)	80.32	125.71	40.51	31.14
Net Gearing	8.5%	(10.2%)	(16.6%)	(20.8%)	(28.5%)
P/BV (x)	8.22	7.31	6.61	5.93	5.34
ROE	18.6%	15.6%	18.3%	20.1%	20.3%
% Change In Core EPS Estimates			(5.14%)	(2.94%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## 3QFY25 conference-call highlights

- **Overview:** CGCEL reported modest revenue growth in 3QFY25. However, profitability improved due to cost optimization. The company has made significant efforts in digitizing its operations, including a dealer portal that has improved scheme settlement and channel partner engagement. Additionally, real-time monitoring of after-sales service has enhanced customer satisfaction.
- **ECD segment:**
  - **Fans:** The fan business saw mid-single-digit growth, driven by TPW fans. New premium models like Luxion, Cairo, and Festo were introduced to strengthen the market position. Demand for TPW fans has been growing faster than that of ceiling fans. The company expects this sub-segment to continue growing due to low penetration and changing weather patterns.
  - **Pumps:** This sub-segment grew by 19% YoY, fueled by the successful ramp-up of the solar pump business. Innovations like SWJ and Dura pumps contributed to growth. The non-solar pump business is growing at industry pace, while the solar pumps business has garnered Rs2,000m of business since the launch last year. Pricing and margin in the solar pump sub-segment is not a concern.
  - **Appliances:** The appliances business, including small domestic appliances and air coolers, showed strong momentum. Air coolers achieved the highest-ever pre-season growth, while mixer-grinders saw a 46% YoY increase due to robust demand and new product launches.
- **Lighting:** The lighting business posted 3% YoY growth, driven by B2C items like batons, outdoor lighting, and accessories. B2B lighting also saw growth in industrial and commercial categories. CGCEL has expanded into industrial and commercial lighting to mitigate challenges. The company maintains a disciplined approach to margin in this tender-driven business. The lighting business has completed its fundamental corrections and is growing at an industry-leading rate.
- **Crompton 2.0:** The strategy is well in place, including the development of next-generation BLDC (brushless DC) and induction fan platforms. These innovations are expected to drive future product launches and strengthen the company's market position.
- **Butterfly:** Its business showed signs of a recovery. While revenue declined slightly, the EBIT margin improved by 600bp, driven by gross margin expansion and pricing action. The recovery in Butterfly's business is attributed to the improvement in channel parity, focusing on core categories, and optimizing resourcing. These efforts are still work-in-progress but are showing positive results.
- **Inventory:** There was strong inventory build-up in air coolers ahead of the summer season. The company expressed optimism about the fan market, expecting reasonable strength in demand, depending on the weather conditions.
- **Debt reduction:** CGCEL has reduced its debt to Rs3bn, leading to a decrease in finance costs and other income.
- **Channel engagement:** The company has deepened its engagement with channel partners through digital platforms, improving the overall experience and efficiency in scheme settlements.
- **After-sales service:** CGCEL has implemented real-time monitoring of after-sales service, addressing over 55,000 customer calls in a few weeks. This initiative aims to enhance customer satisfaction and leverage the company's established consumer base.
- **Budget impact:** Management commented on the Union budget, noting its long-term approach and the focus on increasing disposable incomes, which could benefit the durable goods segment. The company is confident about its

strategic initiatives and the ability to drive long-term sustainable growth. The company remains focused on innovation, digitization, and operational efficiency to maintain its market leadership.

