

MCOT MCOT TB / MCOT.BK

4 March 2013
Above our estimate
Above estimate

MCOT reported a Bt481m net profit for 4Q12, up by 264% YoY and flattish QoQ. The number was 7% above our estimate, thanks to lower service costs (mostly TV production costs) and employee expenses than modeled. Ad receipts were basically in line with our model. Total service costs were 8% lower than expected. GM was 60.6%; we had assumed only 57%.

Result highlights

The massive YoY jump in net profit was due to the low base set by 4Q11 flooding. Ad receipts rose, OPEX control was better and the headline corporate tax cut dropped 7%. TV ad income jumped 51% YoY but declined 5% QoQ. Radio ad receipts rose by 27% YoY and 9% QoQ. The YoY jump in TV ad revenue was led by a higher TV loading factor—80% in 4Q12 against 48% in 4Q11. Radio ad revenue expansion was led by clustered sales and the bundling of marketing events with ad sales.

Outlook

MCOT estimates a 10% rise in total ad spend and a 12-13% increase in TV ad spend for FY13. The firm targets 15-17% YoY revenue expansion this year, the drivers being: 1) a 20% YoY rise in TV ad income (excl. satellite TV), 2) a 60% YoY jump in govt special projects (to Bt800m) and 3) 18% satellite TV revenue growth (to Bt400m).

The firm plans to bid for two digital channel licenses in 4Q13 (it estimates the reserve price at Bt500m per channel) and guides for total CAPEX of Bt4-5bn for the period FY13-15: 1) Bt1-1.5bn to bid for two digital channel licenses, 2) Bt1-1.5bn for investing in the 50-rai Ratchada junction project (assuming a tie-up with a strategic partner) and 3) Bt1bn to invest in digital transmitters and equipment, assuming a tie-up with four partners.

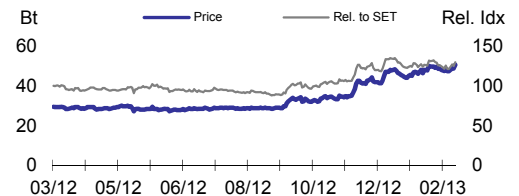
With regard to the 50-rai project, the firm plans to build a mixed-use media complex with retail and residential zones. But it has yet to recruit a strategic partner to fund the bulk of the cost. MCOT will limit its investment to Bt1-1.5bn plus the land. For the digital network investment, it plans to form a consortium with TOT, TPBS and the Public Relations Department to share network investment costs. It will also propose that the Royal Thai Army to join the consortium. An MOU has already been signed with TOT to use its network.

What's changed?

We maintain our FY13 profit forecast unchanged.

Recommendation

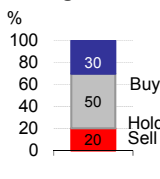
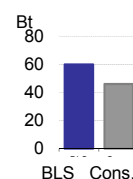
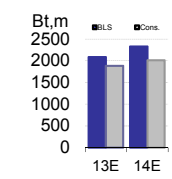
Our BUY rating stands, premised on strong FY13 earnings growth and scope for upside from digital network and channel licenses.

Sector: Media Neutral
Rating: BUY
Target Price: Bt60.00
Price (1 March 2013): Bt50.50
Price chart


Share price perf. (%)	1M	3M	12M
Relative to SET	1.1	5.6	37.1
Absolute	5.2	23.2	69.7

Key statistics

Market cap	Bt34.7bn	USD1.2bn
12-mth price range	Bt27.0/Bt51.5	
12-mth avg daily volume	Bt32m	USD1.1m
# of shares (m)	687	
Est. free float (%)	22.7	
Foreign limit (%)	15.0	

Consensus rating

BLS Target price vs. Consensus

BLS earnings vs. Consensus

Financial summary

FY Ended 31 Dec	2012	2013E	2014E	2015E
Revenues (Btm)	5,729	6,771	7,399	7,973
Net profit (Btm)	1,759	2,088	2,331	2,554
EPS (Bt)	2.56	3.04	3.39	3.72
EPS growth (%)	+29.7%	+18.7%	+11.6%	+9.6%
Core profit (Btm)	1,759	2,088	2,331	2,554
Core EPS (Bt)	2.56	3.04	3.39	3.72
Core EPS growth (%)	+29.7%	+18.7%	+11.6%	+9.6%
PER (x)	12.7	16.6	14.9	13.6
PBV (x)	2.8	4.1	3.8	3.7
Dividend (Bt)	2.3	2.7	3.1	3.3
Dividend yield (%)	7.1	5.4	6.0	6.6
ROE (%)	22.6	25.4	26.8	27.9

