

India

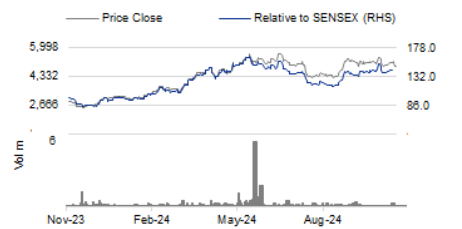
**HOLD** (no change)

Consensus ratings\*: Buy 5 Hold 8 Sell 9

Current price: Rs4,908  
 Target price: ▲ Rs5,175  
 Previous target: Rs4,770  
 Up/downside: 5.4%  
 InCred Research / Consensus: 27.1%

Reuters: THMX.NS  
 Bloomberg: TMX IN  
 Market cap: US\$6,931m  
 Rs584,831m  
 Average daily turnover: US\$13.3m  
 Rs1124.3m  
 Current shares o/s: 112.6m  
 Free float: 38.0%

\*Source: Bloomberg



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(4.1)	14.1	69.2
Relative (%)	1.2	16.2	41.4

Major shareholders	% held
Promoters	62.0
Kotak Mutual Fund	7.0
SBI Mutual Fund	2.5

Research Analyst(s)



**Arafat SAIYED**

T (91) 22 4161 1542  
 E arafat.saiyed@incredresearch.com

**Anirvan DIVAKERA**

T (91) 02241611548  
 E anirvan.divakera@incredresearch.com

# Thermax Ltd

## Order inflow on track; concerns over valuation

- 2Q EBITDA at Rs2.8bn, up 36% YoY, 17% above our estimate & 18% above the BB consensus estimate. The EBITDA margin rose by 176bp YoY to 10.6%.
- Order inflow surged 70% YoY to Rs33.5bn; order book grew by 13% YoY to Rs116bn. Management is positive on refining, petrochem and power sectors.
- We largely maintain our FY24-27F estimates. The stock trades at ~2+SD currently. We retain our HOLD rating on it with a higher target price of Rs5,175.

### Healthy 2QFY25 performance

Thermax reported a healthy 2QFY25 performance with revenue growth of 13% YoY to Rs26.1bn, 1% above our estimate and 2% above the Bloomberg or BB consensus estimate. Revenue growth was primarily led by a 40% growth in the green solutions business while industrial products and industrial infrastructure segments were up 7% and 14.5%, respectively. EBITDA came in at Rs2.8bn, up 36% YoY, 17% above our estimate and 18% above the BB consensus estimate. The EBITDA margin expanded by 176bp YoY to 10.6%. The industrial infrastructure segment recovered from EBIT losses in 1QFY25 and grew by 54% YoY. PAT stood at Rs1.9bn, up 25% YoY, 5% above our estimate and 10% above the BB consensus estimate. The quarter includes incentive income from Maharashtra government, in one of the subsidiaries, amounting to Rs660m.

### Healthy order prospects

During 2QFY25, the order inflow jumped 70% YoY to Rs33.5bn while the order book stood at Rs116bn, up 13% YoY. Management is positive about the next two-to-three years, particularly in sectors like refining, petrochemicals, and power. The overall order inflow pipeline remains robust, with opportunities in refining and petrochemical projects in India. Some orders, particularly those with extended duration and higher volume, may compress the margin but provide stable revenue.

### Strong recovery in industrial infrastructure segment

The industrial infrastructure segment had faced challenges earlier, particularly in bioCNG and flue gas desulfurization (FGD) projects. The challenges in the industrial infrastructure segment are now behind, reporting double-digit revenue growth and significant improvement in margin. The industrial infrastructure segment includes two orders won worth ~Rs5bn each for setting up an energy project for an industrial conglomerate in Botswana, South Africa.

