

India

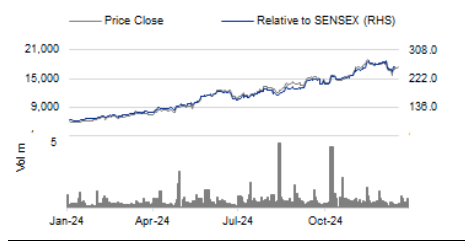
**ADD** (no change)

Consensus ratings\*: Buy 17 Hold 5 Sell 9

Current price:	Rs17,559
Target price: ▲	Rs20,200
Previous target:	Rs17,200
Up/downside:	15.0%
InCred Research / Consensus:	24.8%
Reuters:	
Bloomberg:	DIXON IN
Market cap:	US\$12,185m
	Rs1,054,818m
Average daily turnover:	US\$106.3m
	Rs9204.5m
Current shares o/s:	59.6m
Free float:	21.7%
*Source: Bloomberg	

**Key changes in this note**

► For FY25F-27F, we have increased our revenue estimates by 9%-11% and PAT estimates by 1-4%.

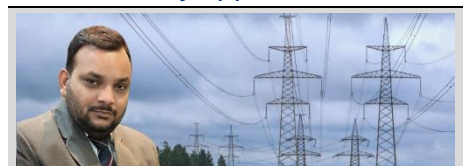


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(2.1)	14.2	191.7
Relative (%)	(0.9)	20.2	170.3

Major shareholders	% held
Nippon Life India	2.4
Kotak Emerging	1.7
HDFC Flexi	1.5

**Research Analyst(s)**



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# Dixon Technologies

## Yet another quarter of robust performance

- 3Q EBITDA grew 112% YoY to Rs3.9bn, 16% above our estimate & 7% above the BB consensus estimate. Blended EBITDA margin fell by 9bp YoY to 3.7%.
- Dixon is planning a US\$3bn display FAB project with govt subsidy under the ISM-2 scheme. This project will address the reliance on imported displays.
- For FY25F-27F, we have increased our revenue estimates by 9%-11% and PAT estimates by 1-4%. Maintain ADD rating with a higher TP of Rs20,200.

### Revenue-led growth continues in 3QFY25

Dixon Technologies' (Dixon) reported a healthy revenue growth of 117% YoY (-9% QoQ) to Rs105bn in 3QFY25, 14% above our estimate and 5% above the Bloomberg or BB consensus estimate, led by a 190% YoY jump in mobile phone & EMS sales to Rs93bn, contributing 89% to sales from 67% in 3QFY24. EBITDA grew 112% YoY (-8% QoQ) to Rs3.9bn, 16% above our estimate and 7% above the BB consensus estimate. Blended EBITDA margin fell by 9bp YoY to 3.7%, with a lower margin in home appliances. PAT grew by 122% YoY to Rs2.16bn while PAT, after minority interest, grew by 76% to Rs1.71bn, 7% below our estimate and 14% below the BB consensus estimate.

### IT hardware and EMS to be next growth drivers

Dixon successfully completed the acquisition of iSmartU and expects further growth from clients such as Tecno, Infinix, and Airtel. The revenue of the mobile phone segment grew 20x in FY20-24 to Rs109bn in FY24, which further expanded to Rs239bn (up 3x) in 9MFY25. The IT hardware segment is likely to register a strong jump led by new client addition.

### Display FAB and backward integration projects

Dixon is planning a US\$3bn display FAB project, contingent on government subsidy under the ISM-2 scheme. This facility will address India's heavy reliance on imported displays for televisions, mobiles, and notebooks, with Dixon's share of the investment expected to be significantly subsidized. The project is designed to support advanced technologies like micro-LED and aims at high-margin accretive returns. Management highlighted its importance in building a competitive edge and a robust component ecosystem in India.

