

India

HOLD (no change)

Consensus ratings*: Buy 16 Hold 17 Sell 9

Current price: Rs30,620
 Target price: ▲ Rs31,100
 Previous target: Rs27,600
 Up/downside: 1.6%
 InCred Research / Consensus: 7.0%

Reuters: SHCM.NS
 Bloomberg: SRCM IN
 Market cap: US\$12,955m
 Rs1,104,793m
 Average daily turnover: US\$11.2m
 Rs957.2m
 Current shares o/s: 36.1m
 Free float: 73.0%

*Source: Bloomberg

Key changes in this note

- Increase EBITDA estimates by 2% for FY26F-27F.
- Raise the target price to Rs31,100 from Rs27,600 earlier.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.7	7.2	17.7
Relative (%)	(4.0)	0.1	5.6

Major shareholders	% held
Promoter & Promoter Group	62.6
SBI Mutual Fund	6.1
LIC	4.5

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Shree Cement Ltd

Prioritizing profits over volume continues

- 4Q consolidated EBITDA stood at Rs14.3bn (~6% above our estimate), flat yoy, mainly led by improved realization. Preference for value to remain.
- Cement realization grew by ~5% qoq & remained flat yoy with improved pricing in both eastern & northern markets, amid a rising share of premium products.
- We raised FY26F-27F EBITDA estimates by ~2% to factor in improvement in realization. Maintain HOLD rating with a higher target price of Rs31,100.

Prioritizes value over volume; North/East India drive realization gain

Shree Cement or SRCM's 4QFY25 cement volume grew by ~3.2% yoy to 9.84mt (lower versus UTCM, ACEM organic growth). Lowest fourth quarter volume growth post FY22 in line with its strategy of profitability over volume. It will be prioritizing premiumization (premium cement sales at ~16% vs. 12% yoy) to strengthen brand equity with region-specific brands for pan-India markets. Cement realization up by ~5% qoq with improved realization in core markets of North (+3% yoy, +4% qoq) and East (+1% yoy, +8% qoq) India. SRCM expects industry demand to grow by 6.5-7.5% in FY26F where it should grow in line with industry or achieve ~39mtpa (+9% yoy) in a bull-case scenario. Some markets (North) have seen an impact on demand in QTD due to cross-border tension. However, it expects likely discontinuation of the Indus Water Treaty to create significant demand in North India. For FY26F, with large capacity addition, it expects prices to hold firm.

Profitability improves sequentially led by strong cement pricing

Blended EBITDA/t improved by Rs352 qoq to Rs1,452 (vs. our estimate of Rs1,352/t) mainly due to higher realization and savings driven by lower fuel costs, higher green power share, and stable cost structure. We continue to believe its energy costs to remain stable in the near term, with energy costs on a kcal basis touching Rs1.48 in 4Q vs. Rs1.82/kcal yoy. The share of green power was ~60% (highest in the industry) vs. 55% qoq. A new 60.3MW solar plant was commissioned at Jodhpur in Rajasthan. Green power capacity increased by ~21% yoy to 582MW in FY25 vs. 480MW yoy.

Expansion on track; post FY26F roadmap to follow with a strong B/S

SRCM commissioned a 3mtpa grinding unit (GU) in Uttar Pradesh & a 3.4mtpa GU in Chhattisgarh in Apr 2025, with Rajasthan & Karnataka expansions scheduled for 1Q and 2QFY26F, respectively. For expansion beyond FY26F, it will share a roadmap in the coming quarters. SRCM sees FY26F capex at ~Rs30bn. Net cash at Rs54bn in FY25.

Maintain HOLD rating with a higher target price of Rs31,100

SRCM to trade at EV/EBITDA of 18x & EV/t of US\$180 in FY27F, at par with historical average. We maintain HOLD rating on SRCM with a higher target price of Rs31,100, set at Mar 2026 EV/EBITDA of 18.5x, from Rs27,600 earlier. **Upside risks:** Better pricing growth & better-than-expected cost control. **Downside risks:** Weak demand, pricing pressure, and delay in commissioning the capacity.