### Retain HOLD rating on the stock because of stretched valuation

The capex momentum, especially in water, power and environmental segments, augurs well for Thermax. We largely maintain our FY24-27F estimates. The stock has gained 73% in the last 12 months, and was largely flat in the last six months, despite trading at ~2+SD. We retain our HOLD rating on Thermax with a higher target price of Rs5,175 (Rs4,770 earlier), valuing it at 50x Sep 2026F EPS. Upside risk: Healthy execution with a significant margin expansion. Downside risks: Delay in order execution & lower margin.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	80,898	93,235	110,186	136,557	165,488
Operating EBITDA (Rsm)	5,976	7,974	9,904	13,308	16,167
Net Profit (Rsm)	4,507	6,430	7,649	10,330	12,805
Core EPS (Rs)	40.0	50.4	67.9	91.7	113.7
Core EPS Growth	44.3%	25.9%	34.8%	35.1%	24.0%
FD Core P/E (x)	122.62	97.38	72.25	53.50	43.16
DPS (Rs)	9.1	10.0	12.9	17.4	21.6
Dividend Yield	0.18%	0.20%	0.20%	0.20%	0.20%
EV/EBITDA (x)	91.96	69.67	56.04	41.73	34.31
P/FCFE (x)	242.41	327.60	270.92	247.35	192.55
Net Gearing	(8.3%)	6.3%	4.6%	4.5%	2.8%
P/BV (x)	14.29	12.45	10.92	9.37	7.97
ROE	12.2%	14.1%	16.1%	18.9%	20.0%

% Change In Core EPS Estimates  
 InCred Research/Consensus EPS (x)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## 2QFY25 conference-call highlights

- **Overview:** Thermax's 2QFY25 revenue growth is attributed to steady performance in its core segments, including industrial products and environmental solutions. Management expects continued double-digit growth in these areas. The chemicals division saw growth in order inflow, but revenue was slightly impacted by logistics and shipping delays.
- **Guidance:** While Thermax did not provide any specific guidance, it stated that margin is expected in the range of 8.5–9% and will be sustainable across core segments. There may be some issues due to the mix comprising large orders in the industrial infrastructure segment and the impact of freight challenges in the international market.
- **Order inflow:** Management stated that there were substantial orders, including a notable large order from Botswana for a large boiler project, signaling potential profitability. The overall order inflow pipeline remains robust, with opportunities in refining and petrochemical projects in India. Some orders, particularly those with extended duration and higher volume, may compress the margin but provide stable revenue. The outlook remains stable, with key drivers being industrial capex in sectors such as water treatment and pollution control, supported by infrastructure expansion.
- **Focus on medium-sized projects:** Thermax has decided against bidding for certain large, complex government projects (worth Rs40–60bn) due to the risks associated with execution, cash flow impact, and profitability. After disappointing financial returns from large projects in the past, the company is focusing on medium-sized projects. This aligns with the strategy to engage in manageable projects where the company can ensure profitability and operational efficiency.
- **Renewable energy and biomass:** Thermax is investing in biomass-based boilers and green solutions like bio-CNG. Execution challenges have slowed down bio-CNG adoption, although there is a strong order pipeline and interest from large players. Biomass and coal gasification initiatives are progressing, well and management expects gradual market adoption.
- **Green hydrogen potential:** While Thermax monitors opportunities in green hydrogen and coal gasification, its management is cautiously optimistic. Management indicated that significant investments in hydrogen projects would depend on favourable government policies and infrastructure development to de-risk these large investments.
- **International expansion:** Thermax's international segment, including orders for chemicals and boilers, is experiencing steady growth. For the company's management it's a focus area, especially in expanding industrial products' footprint in overseas markets.
- **Environmental solutions demand:** Driven by increasingly stringent environmental regulations, Thermax's pollution control and environmental solutions are witnessing higher demand across India and other emerging markets, especially from sectors where industrial emission regulations are strict.

**Operational challenges:** Thermax faced execution delay due to external factors, such as unseasonal rains affecting wind energy projects in Tamil Nadu, and it is implementing measures to optimize the project execution timeline to mitigate the impact on its quarterly performance. Despite high-margin opportunities in some segments, Thermax's blended margin is tempered by larger, lower-margin industrial infrastructure orders. Management aims to optimize each segment's operational costs to maintain the blended margin target.

**Strategic investments:** Thermax is actively pursuing smaller acquisitions to strengthen its chemical and industrial product divisions, aiming at both organic and inorganic growth. Additionally, it is investing in technology-driven

improvements for better cost efficiency in established segments like small boilers.