### Retain ADD rating with a higher target price of Rs20,200

Dixon has captured a large market share across categories in the consumer electronics outsourcing space, much above its peers. The company is focused on leveraging its scale, operational efficiency, and strategic partnerships to capture a larger market share. For FY25F-27F, we have increased our revenue estimates by 9%-11% and PAT estimates by 1-4%, factoring in higher revenue in mobile phone and IT hardware businesses. We maintain our ADD rating on the stock with a higher target price of Rs20,200 (Rs17,200 earlier), as we roll forward our valuation to FY27F (from 1HFY26F), valuing it at 80x. Downside risks: Supply chain dependence on China/other countries & macroeconomic headwinds.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	121,920	176,911	380,718	492,286	616,838
Operating EBITDA (Rsm)	5,128	6,978	14,306	19,096	25,380
Net Profit (Rsm)	2,535	3,649	8,900	10,717	14,897
Core EPS (Rs)	42.6	61.0	121.9	179.2	249.1
Core EPS Growth	32.7%	43.3%	99.8%	47.1%	39.0%
FD Core P/E (x)	412.52	287.80	117.98	97.98	70.49
DPS (Rs)	43.1	64.4	116.6	182.3	252.5
Dividend Yield	0.01%	0.02%	0.03%	0.05%	0.06%
EV/EBITDA (x)	203.56	150.28	73.31	54.97	41.30
P/FCFE (x)	88.24	117.36	84.50	47.84	37.23
Net Gearing	(14.9%)	(9.7%)	(5.9%)	(1.7%)	(3.8%)
P/BV (x)	81.38	61.96	39.71	27.79	19.68
ROE	22.2%	24.5%	33.6%	33.4%	32.7%
% Change In Core EPS Estimates			6.54%	2.27%	2.52%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## 3QFY25 conference-call highlights

- **Overview:** Dixon reported robust growth in 3QFY25, with revenue up 117% YoY. The growth was primarily attributed to the uptick in mobile phone and electronics manufacturing services or EMS business. Efficient resource utilization resulted in an industry-leading asset turnover ratio, and disciplined working capital management ensured a cash conversion cycle of -3 days.
- **Mobile phone business**
  - The mobile phone segment posted an impressive 176% YoY growth. Dixon has increased its production capacity with a new facility in Noida, which can produce 60m smartphones annually. The volume in 3Q in smartphones stood at 8.3m units and 20.5m units in 9MFY25 (excluding Samsung), with 1.7–1.8m units attributed to its subsidiary, Ismartu. Feature phones recorded a volume of 9.3m units in 3Q and 45m units in 9MFY25.
  - Dixon is focusing on exports, with 3m units planned for the African market and further expansion to Sri Lanka and the UAE. It has also entered into a binding term sheet with Vivo for a joint venture to manufacture smartphones, pending regulatory approvals.
  - Additionally, Dixon is exploring backward integration opportunities, including camera modules and battery packs, supported by government incentives under the new production-linked incentive or PLI component policy.
- **Consumer Electronics**
  - Dixon has onboarded global brands such as Hisense and AcerPure for its TV ODM solutions, with new offerings on platforms like Google TV and Linux. Despite a subdued demand environment, Dixon manufactured 3,80,000 TVs in 3QFY25 and 1.94m units in 9MFY25.
  - The refrigerator business has captured 8% of the Indian market for direct-cool refrigerators, and the company is expanding its capacity to 1.5m units annually while adding products such as deep freezers and wine chillers. Management indicated that export orders for refrigerators from Nepal, Sri Lanka, and the UAE are progressing well.
- **Home appliances:** Dixon is adding robotic vacuum cleaners, water purifiers, chimneys, and large kitchen appliances to its portfolio. The company is also introducing new washing machine designs in 4QFY25F to enhance customer offerings. Monthly washing machine volume has doubled YoY, reflecting steady growth.
- **Lighting products:** The backward integration of batten lighting is set to commence in 4QFY25F, which is expected to drive cost efficiency and improve margin. Orders for floodlights and streetlights from large brands have further strengthened the segment's growth outlook.
- **Telecom and networking:** Dixon has ramped up its 5G production capacity and localized components such as mechanicals and adapters to improve margin. Production has also started for IPTV set-top boxes, and mass production of 5G FWA indoor and outdoor units is underway. Management emphasized this segment's long-term growth potential, given the healthy order book and strong market demand.
- **IT hardware:** Revenue from laptops, tablets, and IT hardware is still in the early stage, with trial production for Lenovo and Acer underway. Mass production for HP and ASUS is expected to begin in 1QFY26F. The company is also in advanced discussions for a joint venture with a major global ODM player to expand its portfolio into high-value categories like notebooks and servers. Dixon remains confident in achieving its long-term revenue target for this segment.