Financial Summary	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	178,523	204,038	192,828	212,951	239,593
Operating EBITDA (Rsm)	29,595	45,167	39,340	47,537	56,893
Net Profit (Rsm)	12,707	23,957	11,228	15,071	20,961
Core EPS (Rs)	352.2	664.0	311.2	417.7	581.0
Core EPS Growth	(45.5%)	88.5%	(53.1%)	34.2%	39.1%
FD Core P/E (x)	86.94	46.11	98.40	73.31	52.71
DPS (Rs)	100.0	105.0	110.0	147.7	205.4
Dividend Yield	0.33%	0.34%	0.36%	0.58%	0.81%
EV/EBITDA (x)	37.00	23.54	26.59	22.04	18.44
P/FCFE (x)	239.40	135.07	236.26	39.88	36.50
Net Gearing	(5.5%)	(20.3%)	(27.5%)	(25.7%)	(23.7%)
P/BV (x)	5.93	5.34	5.13	4.93	4.68
ROE	7.0%	12.2%	5.3%	6.9%	9.1%
% Change In Core EPS Estimates				(0.68%)	(0.61%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Prioritizing profits over volume continues

Key takeaways from 4QFY25 results

Demand and pricing outlook:

- **Sales volume (cement+clinker)** came in at 9.84mt, +3.2% yoy (lower vs. Ambuja Cements or ACEM and Ultratech Cement or UTCM organic growth, better than Dalmia Bharat or DALBHARA) and +12.2% qoq and -1.2% vs. our estimate.
- **Blended realization** stood at Rs5,214/t, down 2.3% qoq and 11% yoy, while 3% below our estimate.
- Sales of premium products in total trade sales volume stood at ~16% vs. 15% qoq and 12% yoy.
- **Sector outlook:** - Company expects industry growth of ~6.5-7.5% in FY26F, driven by infrastructure, rural demand, and real estate development.
- SRCM volume in FY26F to align with industry growth and can touch 39mtpa (+9% vs. FY25) on the aggressive side.
- Demand from all channels improved during the quarter.
- April-May demand is weak in core (northern) markets due to geopolitical tensions.
- With the focus on profitability over high volume growth, there will be always a trade-off between volume and prices in an oversupplied market, as per SRCM.
- Premiumization to enhance brand equity, quality, and technical aspects, with tailored brands for pan-India markets.
- The Etah plant, closer to central and eastern Uttar Pradesh, is expected to increase market share in those regions.
- Underpenetrated markets in Jammu, Gujarat, and western Madhya Pradesh offer growth potential. Discontinuation of the Indus Water Treaty could drive significant demand in North India.
- Current emphasis on improving realization, geo mix, and brand position expected to contribute positively.
- **Volume share in 4Q:** North ~54.7%, East ~32.7%, & South 11.4%.
- **Cement realization:** Rs4,758/t vs. Rs4,554/t qoq and Rs4,772/t yoy.
- **Realization changes:** North +3% yoy, +4% qoq; East +1% yoy, +8% qoq; and South -5-6% yoy, +2% qoq.
- Pricing is expected to hold without steep decline.

Costs & margins:

- **Operating costs/t:** Overall blended cost/t was up by ~1.4% on qoq and remained flat yoy where a) energy costs/t were up by ~9% qoq and down ~24% yoy to Rs1,286, c) logistics costs/t were up qoq by 6% and 11% yoy at Rs1,268, and d) fixed costs/t up by ~2% qoq at Rs1,109.
- **Consolidated EBITDA** for the quarter came in at ~Rs14.3bn, flat yoy and up 48% qoq (~6% above our expectation). Blended EBITDA/t stood at Rs1,452 during the quarter vs. Rs1,100 in 3QFY25 and Rs1,491 in 4QFY24.
- **Reported PAT** came in at ~Rs5.7bn vs. our expectation of ~Rs5.6bn; down ~15% yoy.
- Green power usage at 60% vs. 55% qoq.
- Commissioned 60.3MW solar power at Jodhpur in Rajasthan in 4Q.
- Reported EBITDA/t at Rs1,406 vs. Rs1,088 qoq, driven by lower fuel costs, higher green power share, and stable cost structure.

- Depreciation increased by ~12% yoy to ~Rs7.9bn. Other income was up by ~6% yoy at Rs1.6bn.
- Blended costs +2% qoq, -3% yoy. Fuel costs stood at Rs1.48/kcal vs. Rs1.82/kcal yoy.