**Figure 1: Results snapshot**

Rs m	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Total Revenue</b>	<b>26,116</b>	<b>23,025</b>	<b>13.4%</b>	<b>21,844</b>	<b>19.6%</b>	<b>47,960</b>	<b>42,354</b>	<b>13.2%</b>
Raw Material Costs	14,405	12,805	12.5%	12,288	17.2%	26,692	23,579	13.2%
Employee Costs	3,229	2,843	13.6%	2,913	10.8%	6,142	5,401	13.7%
Other Expenses	5,703	5,330	7.0%	5,231	9.0%	10,934	10,006	9.3%
Total Expenditure	23,336	20,978	11.2%	20,433	14.2%	43,769	38,986	12.3%
<b>EBIDTA</b>	<b>2,780</b>	<b>2,046</b>	<b>35.8%</b>	<b>1,412</b>	<b>96.9%</b>	<b>4,191</b>	<b>3,368</b>	<b>24.4%</b>
Depreciation	421	330	27.6%	360	16.8%	781	624	25.2%
EBIT	2,359	1,717	37.4%	1,051	124.4%	3,410	2,745	24.3%
Interest	294	198	48.4%	275	7.0%	569	332	71.5%
Other Income	598	659	-9.2%	841	-28.9%	1,439	1,189	21.0%
Extraordinary Income	-	-	-	-	-	-	-	-
PBT	2,663	2,177	22.3%	1,617	64.6%	4,280	3,096	38.3%
Total Tax	683	589	15.9%	519	31.5%	1,201	904	32.9%
<b>Reported PAT</b>	<b>1,980</b>	<b>1,586</b>	<b>24.8%</b>	<b>1,094</b>	<b>81.0%</b>	<b>3,074</b>	<b>2,186</b>	<b>40.7%</b>
<b>Adj. PAT</b>	<b>1,980</b>	<b>1,586</b>	<b>24.8%</b>	<b>1,094</b>	<b>81.0%</b>	<b>3,074</b>	<b>2,186</b>	<b>40.7%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Margin and cost analysis**

% of sales	2QFY25	2QFY24	YoY (bp)	1QFY25	QoQ (bp)	1HFY25	1HFY24	YoY (bp)
<b>EBITDA Margin</b>	<b>10.6%</b>	<b>8.9%</b>	<b>176</b>	<b>6.5%</b>	<b>418</b>	<b>8.7%</b>	<b>8.0%</b>	<b>79</b>
EBIT Margin	9.0%	7.5%	158	4.8%	422	7.1%	6.5%	63
NPM	7.6%	6.9%	69	5.0%	257	6.4%	5.2%	125
Effective Tax Rate (%)	25.6%	27.0%	-141	32.1%	-645	28.1%	29.2%	-113
Gross Margin	44.8%	44.4%	46	43.7%	110	44.3%	44.3%	2
Raw Material Costs	55.2%	55.6%	(46)	56.3%	-110	55.7%	55.7%	(2)
Employee Costs	12.4%	12.3%	2	13.3%	-97	12.8%	12.8%	6
Other Expenses	21.8%	23.2%	(131)	23.9%	-211	22.8%	23.6%	(83)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Actuals vs estimates**

vs. InCred	2QFY25A	2QFY25F	Diff. (%)
Revenue	26,116	25,825	1.1%
EBITDA	2,780	2,371	17.3%
Margin (%)	10.6%	9.2%	146bp
PAT	1,980	1,881	5.3%
vs. Consensus	2QFY25A	2QFY25C	Diff. (%)
Revenue	26,116	25,587	2.1%
EBITDA	2,780	2,356	18.0%
Margin (%)	10.6%	9.2%	144bp
PAT	1,980	1,802	9.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Segment-wise revenue and EBIT**