CG rating


Prasit Sujiravorakul
 prasit@bualuang.co.th
 +66 2 618 1342

MCOT : Financial Tables – Year

PROFIT & LOSS (Btm)	2011	2012	2013E	2014E	2015E
Revenue	5,142	5,729	6,771	7,399	7,973
Cost of sales and services	(2,175)	(2,422)	(2,969)	(3,209)	(3,437)
Gross profit	2,967	3,307	3,803	4,190	4,536
SG&A	(1,080)	(1,186)	(1,388)	(1,480)	(1,555)
EBIT	1,888	2,121	2,415	2,710	2,981
Interest expense	(11)	(11)	(9)	(8)	(7)
Other income/exp.	170	210	220	228	236
EBT	2,047	2,319	2,626	2,930	3,210
Corporate tax	(671)	(551)	(527)	(587)	(643)
After-tax net profit (loss)	1,376	1,768	2,099	2,343	2,567
Minority interest	(20)	(10)	(11)	(12)	(13)
Equity earnings from affiliates	0	0	0	0	0
Extra items	0	0	0	0	0
Net profit (loss)	1,356	1,759	2,088	2,331	2,554
Reported EPS	1.97	2.56	3.04	3.39	3.72
Fully diluted EPS	1.97	2.56	3.04	3.39	3.72
Core net profit	1,356	1,759	2,088	2,331	2,554
Core EPS	1.97	2.56	3.04	3.39	3.72
EBITDA	2,429	2,663	2,975	3,289	3,579

KEY RATIOS

Revenue growth (%)	(2.3)	11.4	18.2	9.3	7.8
Gross margin (%)	57.7	57.7	56.2	56.6	56.9
EBITDA margin (%)	47.2	46.5	43.9	44.5	44.9
Operating margin (%)	36.7	37.0	35.7	36.6	37.4
Net margin (%)	26.4	30.7	30.8	31.5	32.0
Core profit margin (%)	26.4	30.7	30.8	31.5	32.0
ROA (%)	12.8	16.1	17.9	18.8	19.5
ROCE (%)	17.6	22.4	25.2	26.5	27.6
Asset turnover (x)	0.5	0.5	0.6	0.6	0.6
Current ratio (x)	3.6	3.2	3.1	3.1	3.1
Gearing ratio (x)	0.0	0.0	0.0	0.0	0.0
Interest coverage (x)	172.9	189.2	264.7	331.4	411.9

BALANCE SHEET (Btm)

Cash & Equivalent	4,192	4,610	5,068	5,533	6,033
Accounts receivable	615	786	828	905	975
Inventory	11	40	49	53	56
PP&E-net	4,168	4,091	3,978	3,851	3,707
Other assets	723	830	1,092	1,277	1,444
Total assets	10,652	11,248	12,053	12,743	13,421
Accounts payable	87	139	146	158	169
ST debts & current portion	0	0	0	0	0
Long-term debt	6	5	3	4	5
Other liabilities	53	62	73	80	86
Total liabilities	2,994	3,209	3,495	3,722	3,931
Paid-up capital	3,435	3,435	3,435	3,435	3,435
Share premium	1,107	1,107	1,107	1,107	1,107
Retained earnings	3,053	3,438	3,946	4,397	4,854
Shareholders equity	7,595	7,980	8,488	8,940	9,396
Minority interests	63	59	69	81	94
Total Liab.&Shareholders' equity	10,652	11,248	12,053	12,743	13,421

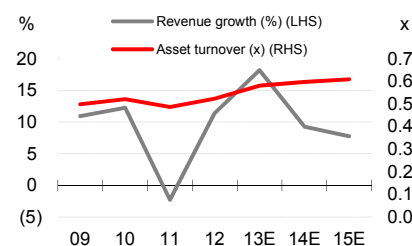
CASH FLOW (Btm)

Net income	1,356	1,759	2,088	2,331	2,554
Depreciation and amortization	541	542	560	579	597
Change in working capital	429	(148)	(44)	(69)	(63)
FX, non-cash adjustment & others	31	(160)	(131)	(64)	(57)
Cash flows from operating activities	2,358	1,994	2,474	2,777	3,032
Capex (Invest)/Divest	(322)	(278)	(400)	(400)	(400)
Others	(890)	(663)	(653)	(441)	(407)
Cash flows from investing activities	(1,212)	(940)	(1,053)	(841)	(807)
Debt financing (repayment)	(3)	(5)	0	0	0
Equity financing	0	0	0	0	0
Dividend payment	(1,443)	(1,374)	(1,580)	(1,880)	(2,098)
Others	(890)	(663)	(653)	(441)	(407)
Cash flows from financing activities	(1,458)	(1,393)	(1,580)	(1,880)	(2,098)
Net change in cash	(313)	(340)	(160)	56	127
Free cash flow (Btm)	2,036	1,716	2,074	2,377	2,632
FCF per share (Bt)	3.0	2.5	3.0	3.5	3.8