Expansion and capex update:

- FY25 capex was similar to its Rs40bn guidance; FY26F capex projected at Rs30bn (vs. Rs40bn earlier).
- Commissioned 3mtpa GU in Uttar Pradesh and 3.4mtpa GU in Chhattisgarh in Apr 2025. Rajasthan and Karnataka expansions to be completed by 1QFY26F and 2QFY26F, respectively.
- Expansion plan beyond FY26F to be shared later.
- Clinker capacity in Nawalgarh expanded from 3.8mtpa to 4.5mtpa.
- Out of two cement mills aggregating 6mtpa to be installed at Jaitaran, only one will be commissioned during 1H, others stand postponed.

Other business highlights:

- Launched Bangur Marble Cement (premium GGBS cement) in the eastern market in 4Q.
- Capacity utilization at 72% overall, North 74%, East 79%, and South 51% during the quarter.
- FY26F depreciation projected at Rs32bn.
- Lead distance at 446km vs. 435km yoy.
- Trade share at 73%, similar on qoq and yoy basis.
- Revised accounting policy with more conservative approach resulted in ECL (expected credit loss) booking of Rs240m additional provision and Rs380m for voluntary retirement scheme or VRS in 4Q.
- FY26F cement capacity at 68.8mtpa; clinker capacity ~36mtpa, expected to touch 44mtpa.
- First limestone reserves lease to expire post CY2040F.
- Net cash at ~Rs54bn in FY25.
- Pursuing expansion in western India markets.
- Clinker capacity utilization at 68% in FY25 and 73% in 4Q.
- Rail: road mix at 11%:89% in 4Q and 12%:88% in FY25.
- Pet-coke mix at 95% in 4Q and 97% in FY25.
- Blended ratio at 59%.

Figure 1: Consolidated quarterly performance

Particulars (Rs m)	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Net Sales	55,320	53,740	45,727	54,010	3%	21%	2%
Raw Materials Consumed	4,990	5,399	5,709	3,333	-8%	-13%	50%
Freight and Forwarding Expenses	12,475	11,225	10,492	10,898	11%	19%	14%
Power and Fuel Costs	12,654	13,487	10,379	16,056	-6%	22%	-21%
Employee Costs	2,984	2,835	2,763	2,625	5%	8%	14%
Other Expenses	7,932	7,328	6,736	6,881	8%	18%	15%
Total Expenditure	41,035	40,273	36,079	39,792	2%	14%	3%
EBITDA	14,286	13,467	9,648	14,218	6%	48%	0%
Depreciation	7,875	7,093	7,991	7,023	11%	-1%	12%
EBIT	6,410	6,373	1,657	7,195	1%	287%	-11%
Interest	413	590	518	621	-30%	-20%	-33%
Other Income	1,579	1,571	1,108	1,496	1%	43%	6%
PBT	7,577	7,355	2,247	8,071	3%	237%	-6%
Tax	1,827	1,692	310	1,313	8%	489%	39%
PAT before MI & Associates	5,750	5,663	1,937	6,757	2%	197%	-15%
Minority Interest	7	0	3	9			
Profit from Ass. Cos	0	0	0	0			
Recurring PAT	5,743	5,663	1,934	6,749	1%	197%	-15%
Extraordinary Items	0	0	0	0			
Reported PAT	5,743	5,663	1,934	6,749	1%	197%	-15%
EPS (Rs)	159.2	157.0	53.6	187.1	1%	197%	-15%
Gross Margin	45.6%	44.0%	41.9%	43.9%	159bp	368bp	163bp
EBITDA Margin	25.8%	25.1%	21.1%	26.3%	76bp	472bp	-50bp
EBIT Margin	11.6%	11.9%	3.6%	13.3%	-27bp	796bp	-173bp
PBT Margin	13.7%	13.7%	4.9%	14.9%	1bp	878bp	-125bp
PAT Margin	10.4%	10.5%	4.2%	12.5%	-16bp	615bp	-211bp
Tax Rate	24.1%	23.0%	13.8%	16.3%	111bp	1,032bp	784bp
Cost items as % of Sales							
RM Costs	9.0%	10.0%	12.5%	6.2%	-103bp	-347bp	285bp
Freight Costs	22.6%	20.9%	22.9%	20.2%	166bp	-39bp	237bp
P&F Costs	22.9%	25.1%	22.7%	29.7%	-222bp	18bp	-685bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