- **Export focus:** Dixon's growing export business is a significant highlight, particularly for smartphones. The company expects export revenue of Rs15-18bn annually, beginning with Africa and later expanding to other regions. This aligns with its strategy to diversify revenue streams and tap global markets.
- **Capex:** Dixon incurred Rs6.2bn capex in 9MFY25 and expects to close the year with a total Rs8bn capex. It plans a similar capex level in FY26F.
- **PLI scheme and competition:** Management emphasized that Dixon's investments in automation, robotics, and backward integration would help maintain its competitive edge, even as new players like Tata Electronics enter the market. The company is focused on leveraging its scale, operational efficiency, and strategic partnerships to capture a larger market share

**Figure 1: Results summary**

(Rs m)	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
<b>Revenue</b>	<b>1,04,537</b>	<b>48,184</b>	<b>117.0%</b>	<b>1,15,341</b>	<b>-9.4%</b>	<b>2,85,676</b>	<b>1,30,331</b>	<b>119.2%</b>
Total raw material expenses	96,801	43,918	120.4%	1,06,605	-9.2%	2,63,575	1,18,166	123.1%
Employees benefit expenses	1,558	867	79.6%	1,483	5.1%	4,241	2,505	69.3%
Other expenses	2,273	1,554	46.3%	2,989	-24.0%	7,212	4,507	60.0%
<b>EBITDA</b>	<b>3,905</b>	<b>1,846</b>	<b>111.6%</b>	<b>4,264</b>	<b>-8.4%</b>	<b>10,648</b>	<b>5,153</b>	<b>106.6%</b>
EBITDA margin	3.7%	3.8%	-9bp	3.7%	3.9bp	3.7%	4.0%	-23bp
Depreciation	746	407	83.3%	660	13.0%	1,951	1,109	76.0%
<b>EBIT</b>	<b>3,159</b>	<b>1,439</b>	<b>119.6%</b>	<b>3,604</b>	<b>-12.3%</b>	<b>8,697</b>	<b>4,045</b>	<b>115.0%</b>
Other income	65	23	180.2%	-57	-213.4%	90	59	52.0%
Interest	409	222	84.1%	379	7.8%	1,081	533	102.7%
<b>PBT</b>	<b>2,816</b>	<b>1,240</b>	<b>127.1%</b>	<b>3,167</b>	<b>-11.1%</b>	<b>7,705</b>	<b>3,571</b>	<b>115.8%</b>
Share of profit in JV	36	19	85.5%	26.0	37.7%	136	44	209.5%
Tax	689	279	147.1%	1,172	-41.2%	2,261	859	163.2%
Tax rate	24.2%	22.1%	202.2bp	36.7%	-34.2%	28.8%	23.8%	507.1bp
EOI	-	-	-	2,096	-	2,096	-	-
<b>PAT</b>	<b>2,162</b>	<b>974</b>	<b>122.0%</b>	<b>3,899</b>	<b>-44.5%</b>	<b>7,007</b>	<b>2,749</b>	<b>154.9%</b>
Non-controlling Interest	450	6	-	219	106.1%	669	6	10,517.5%
Adjusted PAT after minority interest	<b>1,712</b>	<b>974</b>	<b>75.8%</b>	<b>1,802</b>	<b>-5.0%</b>	<b>4,911</b>	<b>2,749</b>	<b>78.6%</b>
PAT margin	1.6%	2.0%	-38bp	1.6%	7bp	1.7%	2.1%	-39bp
EPS	28.7	16.4	75.8%	30.3	-5.0%	82.5	46.2	78.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: Margin and cost analysis**

% of Sales	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
Raw material expenses	92.6%	91.1%	145bp	92.4%	17bp	92.3%	90.7%	160bp
Employees expenses	1.5%	1.8%	-31bp	1.3%	20bp	1.5%	1.9%	-44bp
Other expenses	2.2%	3.2%	-105bp	2.6%	-42bp	2.5%	3.5%	-93bp
EBITDA margin	3.7%	3.8%	-9bp	3.7%	4bp	3.7%	4.0%	-23bp
Gross margin	7.4%	8.9%	-145bp	7.6%	-17bp	7.7%	9.3%	-160bp