**Figure 1: Results snapshot**

Y/E Mar (Rs m)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
<b>Total income</b>	<b>17,692</b>	<b>16,927</b>	<b>4.5%</b>	<b>18,960</b>	<b>-6.7%</b>	<b>58,029</b>	<b>53,518</b>	<b>8.4%</b>
Net raw material costs	11,801	11,428	3.3%	12,756	-7.5%	39,118	36,651	6.7%
Staff costs	1,497	1,457	2.8%	1,597	-6.3%	4,712	4,392	7.3%
Other expenditure	2,514	2,544	-1.2%	2,572	-2.3%	7,962	7,374	8.0%
Total expenditure	15,812	15,429	2.5%	16,926	-6.6%	51,791	48,417	7.0%
<b>EBITDA</b>	<b>1,880</b>	<b>1,498</b>	<b>25.5%</b>	<b>2,034</b>	<b>-7.6%</b>	<b>6,238</b>	<b>5,101</b>	<b>22.3%</b>
<b>EBITDA margin (%)</b>	<b>10.6%</b>	<b>8.8%</b>	<b>178 bps</b>	<b>10.7%</b>	<b>-10 bps</b>	<b>10.7%</b>	<b>9.5%</b>	<b>122 bps</b>
Depreciation	379	325	16.8%	382	-0.6%	1,133	938	20.8%
EBIT	1,501	1,173	27.9%	1,653	-9.2%	5,105	4,163	22.6%
Interest expenses.	105	215	-51.4%	120	-13.0%	380	636	-40.2%
Other inc.	116	167	-30.4%	175	-33.8%	529	514	3.0%
PBT	1,512	1,125	34.4%	1,707	-11.5%	5,254	4,040	30.0%
Tax - current	425	264	61.4%	453	-6.1%	1,465	1,016	44.2%
Tax - deferred	-33	7	-593.9%	-26	24.9%	-135	-60	126.1%
Reported PAT	1,119	855	31.0%	1,281	-12.6%	3,923	3,084	27.2%
<b>Adjusted PAT</b>	<b>1,119</b>	<b>855</b>	<b>31.0%</b>	<b>1,281</b>	<b>-12.6%</b>	<b>3,923</b>	<b>3,084</b>	<b>27.2%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Margin and cost analysis**

	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
<b>Margins (%)</b>								
Gross margin	33.3%	32.5%	81bp	32.7%	58bp	32.6%	31.5%	107bp
EBITDA margin	10.6%	8.8%	178bp	10.7%	-10bp	10.7%	9.5%	122bp
PAT margin	6.3%	5.0%	128bp	6.8%	-43bp	6.8%	5.8%	100bp
Effective tax rate	26.0%	24.0%	196bp	25.0%	98bp	25.3%	23.7%	165bp
<b>Cost analysis (%)</b>								
Total RM costs (%)	66.7%	67.5%	-81bp	67.3%	-58bp	67.4%	68.5%	-107bp
Staff costs	8.5%	8.6%	-14bp	8.4%	4bp	8.1%	8.2%	-9bp
Other expenditure	14.2%	15.0%	-82bp	13.6%	64bp	13.7%	13.8%	-6bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Segment revenue and EBIT**

Y/E Mar (Rs m)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
<b>Revenue</b>								
ECD	12,878	12,093	6.5%	13,927	-7.5%	44,071	38,762	13.7%
Lighting products	2,577	2,494	3.4%	2,531	1.8%	7,442	7,171	3.8%
Butterfly products	2,237	2,341	-4.4%	2,502	-10.6%	6,516	7,586	-14.1%
<b>Total</b>	<b>17,692</b>	<b>16,927</b>	<b>4.5%</b>	<b>18,960</b>	<b>-6.7%</b>	<b>58,029</b>	<b>53,518</b>	<b>8.4%</b>
<b>EBIT</b>								
ECD	1,957	1,642	19.2%	2,064	-5.2%	6,608	5,214	26.7%
Lighting products	278	280	-0.8%	271	2.7%	757	803	-5.7%
Butterfly products	123	-19	-741.7%	177	-30.4%	341	343	-0.4%
<b>Total</b>	<b>2,358</b>	<b>1,903</b>	<b>23.9%</b>	<b>2,512</b>	<b>-6.1%</b>	<b>7,706</b>	<b>6,359</b>	<b>21.2%</b>
<b>EBIT margin (%)</b>								
ECD	15.2%	13.6%	162bp	14.8%	38bp	15.0%	13.5%	154bp
Lighting products	10.8%	11.2%	-45bp	10.7%	9bp	10.2%	11.2%	-102bp
Butterfly products	5.5%	-0.8%	633bp	7.1%	-157bp	5.2%	4.5%	72bp
<b>Total</b>	<b>13%</b>	<b>11%</b>	<b>209bp</b>	<b>13%</b>	<b>8bp</b>	<b>13%</b>	<b>12%</b>	<b>140bp</b>