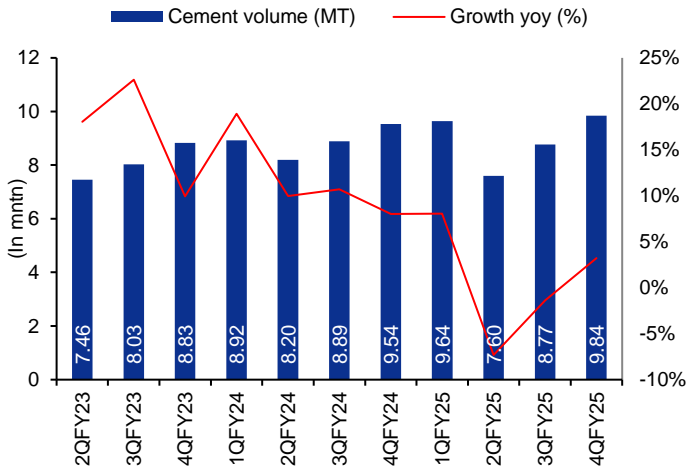
Figure 2: 4QFY25 results: Per tonne analysis

Per tonne analysis	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Sales Volume (Cement + Clinker)	9.84	9.96	8.77	9.54	-1.2%	12.2%	3.2%
Realization	5,622	5,396	5,214	5,664	4.2%	7.8%	-0.7%
EBITDA/t	1,452	1,352	1,100	1,491	7.4%	32.0%	-2.6%
RM Costs/t	507	542	651	350	-6.4%	-22.1%	45.1%
P&F Costs/t	1,286	1,354	1,183	1,684	-5.0%	8.7%	-23.6%
Freight Costs/t	1,268	1,127	1,196	1,143	12.5%	6.0%	10.9%
Employee Costs/t	303	285	315	275	6.6%	-3.7%	10.2%
Other Expenses/t	806	736	768	722	9.6%	4.9%	11.7%
Total Costs/t	4,170	4,044	4,114	4,173	3.1%	1.4%	-0.1%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

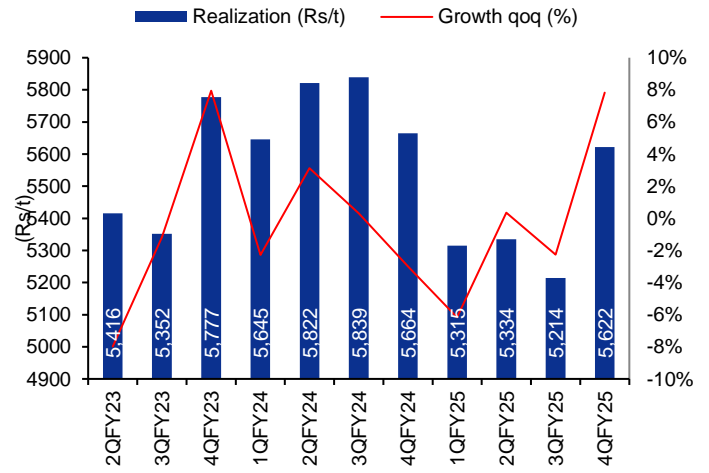
Key charts ➤

Figure 3: Cement sales volume, including clinker, increased by ~3% yoy to ~9.84mt



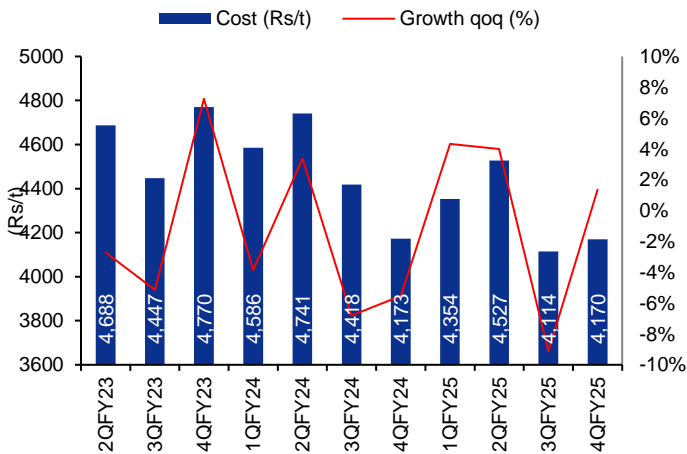
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Blended realization improved by ~8% qoq