Segmental Revenue	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Industrial Products	10,576	9,894	6.9%	9,608	10.1%	20,184	18,253	10.6%
Industrial Infrastructure	12,426	10,851	14.5%	9,251	34.3%	21,677	20,013	8.3%
Green Solutions	1,751	1,246	40.5%	1,737	0.8%	3,488	2,378	46.7%
Chemicals	1,903	1,879	1.3%	1,708	11.4%	3,612	3,486	3.6%
<b>Total</b>	<b>26,657</b>	<b>23,869</b>	<b>11.7%</b>	<b>22,304</b>	<b>19.5%</b>	<b>48,961</b>	<b>44,129</b>	<b>10.9%</b>
EBIT	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Industrial Products	1,145	988	15.9%	867	32.1%	2,012	1,548	30.0%
Industrial Infrastructure	882	573	54.0%	-184	-580.4%	698	875	-20.3%
Green Solutions	216	80	171.1%	230	-6.0%	446	180	148.0%
Chemicals	306	345	-11.4%	304	0.8%	610	611	-0.2%
<b>Total</b>	<b>2,549</b>	<b>1,986</b>	<b>28.4%</b>	<b>913</b>	<b>179.1%</b>	<b>3,766</b>	<b>3,214</b>	<b>17.2%</b>
EBIT Margin	2QFY25	2QFY24	YoY (bp)	1QFY25	QoQ (bp)	1HFY25	1HFY24	YoY (bp)
Industrial Products	10.8%	10.0%	84	9.0%	181	10.0%	8.5%	149
Industrial Infrastructure	7.1%	5.3%	182	-2.0%	908	3.2%	4.4%	-115
Green Solutions	12.3%	6.4%	595	13.2%	-88	12.8%	7.6%	522
Chemicals	16.1%	18.4%	-231	17.8%	-170	16.9%	17.5%	-64
<b>Total</b>	<b>9.6%</b>	<b>8.3%</b>	<b>124</b>	<b>4.1%</b>	<b>547</b>	<b>7.7%</b>	<b>7.3%</b>	<b>41</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Order details**

(Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
Order Inflow	33,540	19,720	70.1%	25,690	30.6%	59,230	45,390	30.5%
Order Book	1,15,930	1,02,640	12.9%	1,06,820	8.5%	1,15,930	1,02,640	12.9%

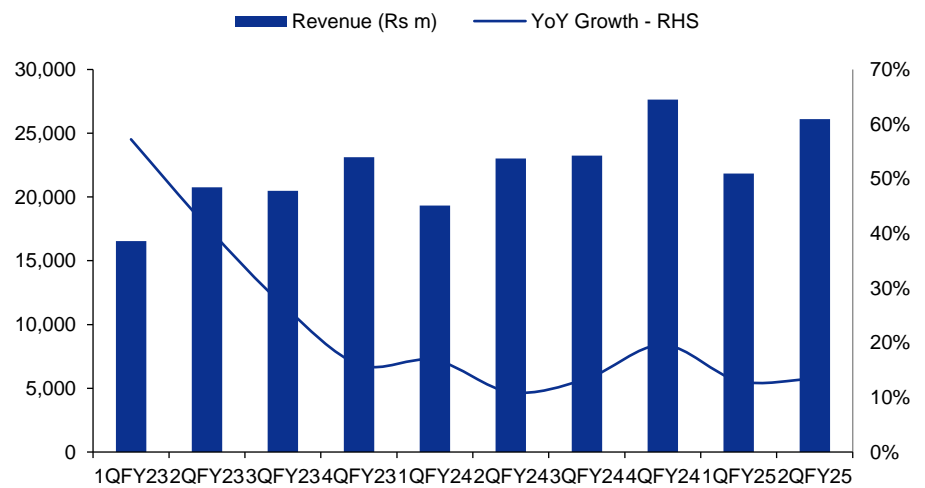
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Segment-wise orders

(Rs m)	2QFY25	2QFY24	YoY (%)	1QFY25	QoQ (%)	1HFY25	1HFY24	YoY (%)
<b>Order Inflow</b>	33,540	19,720	70.1%	25,690	30.6%	59,230	45,390	30.5%
Industrial Products	13,500	10,800	25.0%	12,650	6.7%	26,150	22,780	14.8%
Industrial Infrastructure	17,480	6,550	166.9%	9,910	76.4%	27,390	17,820	53.7%
Green Solutions	570	580	-1.7%	1,000	-43.0%	1,570	1,420	10.6%
Chemicals	1,990	1,790	11.2%	2,130	-6.6%	4,120	3,370	22.3%
<b>Order Book</b>	1,15,930	1,02,640	12.9%	1,06,820	8.5%	1,15,930	1,02,640	12.9%
Industrial Products	42,050	34,990	20.2%	38,660	8.8%	42,050	34,990	20.2%
Industrial Infrastructure	63,120	59,390	6.3%	57,310	10.1%	63,120	59,390	6.3%
Green Solutions	8,940	7,130	25.4%	9,060	-1.3%	8,940	7,130	25.4%
Chemicals	1,820	1,130	61.1%	1,790	1.7%	1,820	1,130	61.1%