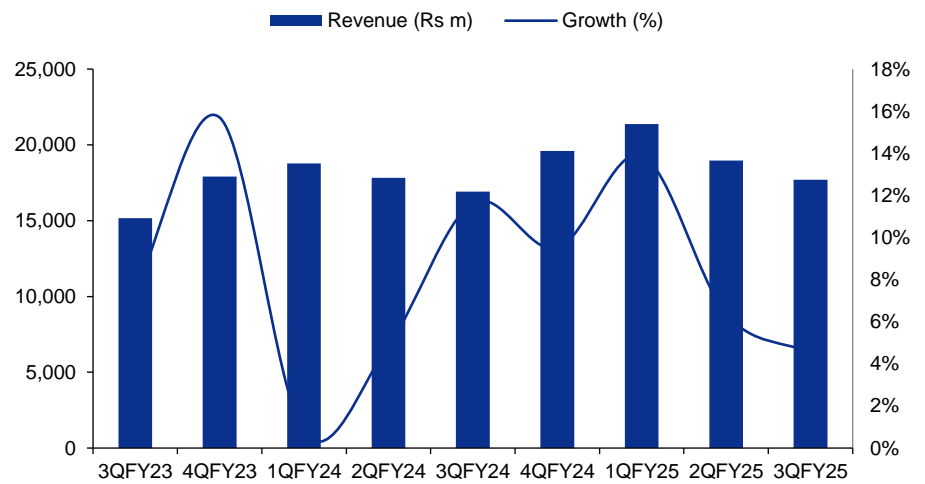
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Actuals versus estimates**

Actuals vs. InCred estimates			
(Rs m)	3QFY25	3QFY25F	Var (%)
Revenue	17,692	18,510	-4.4%
EBITDA	1,880	1,790	5.0%
EBITDA margin (%)	10.6%	9.7%	95bp
Adj. PAT	1,119	1,124	-0.5%
Actuals vs. Bloomberg consensus			
(Rs m)	3QFY25	3QFY25C	Var (%)
Revenue	17,692	18,471	-4.2%
EBITDA	1,880	1,783	5.4%
EBITDA margin (%)	10.6%	10.3%	34.3bp
Adj. PAT	1,119	1,165	-4.0%

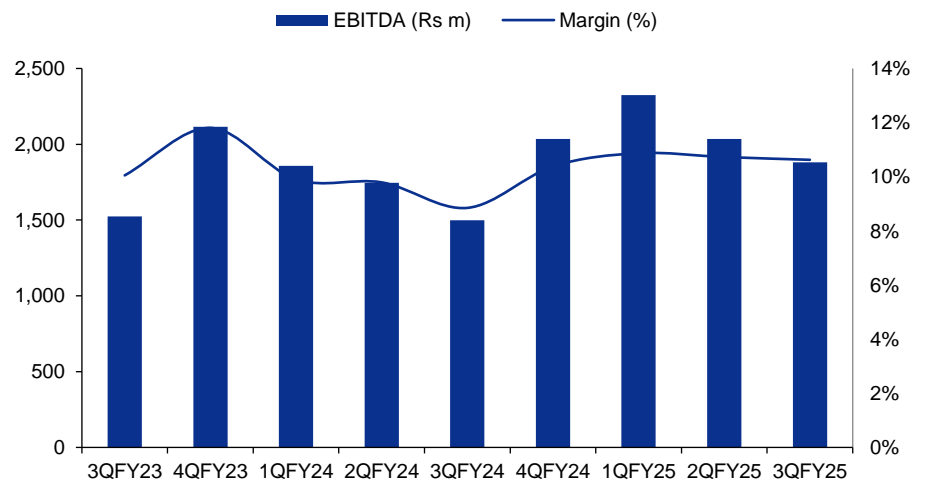
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Quarterly revenue trend



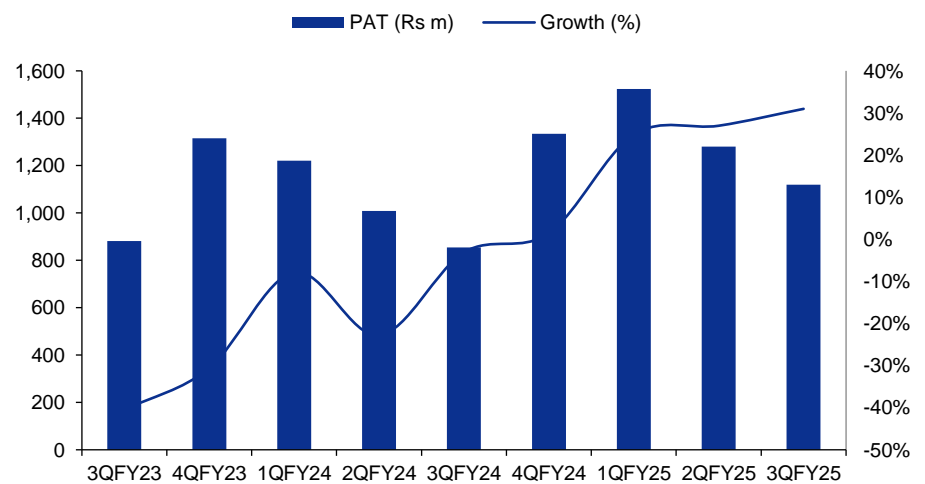
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Quarterly EBITDA trend