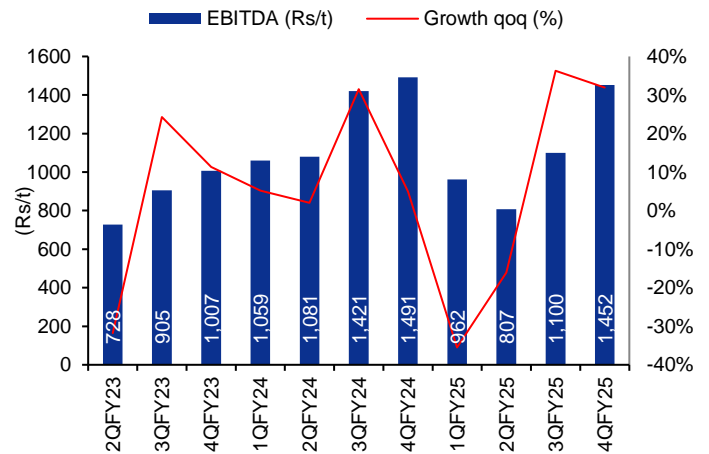
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Total operating blended costs/t up by ~1% qoq and flat yoy



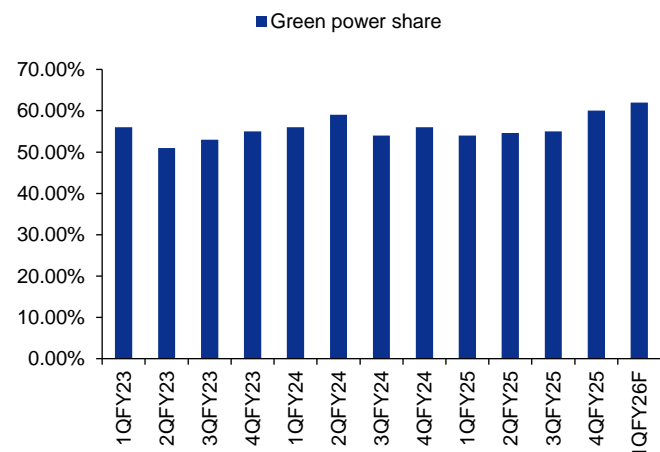
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Blended unit EBITDA stood at Rs1,452, a decline of Rs39 yoy and an improvement of Rs352 qoq



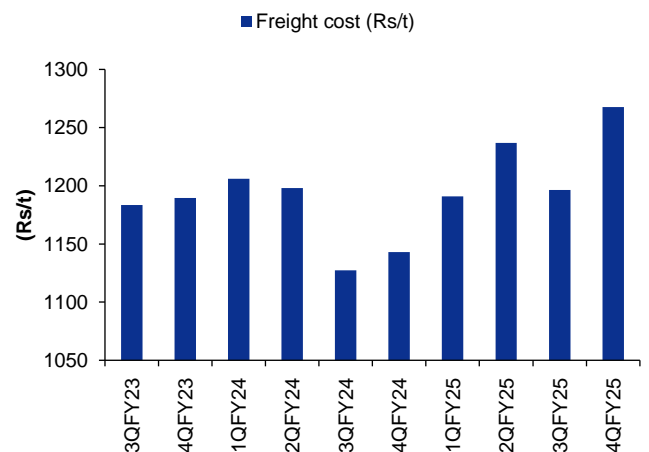
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: SRCM targets to take green power share to 62% by Jun 2025F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Freight costs in Rs/t during the quarter