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Segmental revenue and EBITDA**

(Rs m)	3QFY25	3QFY24	YoY	2QFY25	QoQ	9MFY25	9MFY24	YoY
<b>Total Revenue</b>	<b>1,04,540</b>	<b>48,180</b>	<b>117.0%</b>	<b>1,15,340</b>	<b>-9.4%</b>	<b>2,85,670</b>	<b>1,25,800</b>	<b>127.1%</b>
Consumer Electronics	6,330	9,290	-31.9%	14,130	-55.2%	29,010	32,510	-10.8%
Lighting Products	2,010	1,870	7.5%	2,330	-13.7%	6,610	5,900	12.0%
Home Appliances	3,150	2,880	9.4%	4,440	-29.1%	10,640	9,110	16.8%
Mobile Phones+ EMS	93,050	32,140	189.5%	94,440	-1.5%	2,39,410	78,280	205.8%
Securities Systems	-	2,000	-100.0%	-	NA	-	-	NA
<b>EBITDA</b>	<b>3,900</b>	<b>1,840</b>	<b>112.0%</b>	<b>4,260</b>	<b>-8.5%</b>	<b>10,630</b>	<b>5,270</b>	<b>101.7%</b>
Consumer Electronics	220	320	-31.3%	520	-57.7%	1,030	1,110	-7.2%
Lighting Products	140	130	7.7%	170	-17.6%	460	440	4.5%
Home Appliances	320	300	6.7%	490	-34.7%	1,130	1,000	13.0%
Mobile Phones	3,220	1,040	209.6%	3,080	4.5%	8,010	2,500	220.4%
Securities Systems	-	50	-100.0%	-	NA	-	220	-100.0%
<b>EBITDA Margin</b>	<b>3.7%</b>	<b>3.8%</b>	<b>-9bp</b>	<b>3.7%</b>	<b>4bp</b>	<b>3.7%</b>	<b>4.2%</b>	<b>-47bp</b>
Consumer Electronics	3.5%	3.4%	3bp	3.7%	-20bp	3.6%	3.4%	14bp
Lighting Products	7.0%	7.0%	1bp	7.3%	-33bp	7.0%	7.5%	-50bp
Home Appliances	10.2%	10.4%	-26bp	11.0%	-88bp	10.6%	11.0%	-36bp
Mobile Phones	3.5%	3.2%	22bp	3.3%	20bp	3.3%	3.2%	15bp
Securities Systems	NA	2.5%	NA	NA	NA	NA	NA	NA

SOURCES: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Actuals versus estimates (Rs m)**

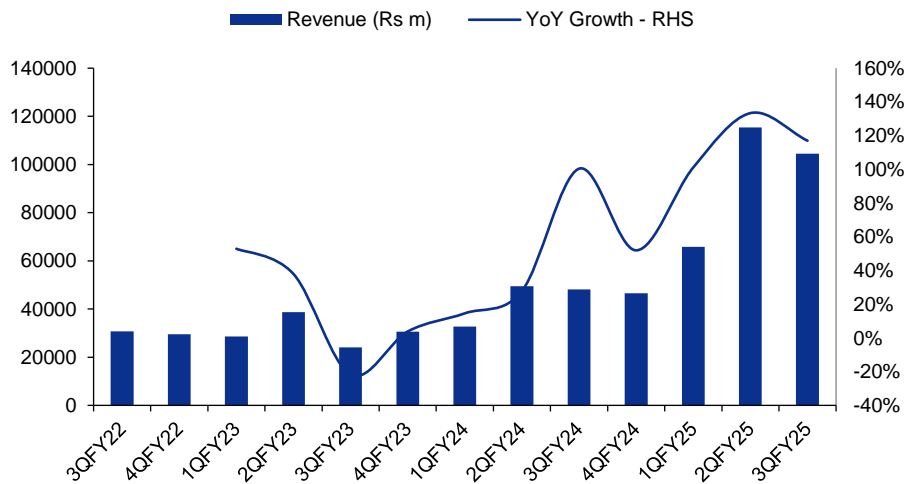
vs. InCred	3QFY25	3QFY25F	Diff.
Revenue	1,04,537	91,653	14%
EBITDA	3,905	3,374	16%
Margin	3.7%	3.7%	5bp
PAT	1,712	1,835	-7%

vs. Consensus	3QFY25	3QFY25C	Diff.
Revenue	1,04,537	99,689	5%
EBITDA	3,905	3,644	7%
Margin	3.7%	3.7%	8bp
PAT	1,712	1,993	-14%