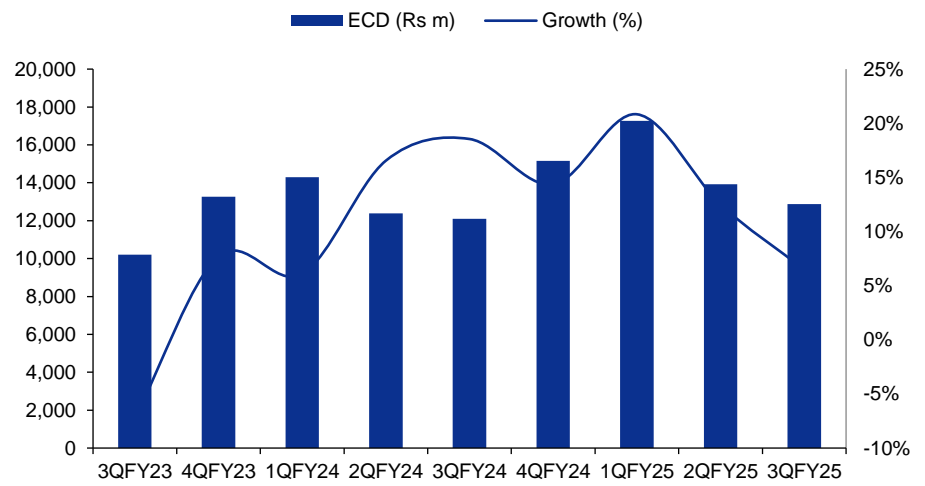
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Quarterly PAT trend



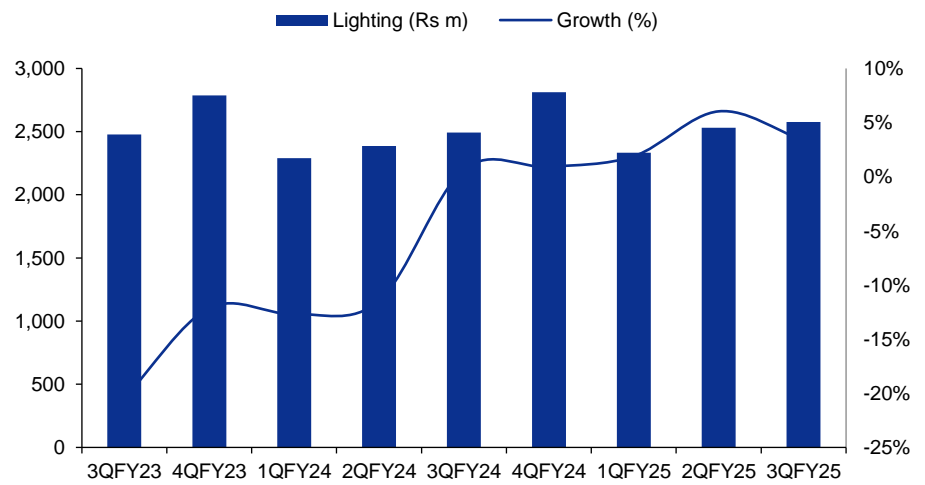
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: ECD business revenue



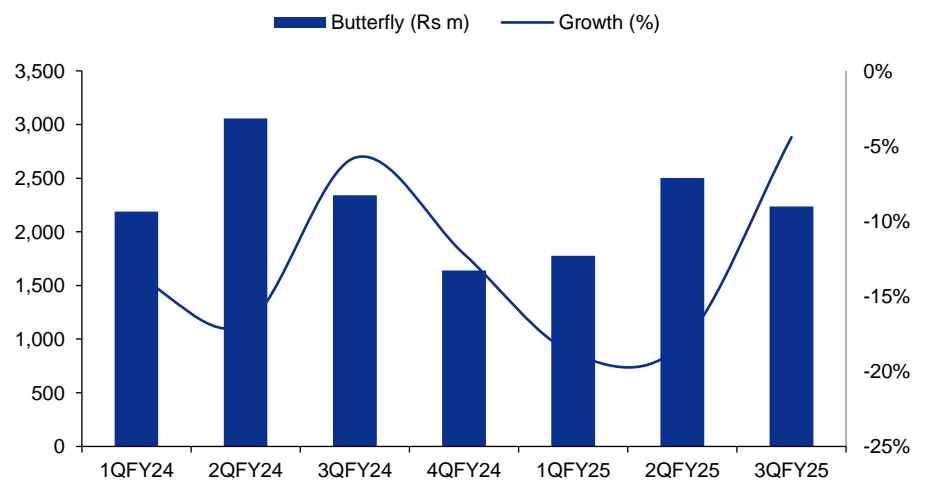
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Lighting revenue trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Butterfly Gandhimati Appliances or BGAL brand revenue trend