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Key changes ➤

Figure 9: Our revised earnings estimates

Rs. m	New		Old		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	2,12,951	2,39,593	2,14,957	2,44,307	-1%	-2%
EBITDA	47,537	56,893	46,785	55,599	2%	2%
PAT	15,071	20,961	15,173	20,917	-1%	0%
EPS (Rs.)	417.7	581.0	420.5	579.7	-1%	0%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 10: Changes in our earnings estimates vs. Bloomberg consensus estimates

Rs. m	Incred		Consensus		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	2,12,951	2,39,593	2,30,522	2,57,778	-8%	-7%
EBITDA	47,537	56,893	48,562	57,941	-2%	-2%
PAT	15,071	20,961	17,394	21,632	-13%	-3%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 11: Key assumptions

	FY23	FY24	FY25	FY26F	FY27F
Volume (mtpa)	31.8	35.5	35.9	39.0	43.0
Yoy	15%	12%	1%	9%	10%
Blended realisation (per t)	5,611	5,741	5,379	5,465	5,574
Yoy	4%	2%	-6%	2%	2%
Cost (per t)	4,681	4,470	4,281	4,245	4,250
Yoy	15%	-5%	-4%	-1%	0%
EBITDA (per t)	930	1,271	1,097	1,220	1,324
Yoy	-30%	37%	-14%	11%	9%
EBITDA (Rs m)	29,595	45,167	39,340	47,537	56,893
Yoy	-20%	53%	-13%	21%	20%

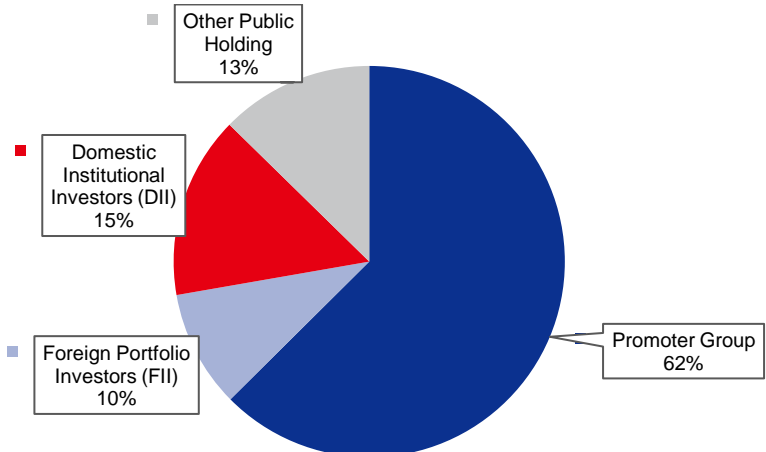
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 12: Maintain our HOLD rating on the stock with a Mar 2026F target price of Rs31,100, set at EV/EBITDA of 18.5x (earlier 17x)

Valuation	TP
Target EV/EBITDA multiple (x)	18.5
Target EV (Rs m)	10,50,003
Net debt (Rs m)	(72,105)
No. of shares (m)	36
Target price (Rs)	31,100