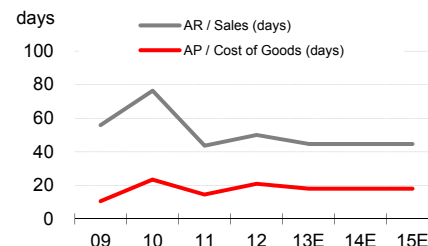
Key assumptions

	2011	2012	2013E	2014E	2015E
Average TV loading factor (%)	80.0%	83.0%	90.0%	94.0%	98.0%
TV ad revenue (Btm)	3,395	3,860	4,801	5,377	5,898
Radio ad revenue (Btm)	855	942	946	947	948
Concession revenue (Btm)	892	927	953	984	1,017
SG&A/sales (%)	21.0%	20.6%	20.5%	20.0%	19.5%

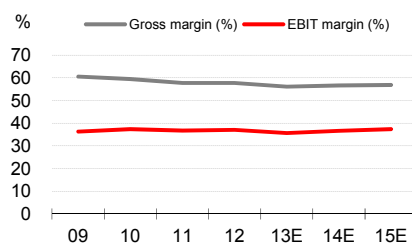
Revenue growth and asset turnover



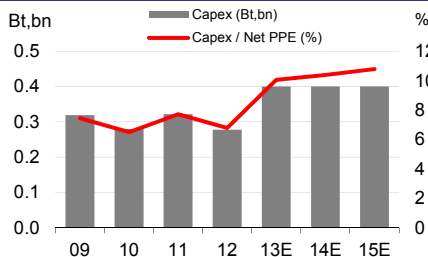
A/C receivable & A/C payable days



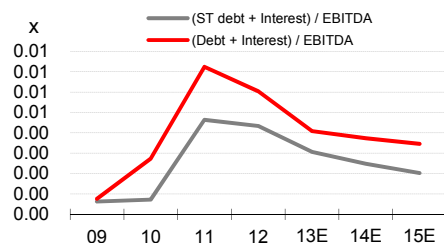
Profit margins



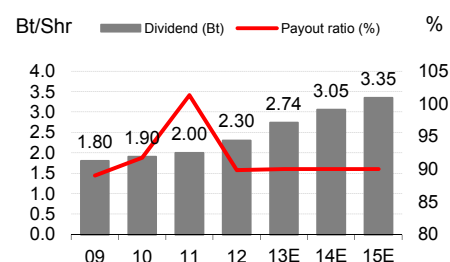
Capital expenditure



Debt serviceability



Dividend payout



MCOT : Financial Tables – Quarter

QUARTERLY PROFIT & LOSS (Btm)	4Q11	1Q12	2Q12	3Q12	4Q12
Revenue	1,096	1,265	1,450	1,515	1,499
Cost of sales and services	(590)	(589)	(593)	(649)	(591)
Gross profit	506	676	857	866	908
SG&A	(269)	(264)	(299)	(292)	(331)
EBIT	237	412	558	574	577
Interest expense	(2)	(3)	(3)	(3)	(3)
Other income/exp.	42	47	54	39	69
EBT	276	457	609	610	644
Corporate tax	(141)	(101)	(163)	(129)	(159)
After-tax net profit (loss)	136	356	446	482	485
Minority interest	(3)	(1)	(3)	(2)	(4)
Equity earnings from affiliates	0.0	0.0	0.0	0.0	0.0
Extra items	0.0	0.0	0.0	0.0	0.0
Net profit (loss)	132	355	443	480	481
Reported EPS	0.19	0.52	0.65	0.70	0.70
Fully diluted EPS	0.19	0.52	0.65	0.70	0.70
Core net profit	132	355	443	480	481
Core EPS	0.19	0.52	0.65	0.70	0.70
EBITDA	373	547	695	709	711