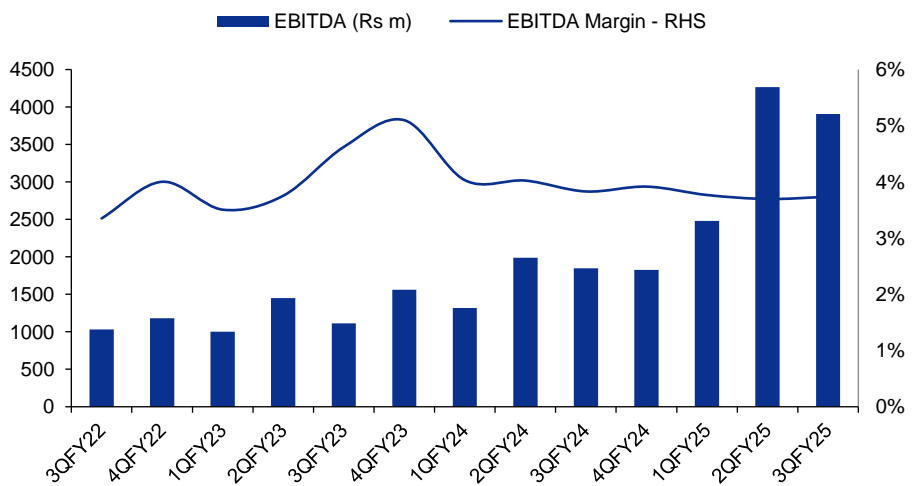
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Strong revenue growth sustains**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: EBITDA margin stable at ~3.7%**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Profitability improves