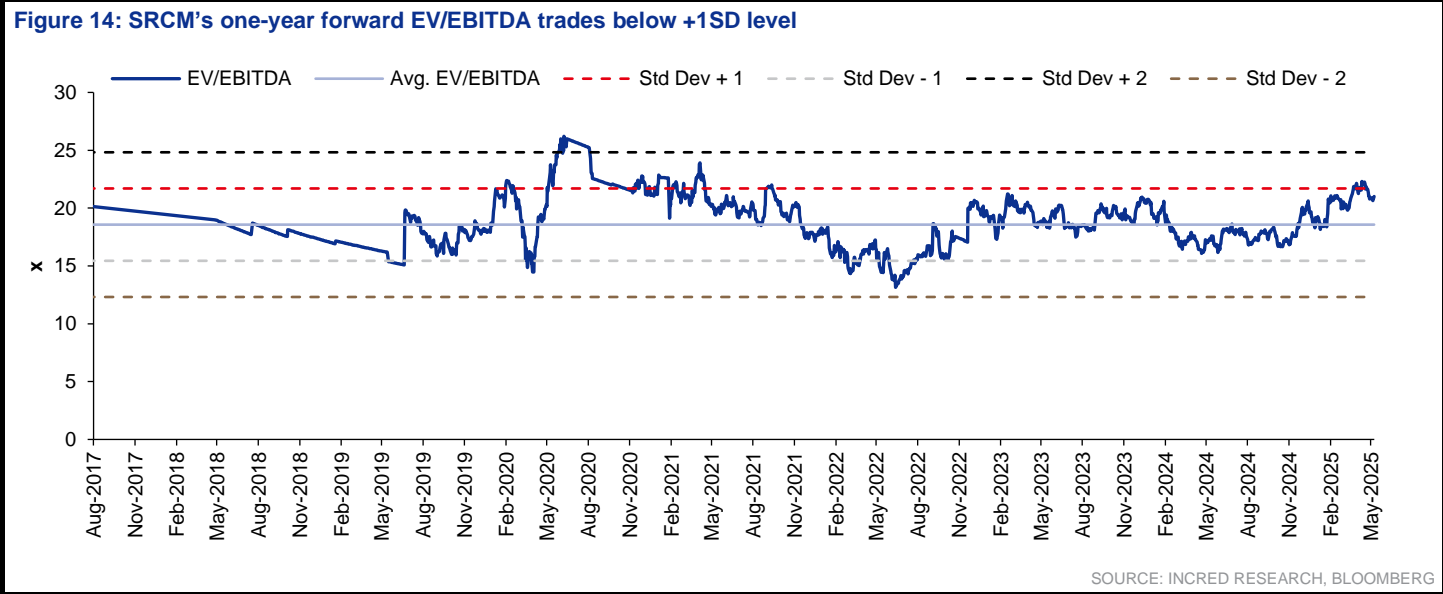
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 13: SRCM's shareholding pattern (as of end-Mar 2025)

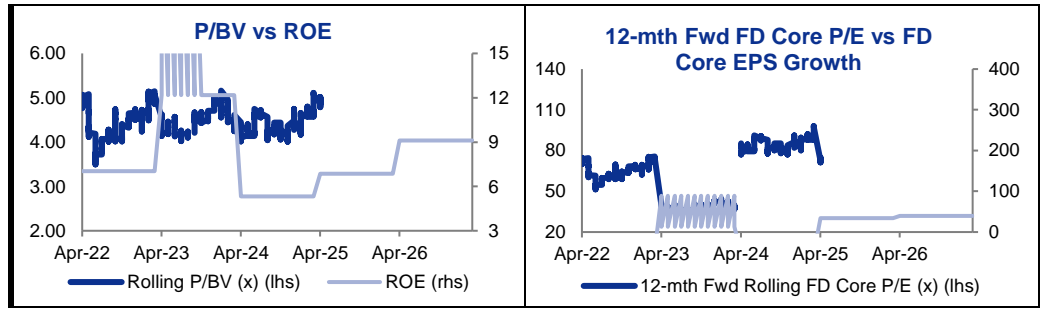


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: SRCM's one-year forward EV/EBITDA trades below +1SD level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	178,523	204,038	192,828	212,951	239,593
Gross Profit	178,523	204,038	192,828	212,951	239,593
Operating EBITDA	29,595	45,167	39,340	47,537	56,893
Depreciation And Amortisation	(16,607)	(18,973)	(30,068)	(31,421)	(32,992)
Operating EBIT	12,988	26,194	9,273	16,116	23,901
Financial Income/(Expense)	(2,629)	(2,583)	(2,050)	(1,988)	(1,909)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	4,591	5,981	5,892	5,715	5,601
Profit Before Tax (pre-EI)	14,950	29,592	13,115	19,843	27,594
Exceptional Items					
Pre-tax Profit	14,950	29,592	13,115	19,843	27,594
Taxation	(2,259)	(5,630)	(1,877)	(4,762)	(6,623)
Exceptional Income - post-tax					
Profit After Tax	12,691	23,962	11,238	15,081	20,971
Minority Interests	16	(5)	(10)	(10)	(10)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	12,707	23,957	11,228	15,071	20,961
Recurring Net Profit	12,707	23,957	11,228	15,071	20,961
Fully Diluted Recurring Net Profit	12,707	23,957	11,228	15,071	20,961