KEY RATIOS

Gross margin (%)	46.2	53.4	59.1	57.2	60.6
EBITDA margin (%)	34.0	43.3	47.9	46.8	47.4
Operating margin (%)	21.6	32.6	38.4	37.9	38.5
Net margin (%)	12.1	28.0	30.6	31.7	32.1
Core profit margin (%)	12.1	28.0	30.6	31.7	32.1
BV (Bt)	11.1	11.7	11.3	11.0	11.7
ROE (%)	7.0	17.8	23.0	25.6	24.1
ROA (%)	5.0	13.1	16.2	16.8	17.1
Current ratio (x)	3.6	4.3	3.1	2.4	3.2
Gearing ratio (x)	0.0	0.0	0.0	0.0	0.0
Interest coverage (x)	95.2	162.9	222.4	224.0	227.4

QUARTERLY BALANCE SHEET (Btm)

Cash & Equivalent	4,192	4,754	4,492	4,882	4,610
Accounts receivable	615	618	676	735	786
Inventory	11	5	20	28	40
PP&E-net	4,168	4,092	4,203	4,166	4,091
Other assets	813	371	928	923	919
Total assets	10,652	10,833	10,916	11,418	11,248
Accounts payable	87	93	96	127	139
ST debts & current portion	7	6	6	6	6
Long-term debt	6	5	4	5	5
Other liabilities	1,410	1,341	1,314	1,275	1,247
Total liabilities	2,994	2,820	3,156	3,864	3,209
Paid-up capital	3,435	3,435	3,435	3,435	3,435
Share premium	3,053	3,408	3,164	2,956	3,438
Retained earnings	3,053	3,408	3,164	2,956	3,438
Shareholders equity	7,595	7,950	7,706	7,499	7,980
Minority interests	63	64	53	55	59
Total Liab.&Shareholders' equity	10,652	10,833	10,916	11,418	11,248

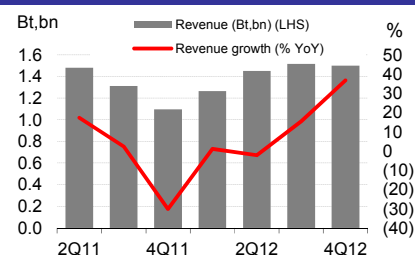
Key statistics

	4Q11	1Q12	2Q12	3Q12	4Q12
Average TV loading factor (%)	48.0%	76.0%	90.0%	92.0%	80.0%
TV ad revenue (Btm)	665	819	976	1,058	1,007
Radio ad revenue (Btm)	210	197	234	245	267
Concession revenue (Btm)	221	249	240	212	226
SG&A/sales (%)	24.6%	20.8%	20.6%	19.3%	22.1%

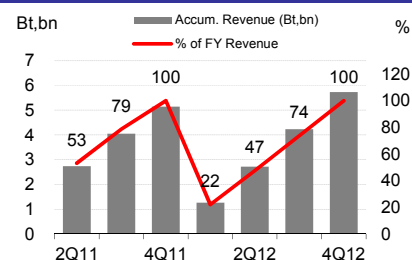
Company profile

MCOT Plc (MCOT) operates a free-to-air national terrestrial TV station, ModerNine, and 62 radio stations across the country. The firm also collects a percentage of the revenues generated by two TV operators that have MCOT-granted concessions—Bangkok Entertainment Plc (a subsidiary of BEC) and UBC (or TRUE Visions). Bangkok Entertainment operates the nationwide terrestrial TV station, Channel 3. Last year Bangkok Entertainment paid Bt173m in revenue share to MCOT. TRUE Vision runs a multi-channel pay TV business over fiber-optic cable and satellite. It pays 6.5% of its revenue to MCOT. In FY12 it paid Bt522m.

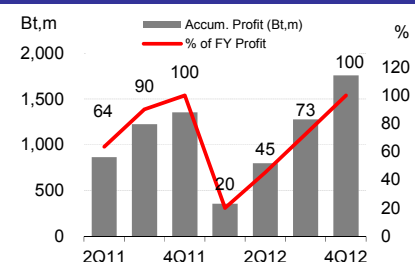
Revenue trend



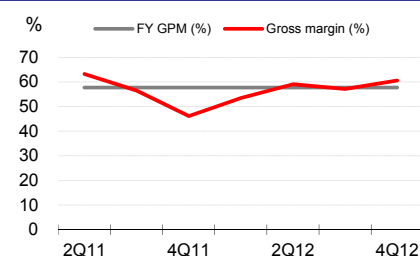
Revenue trend (accumulated)



Net profit trend (accumulated)