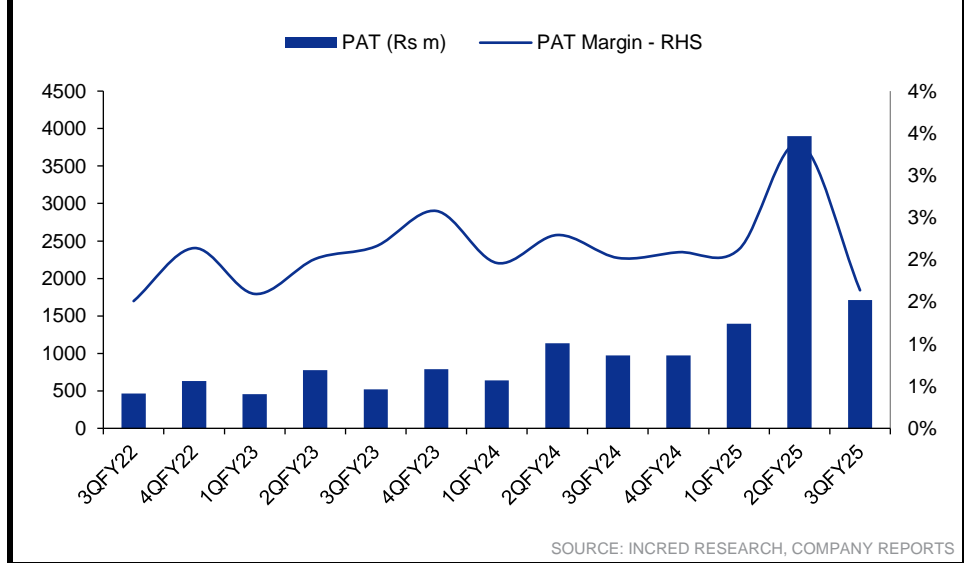


Figure 8: Consumer segment witnesses a decline in 3QFY25

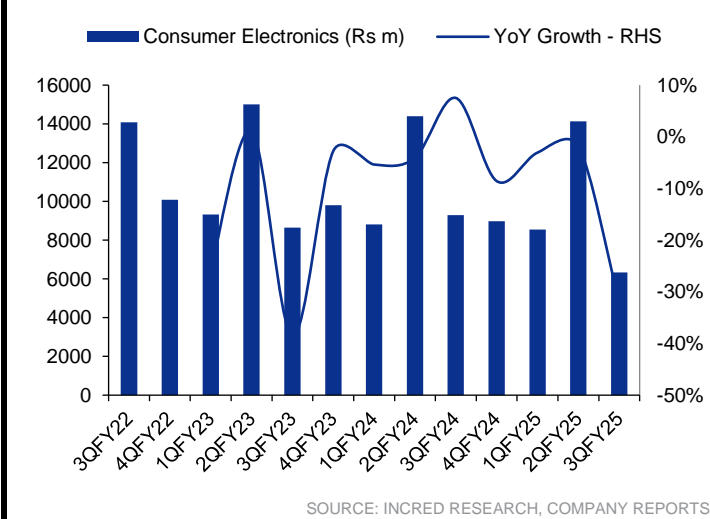


Figure 9: Lighting products revenue trend

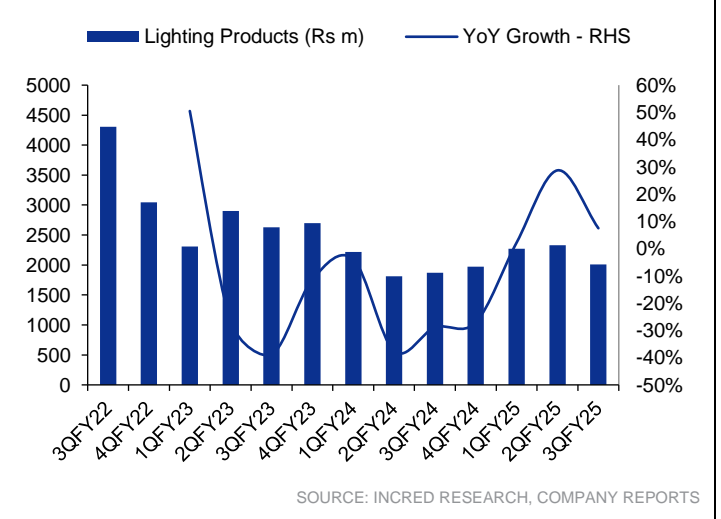


Figure 10: Home appliances revenue trend

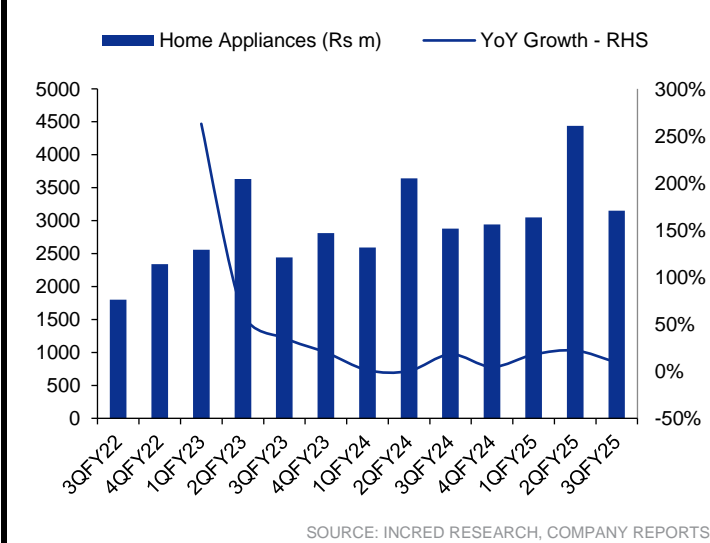
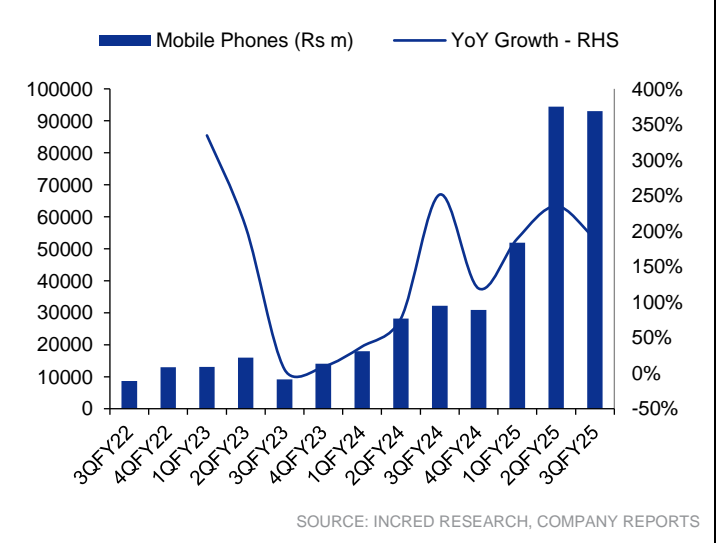