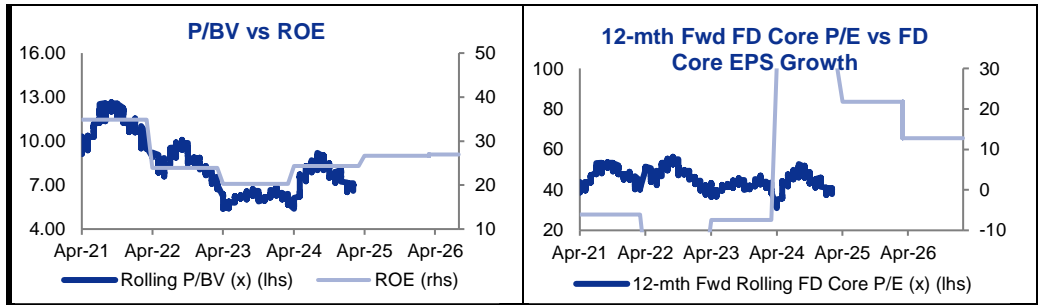
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 11: Earnings revision summary**

Rs m	New Estimates			Old Estimates			Change (%)		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	81,214	90,067	1,01,184	83,105	92,654	1,03,806	-2.3%	-2.8%	-2.5%
EBITDA	8,927	10,533	11,736	9,240	10,790	11,967	-3.4%	-2.4%	-1.9%
Adj. PAT	5,790	7,051	7,949	6,000	7,226	8,103	-3.5%	-2.4%	-1.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



## Profit &amp; Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>68,696</b>	<b>73,128</b>	<b>81,214</b>	<b>90,067</b>	<b>101,184</b>
<b>Gross Profit</b>	<b>21,893</b>	<b>23,125</b>	<b>25,728</b>	<b>29,001</b>	<b>32,885</b>
<b>Operating EBITDA</b>	<b>7,705</b>	<b>7,137</b>	<b>8,927</b>	<b>10,533</b>	<b>11,736</b>
Depreciation And Amortisation	(1,159)	(1,288)	(1,337)	(1,378)	(1,421)
<b>Operating EBIT</b>	<b>6,545</b>	<b>5,849</b>	<b>7,590</b>	<b>9,155</b>	<b>10,315</b>
Financial Income/(Expense)	(475)	(406)	34	166	211
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	51	288	150	158	165
<b>Profit Before Tax (pre-EI)</b>	<b>6,121</b>	<b>5,731</b>	<b>7,774</b>	<b>9,478</b>	<b>10,691</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>6,121</b>	<b>5,731</b>	<b>7,774</b>	<b>9,478</b>	<b>10,691</b>
Taxation	(1,358)	(1,313)	(1,903)	(2,311)	(2,604)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>4,764</b>	<b>4,418</b>	<b>5,871</b>	<b>7,167</b>	<b>8,087</b>
Minority Interests			(81)	(117)	(138)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>4,764</b>	<b>4,418</b>	<b>5,790</b>	<b>7,050</b>	<b>7,949</b>
Recurring Net Profit	4,764	4,418	5,790	7,050	7,949
<b>Fully Diluted Recurring Net Profit</b>	<b>4,764</b>	<b>4,418</b>	<b>5,790</b>	<b>7,050</b>	<b>7,949</b>

## Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>7,705</b>	<b>7,137</b>	<b>8,927</b>	<b>10,533</b>	<b>11,736</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,039)	2,226	(1,132)	(2,182)	(492)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(374)	(351)	184	324	376
Net Interest (Paid)/Received	633	406	(34)	(166)	(211)
Tax Paid	(1,399)	(984)	(1,903)	(2,311)	(2,604)
<b>Cashflow From Operations</b>	<b>5,526</b>	<b>8,434</b>	<b>6,041</b>	<b>6,197</b>	<b>8,805</b>
Capex	(791)	(838)	(721)	(743)	(765)
Disposals Of FAs/subsidiaries	83				
Acq. Of Subsidiaries/investments	(3,822)	(1,663)	(500)	(500)	(1,500)
Other Investing Cashflow	432	432	425	467	514
<b>Cash Flow From Investing</b>	<b>(4,098)</b>	<b>(2,069)</b>	<b>(796)</b>	<b>(775)</b>	<b>(1,751)</b>
Debt Raised/(repaid)	(7,179)	(3,640)	(3,500)		
Proceeds From Issue Of Shares	416	893			
Shares Repurchased					
Dividends Paid	(1,578)	(1,912)	(2,572)	(3,216)	(3,859)
Preferred Dividends					
Other Financing Cashflow	(765)	(754)	(390)	(301)	(303)
<b>Cash Flow From Financing</b>	<b>(9,105)</b>	<b>(5,413)</b>	<b>(6,463)</b>	<b>(3,517)</b>	<b>(4,162)</b>
Total Cash Generated	(7,677)	952	(1,218)	1,905	2,892
<b>Free Cashflow To Equity</b>	<b>(5,751)</b>	<b>2,725</b>	<b>1,745</b>	<b>5,422</b>	<b>7,054</b>
<b>Free Cashflow To Firm</b>	<b>336</b>	<b>5,573</b>	<b>4,855</b>	<b>5,121</b>	<b>6,751</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	6,573	9,499	8,781	11,187	15,579
Total Debtors	6,706	7,209	7,565	8,390	9,425
Inventories	7,439	8,304	9,123	10,117	11,366
Total Other Current Assets	1,774	2,036	2,229	2,966	3,332
<b>Total Current Assets</b>	<b>22,491</b>	<b>27,048</b>	<b>27,698</b>	<b>32,659</b>	<b>39,702</b>
Fixed Assets	19,855	19,584	18,968	18,332	17,676
Total Investments	4				
Intangible Assets	12,855	12,855	12,855	12,855	12,855
Total Other Non-Current Assets	1,248	1,330	1,354	1,416	1,482
<b>Total Non-current Assets</b>	<b>33,961</b>	<b>33,769</b>	<b>33,177</b>	<b>32,603</b>	<b>32,012</b>
Short-term Debt	3,250	3,000	1,247	1,247	1,247
Current Portion of Long-Term Debt					
Total Creditors	10,354	13,145	13,350	13,572	15,247
Other Current Liabilities	3,404	4,174	4,228	4,442	4,990
<b>Total Current Liabilities</b>	<b>17,007</b>	<b>20,318</b>	<b>18,825</b>	<b>19,260</b>	<b>21,484</b>
Total Long-term Debt	5,972	2,990	1,243	1,243	1,243
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,274	2,920	2,920	2,920	2,920
<b>Total Non-current Liabilities</b>	<b>8,245</b>	<b>5,910</b>	<b>4,163</b>	<b>4,163</b>	<b>4,163</b>
Total Provisions	123	99	99	99	99
<b>Total Liabilities</b>	<b>25,375</b>	<b>26,327</b>	<b>23,087</b>	<b>23,522</b>	<b>25,746</b>
Shareholders Equity	26,600	29,996	33,214	37,049	41,139
Minority Interests	4,477	4,494	4,575	4,691	4,829
<b>Total Equity</b>	<b>31,077</b>	<b>34,490</b>	<b>37,789</b>	<b>41,740</b>	<b>45,969</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	27.4%	6.5%	11.1%	10.9%	12.3%
Operating EBITDA Growth	0.1%	(7.4%)	25.1%	18.0%	11.4%
Operating EBITDA Margin	11.2%	9.8%	11.0%	11.7%	11.6%
Net Cash Per Share (Rs)	(4.16)	5.49	9.83	13.59	20.45
BVPS (Rs)	41.74	46.97	51.88	57.87	64.26
Gross Interest Cover	6.00	7.39	19.45	30.40	34.02
Effective Tax Rate	22.2%	22.9%	24.5%	24.4%	24.4%
Net Dividend Payout Ratio	31.1%	33.4%	33.4%	34.3%	36.6%
Accounts Receivables Days	33.58	34.73	33.20	32.33	32.13
Inventory Days	57.12	57.46	57.32	57.50	57.40
Accounts Payables Days	79.74	85.76	87.14	80.46	77.01
ROIC (%)	18.5%	16.2%	22.3%	26.5%	28.6%
ROCE (%)	16.1%	15.4%	19.8%	22.7%	23.3%
Return On Average Assets	10.9%	10.5%	12.7%	14.8%	15.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.