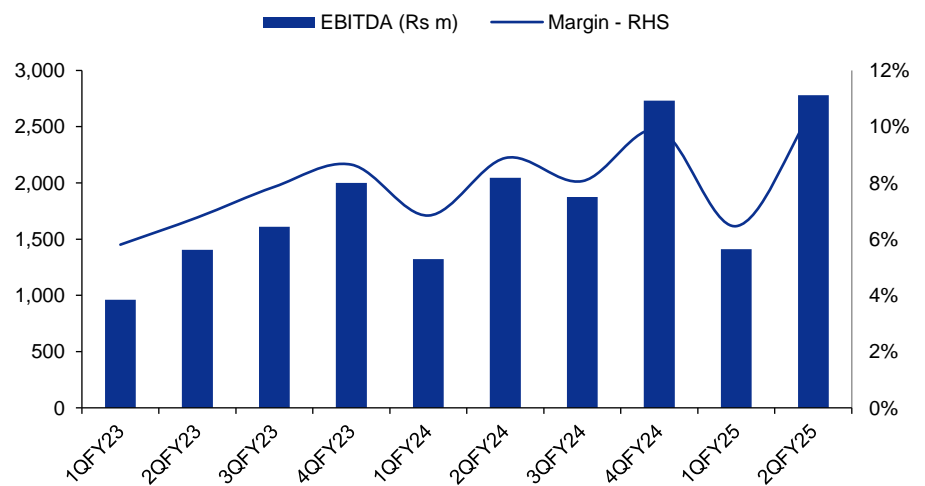
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Quarterly revenue trend



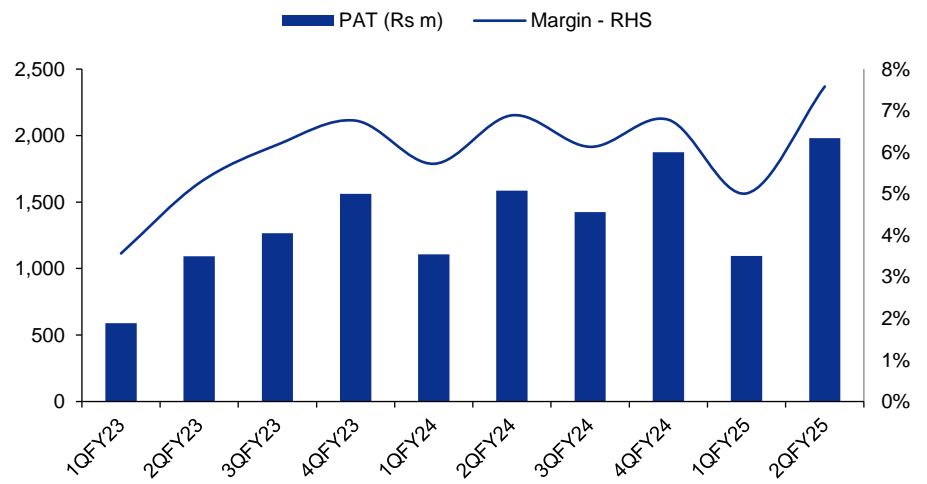
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Quarterly EBITDA trend



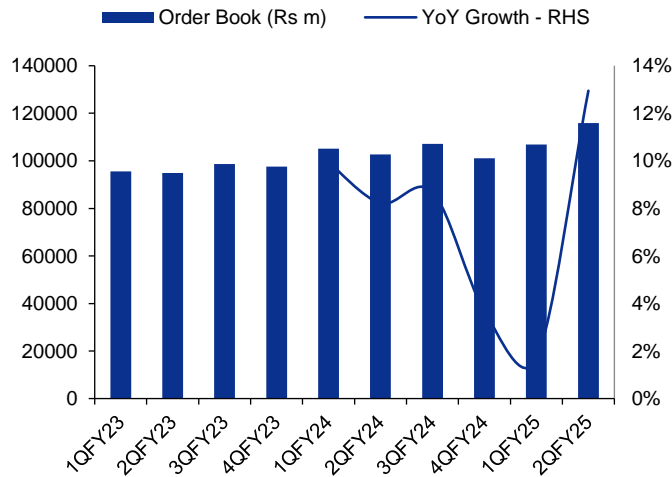
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Quarterly PAT trend