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
EBITDA	29,595	45,167	39,340	47,537	56,893
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(478)	5,244	(14,700)	(9,360)	(1,295)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	4,591	5,981	5,892	5,715	5,601
Other Operating Cashflow	(3,133)	(14,704)	22,597	22,597	22,597
Net Interest (Paid)/Received	(2,629)	(2,583)	(2,050)	(1,988)	(1,909)
Tax Paid	(2,259)	(5,630)	(1,877)	(4,762)	(6,623)
Cashflow From Operations	25,687	33,475	49,203	59,740	75,266
Capex	(32,791)	(31,695)	(40,507)	(35,000)	(40,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	8,646	17,510	3,231	2,462	(5,500)
Cash Flow From Investing	(24,145)	(14,185)	(37,276)	(32,538)	(45,500)
Debt Raised/(repaid)	3,072	(11,111)	(7,251)	500	500
Proceeds From Issue Of Shares	(9)	(2)	(9)	(21)	(21)
Shares Repurchased					
Dividends Paid	(3,608)	(3,788)	(3,969)	(6,446)	(8,965)
Preferred Dividends					
Other Financing Cashflow	(2,223)	(2,199)	(1,734)	(22,387)	(22,387)
Cash Flow From Financing	(2,767)	(17,101)	(12,963)	(28,353)	(30,873)
Total Cash Generated	(1,225)	2,190	(1,036)	(1,152)	(1,107)
Free Cashflow To Equity	4,615	8,179	4,676	27,702	30,266
Free Cashflow To Firm	4,171	21,874	13,977	29,190	31,674

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Cash And Equivalents	35,588	56,859	67,461	66,310	65,202
Total Debtors	12,116	12,865	14,015	15,169	17,067
Inventories	27,597	35,551	24,436	31,505	35,447
Total Other Current Assets	14,379	16,848	15,111	17,036	18,209
Total Current Assets	89,679	122,122	121,024	130,020	135,925
Fixed Assets	74,809	95,909	93,147	96,726	103,734
Total Investments	52,853	22,918	13,965	14,465	14,965
Intangible Assets	27,966	19,297	37,962	35,000	40,000
Total Other Non-Current Assets	18,033	19,289	18,820	18,820	18,820
Total Non-current Assets	173,660	157,413	163,894	165,011	177,519
Short-term Debt	19,590	7,618	903	903	903
Current Portion of Long-Term Debt					
Total Creditors	11,960	12,142	13,610	13,792	15,246
Other Current Liabilities	35,772	41,518	43,048	43,655	47,919
Total Current Liabilities	67,321	61,278	57,561	58,350	64,068
Total Long-term Debt	5,809	7,131	7,266	7,766	8,266
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3,440	3,685	4,305	4,505	4,705
Total Non-current Liabilities	9,249	10,816	11,571	12,271	12,971
Total Provisions					
Total Liabilities	76,570	72,094	69,132	70,621	77,039
Shareholders Equity	186,364	207,029	215,378	224,002	235,998
Minority Interests	406	411	408	408	408
Total Equity	186,770	207,440	215,785	224,410	236,406

Key Ratios

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	18.9%	14.3%	(5.5%)	10.4%	12.5%
Operating EBITDA Growth	(20.2%)	52.6%	(12.9%)	20.8%	19.7%
Operating EBITDA Margin	16.6%	22.1%	20.4%	22.3%	23.7%
Net Cash Per Share (Rs)	282.42	1,167.11	1,643.35	1,597.57	1,553.03
BVPS (Rs)	5,165.30	5,738.06	5,969.44	6,208.49	6,540.96
Gross Interest Cover	4.94	10.14	4.52	8.11	12.52
Effective Tax Rate	15.1%	19.0%	14.3%	24.0%	24.0%
Net Dividend Payout Ratio	28.4%	15.8%	35.3%	42.8%	42.8%
Accounts Receivables Days	20.44	22.34	25.44	25.01	24.55
Inventory Days	53.74	56.48	56.77	47.94	51.00
Accounts Payables Days	25.57	27.69	30.62	30.23	29.01
ROIC (%)	10.2%	17.9%	6.3%	10.3%	14.1%
ROCE (%)	6.4%	12.1%	4.2%	7.1%	10.0%
Return On Average Assets	6.1%	9.8%	4.7%	5.9%	7.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

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.