Figure 11: Mobile phones business driving strong growth

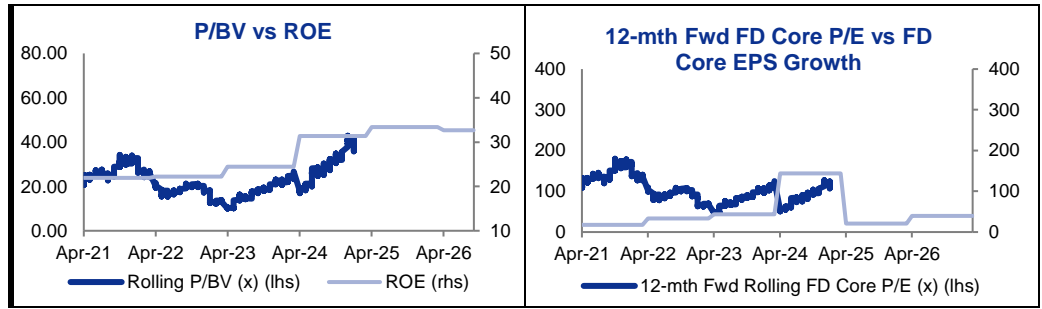


**Figure 12: Our revised earnings estimates (Rs m)**

	New estimates			Old estimates			Change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
<b>Revenue</b>	3,80,718	4,92,286	6,16,838	3,49,402	4,43,675	5,53,745	9.0%	11.0%	11.4%
<b>EBITDA</b>	14,306	19,096	25,380	12,695	17,462	23,038	12.7%	9.4%	10.2%
<b>PAT</b>	6,971	10,901	15,099	6,702	10,815	14,901	4.0%	0.8%	1.3%

SOURCE: COMPANY REPORTS, INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	121,920	176,911	380,718	492,286	616,838
<b>Gross Profit</b>	11,768	16,521	31,510	46,376	58,109
<b>Operating EBITDA</b>	5,128	6,978	14,306	19,096	25,380
Depreciation And Amortisation	(1,146)	(1,619)	(2,719)	(3,001)	(3,753)
<b>Operating EBIT</b>	3,981	5,359	11,586	16,095	21,627
Financial Income/(Expense)	(606)	(747)	(1,498)	(1,527)	(1,810)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	56	226	256	333	433
<b>Profit Before Tax (pre-EI)</b>	3,432	4,838	10,345	14,901	20,251
Exceptional Items			2,096		
<b>Pre-tax Profit</b>	3,432	4,838	12,441	14,901	20,251
Taxation	(897)	(1,189)	(2,872)	(3,502)	(4,658)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	2,535	3,649	9,569	11,399	15,593
Minority Interests			(669)	(682)	(696)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	2,535	3,649	8,900	10,717	14,897
Recurring Net Profit	2,535	3,649	7,288	10,717	14,897
<b>Fully Diluted Recurring Net Profit</b>	2,535	3,649	7,288	10,717	14,897