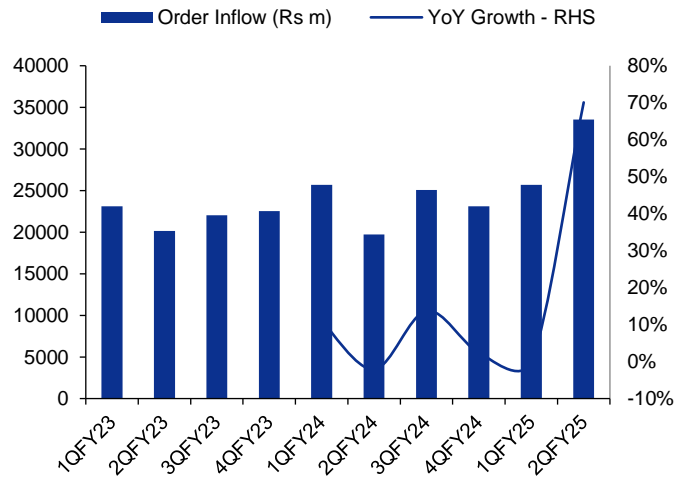
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Healthy order book position



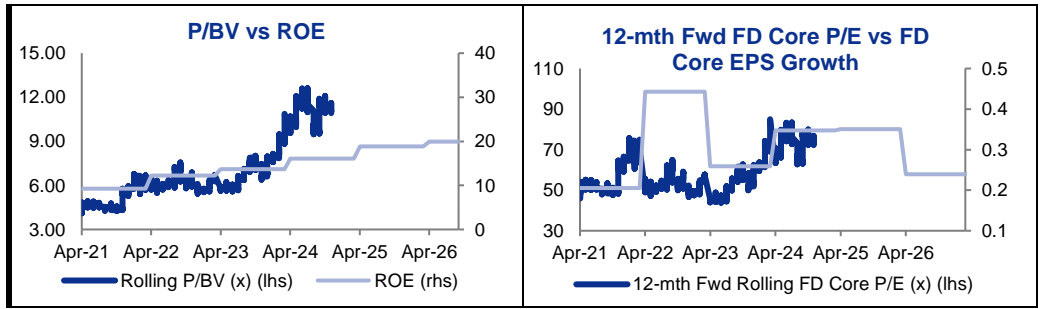
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Order inflow jumps 70% YoY in 2QFY25



SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	80,898	93,235	110,186	136,557	165,488
<b>Gross Profit</b>	34,651	41,039	48,800	60,854	73,746
<b>Operating EBITDA</b>	5,976	7,974	9,904	13,308	16,167
Depreciation And Amortisation	(1,169)	(1,481)	(1,420)	(1,802)	(1,927)
<b>Operating EBIT</b>	4,807	6,493	8,484	11,506	14,240
Financial Income/(Expense)	(376)	(876)	(1,058)	(872)	(977)
Pretax Income/(Loss) from Assoc.	(2)	(10)	(5)		
Non-Operating Income/(Expense)	1,602	2,326	2,773	3,140	3,812
<b>Profit Before Tax (pre-EI)</b>	6,031	7,933	10,194	13,774	17,074
Exceptional Items		755			
<b>Pre-tax Profit</b>	6,031	8,688	10,194	13,774	17,074
Taxation	(1,524)	(2,258)	(2,546)	(3,443)	(4,268)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	4,507	6,430	7,649	10,330	12,805
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	4,507	6,430	7,649	10,330	12,805
Recurring Net Profit	4,507	5,872	7,649	10,330	12,805
<b>Fully Diluted Recurring Net Profit</b>	4,507	5,872	7,649	10,330	12,805