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	3,432	4,838	12,441	14,901	20,251
Cash Flow from Invt. & Assoc.					
Change In Working Capital	2,736	(119)	(5,994)	(3,915)	(7,079)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	606	747	1,498	1,527	1,810
Net Interest (Paid)/Received	1,146	1,619	2,719	3,001	3,753
Tax Paid	8,077	7,061	10,664	15,514	18,735
<b>Cashflow From Operations</b>	15,997	14,146	21,329	31,028	37,469
Capex	(4,612)	(5,844)	(8,902)	(9,080)	(9,262)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	110	159			
<b>Cash Flow From Investing</b>	(4,502)	(5,686)	(8,902)	(9,080)	(9,262)
Debt Raised/(repaid)	336	469			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(737)	(494)	(1,498)	(1,527)	(1,810)
Preferred Dividends					
Other Financing Cashflow	(2,895)	(455)	574	8	(4)
<b>Cash Flow From Financing</b>	(3,296)	(480)	(924)	(1,519)	(1,814)
Total Cash Generated	8,198	7,980	11,503	20,428	26,394
<b>Free Cashflow To Equity</b>	11,830	8,929	12,427	21,947	28,207
<b>Free Cashflow To Firm</b>	10,348	6,841	9,707	18,946	24,454

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	2,292	2,087	2,202	1,596	3,465
Total Debtors	17,155	23,199	48,001	63,410	84,518
Inventories	9,579	16,950	36,507	48,554	62,529
Total Other Current Assets	2,068	6,127	7,353	9,559	12,426
<b>Total Current Assets</b>	<b>31,093</b>	<b>48,363</b>	<b>94,063</b>	<b>123,120</b>	<b>162,938</b>
Fixed Assets	22,755	32,392	39,099	49,335	57,596
Total Investments	442	200	180	144	115
Intangible Assets	303	344	346	348	350
Total Other Non-Current Assets	1,627	705	681	679	681
<b>Total Non-current Assets</b>	<b>25,126</b>	<b>33,641</b>	<b>40,306</b>	<b>50,506</b>	<b>58,743</b>
Short-term Debt	374	424	636	955	1,432
Current Portion of Long-Term Debt					
Total Creditors	24,519	40,598	76,539	97,734	122,461
Other Current Liabilities	4,255	6,012	7,815	10,160	13,207
<b>Total Current Liabilities</b>	<b>29,148</b>	<b>47,033</b>	<b>84,990</b>	<b>108,848</b>	<b>137,101</b>
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	3,086	4,248	6,144	8,497	11,793
<b>Total Non-current Liabilities</b>	<b>3,086</b>	<b>4,248</b>	<b>6,144</b>	<b>8,497</b>	<b>11,793</b>
Total Provisions	86	63	82	107	139
<b>Total Liabilities</b>	<b>32,319</b>	<b>51,344</b>	<b>91,216</b>	<b>117,452</b>	<b>149,032</b>
Shareholders Equity	12,849	16,949	26,446	37,790	53,346
Minority Interests		276	276	276	276
<b>Total Equity</b>	<b>12,849</b>	<b>17,225</b>	<b>26,722</b>	<b>38,066</b>	<b>53,622</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	14.0%	45.1%	115.2%	29.3%	25.3%
Operating EBITDA Growth	35.3%	36.1%	105.0%	33.5%	32.9%
Operating EBITDA Margin	4.2%	3.9%	3.8%	3.9%	4.1%
Net Cash Per Share (Rs)	32.21	27.80	26.18	10.73	34.00
BVPS (Rs)	215.77	283.42	442.24	631.94	892.07
Gross Interest Cover	6.57	7.17	7.74	10.54	11.95
Effective Tax Rate	26.1%	24.6%	23.1%	23.5%	23.0%
Net Dividend Payout Ratio	4.7%	4.9%	4.6%	4.6%	4.6%
Accounts Receivables Days	45.98	41.61	34.11	41.29	43.75
Inventory Days	35.02	30.19	27.94	34.81	36.28
Accounts Payables Days	78.96	74.09	61.22	71.33	71.92
ROIC (%)	12.1%	12.1%	18.2%	18.8%	19.6%
ROCE (%)	32.1%	34.7%	51.5%	48.5%	46.0%
Return On Average Assets	5.6%	6.1%	7.9%	8.1%	8.6%

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.*

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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.