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	5,976	7,974	9,904	13,308	16,167
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(2,893)	(4,760)	(5,299)	(2,153)	(3,259)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
<b>Other Operating Cashflow</b>	3,025	1,122	1,653	2,048	2,482
Net Interest (Paid)/Received					
Tax Paid	(1,512)	(1,863)	(2,546)	(3,443)	(4,268)
<b>Cashflow From Operations</b>	4,596	2,473	3,713	9,760	11,121
Capex	(6,499)	(7,185)	(608)	(2,750)	(2,750)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(297)	2,093	(1,693)	(5,435)	(6,193)
<b>Cash Flow From Investing</b>	(6,797)	(5,092)	(2,301)	(8,185)	(8,943)
Debt Raised/(repaid)	4,481	4,306	628	659	692
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,021)	(1,128)	(1,453)	(1,963)	(2,433)
Preferred Dividends					
Other Financing Cashflow	235	(171)	(948)	(272)	(438)
<b>Cash Flow From Financing</b>	3,695	3,008	(1,774)	(1,575)	(2,178)
Total Cash Generated	1,494	389	(361)		
<b>Free Cashflow To Equity</b>	2,280	1,687	2,040	2,235	2,871
<b>Free Cashflow To Firm</b>	(2,201)	(2,619)	1,412	1,575	2,178

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	11,316	9,753	10,839	11,220	12,621
Total Debtors	17,621	21,164	25,660	31,801	38,538
Inventories	7,556	7,649	10,566	13,094	15,869
Total Other Current Assets	10,380	12,280	14,792	18,332	22,216
<b>Total Current Assets</b>	<b>46,873</b>	<b>50,846</b>	<b>61,857</b>	<b>74,447</b>	<b>89,244</b>
Fixed Assets	16,789	24,279	23,310	24,258	25,081
Total Investments	16,261	17,651	17,630	21,849	26,478
Intangible Assets	30	30	30	30	30
Total Other Non-Current Assets	8,433	8,724	11,349	13,656	16,549
<b>Total Non-current Assets</b>	<b>41,513</b>	<b>50,684</b>	<b>52,319</b>	<b>59,793</b>	<b>68,138</b>
Short-term Debt	3,880	4,665	4,898	5,143	5,400
Current Portion of Long-Term Debt					
Total Creditors	14,979	15,329	18,113	20,577	24,937
Other Current Liabilities	23,196	24,207	27,169	33,672	40,805
<b>Total Current Liabilities</b>	<b>42,055</b>	<b>44,200</b>	<b>50,180</b>	<b>59,391</b>	<b>71,142</b>
Total Long-term Debt	4,225	7,895	8,290	8,704	9,139
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,367	1,984	2,094	2,694	3,234
<b>Total Non-current Liabilities</b>	<b>5,592</b>	<b>9,879</b>	<b>10,383</b>	<b>11,398</b>	<b>12,373</b>
Total Provisions	2,037	3,053	3,019	4,490	4,534
<b>Total Liabilities</b>	<b>49,684</b>	<b>57,132</b>	<b>63,582</b>	<b>75,279</b>	<b>88,049</b>
Shareholders Equity	38,681	44,398	50,593	58,961	69,334
Minority Interests	22				
<b>Total Equity</b>	<b>38,702</b>	<b>44,398</b>	<b>50,593</b>	<b>58,961</b>	<b>69,334</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	32.0%	15.2%	18.2%	23.9%	21.2%
Operating EBITDA Growth	41.8%	33.4%	24.2%	34.4%	21.5%
Operating EBITDA Margin	7.4%	8.6%	9.0%	9.7%	9.8%
Net Cash Per Share (Rs)	28.51	(24.92)	(20.85)	(23.33)	(17.03)
BVPS (Rs)	343.48	394.25	449.26	523.56	615.67
Gross Interest Cover	12.79	7.41	8.02	13.20	14.57
Effective Tax Rate	25.3%	26.0%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	22.7%	19.0%	14.7%	10.9%	8.8%
Accounts Receivables Days	71.87	75.92	77.55	76.79	77.57
Inventory Days	58.51	53.16	54.15	57.04	57.62
Accounts Payables Days	116.71	105.97	99.42	93.27	90.54
ROIC (%)	15.5%	13.7%	15.3%	17.9%	19.8%
ROCE (%)	11.3%	12.5%	14.1%	16.8%	18.2%
Return On Average Assets	5.9%	6.7%	7.8%	8.8%	9.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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- 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.