Gross profit margin



EBIT margin

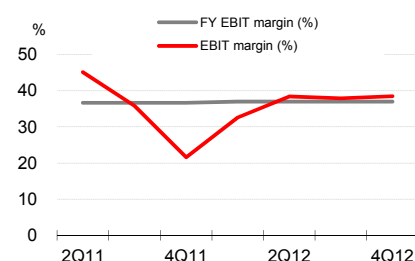


Figure 1 : 4Q12 results

FY Ended 31 Dec (Btm)	4Q12	4Q11	YoY %	3Q12	QoQ %	2012	2011	YoY %	
Income Statement									
Revenue	1,499	1,096	37	1,515	(1)	5,729	5,142	11	• Revenues was in line with our estimate
Cost of sales and services	(591)	(590)	0	(649)	(9)	(2,422)	(2,181)	11	
EBITDA	711	373	91	709	0	2,663	2,429	10	
SG&A	(331)	(269)	23	(292)	13	(1,186)	(1,074)	10	
EBIT	577	237	144	574	1	2,121	1,888	12	• Gross profit was 6% above our expectation
Interest expense	(3)	(2)	2	(3)	(1)	(10)	(10)	3	
Other income/exp.	69	42	63	39	77	209	169	23	
Equity earnings from affiliates	0	0	nm	0	nm	0	0	nm	
Extra items	0	0	nm	0	nm	0	0	nm	• GM was 60.6%; our assumption was 57.2%
EBT	644	276	133	610	5	2,319	2,047	13	
Corporate tax	(159)	(141)	13	(129)	23	(551)	(671)	(18)	
Minority interest	(4)	(3)	15	(2)	135	(10)	(20)	(52)	• SG&A was 11% above our model
Net profit (loss)	481	132	264	480	0	1,759	1,356	30	
Reported EPS	0.70	0.19	264	0.70	0	2.56	1.97	30	
Core net profit	481	132	264	480	0	1,759	1,356	30	• EBIT was 4% above our estimate
Key ratios									
Gross margin (%)	60.6	46.2		57.2		57.7	57.6		
EBITDA margin (%)	47.4	34.0		46.8		46.5	47.2		• After-tax profit was 8% above our expectation
EBIT margin (%)	38.5	21.6		37.9		37.0	36.7		
SG&A / Revenue (%)	22.1	24.6		19.3		20.7	20.9		
Tax rate (%)	24.7	50.9		21.1		23.8	32.8		
Net margin (%)	32.1	12.1		31.7		30.7	26.4		• Net profit was 7% above our estimate, due to lower service costs than modeled
Current ratio (x)	3.2	3.6		2.4		3.2	3.6		
Gearing ratio (x)	0.0	0.0		0.0		0.0	0.0		
Interest coverage (x)	227.4	95.2		n.m.		209.2	191.1		
Balance Sheet									
Cash & Equivalent	4,610	4,192	10	4,882	(6)				
Total assets	11,248	10,652	6	11,418	(1)				
ST debts & current portion	6	7	n.m.	6	(4)				
Long-term debt	5	6	n.m.	5	(17)				
Total liabilities	3,209	2,994	7	3,864	(17)				
Retained earnings	3,438	3,053	13	2,956	16				
Shareholders equity	7,980	7,595	5	7,499	6				
Minority interests	59	63	(6)	55	7				
BV (Bt)	11.7	11.1	5	11.0	6				

Sources: Company data, Bualuang Research estimates

Figure 2: Revenue and gross profit breakdown

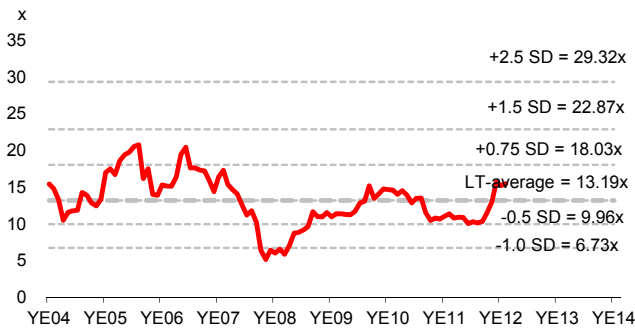
	4Q12	4Q11	% YoY	3Q12	% QoQ	FY12	FY11	% YoY
Total revenue	1,499	1,096	36.8	1,515	(1.0)	5,729	5,143	11.4
- TV	1,007	665	51.4	1,058	(4.9)	3,860	3,395	13.7
- Radio	267	210	26.8	245	9.1	942	855	10.2
- Concession	226	221	2.1	212	6.2	927	892	3.9
Total cost of services	(591)	(590)	0.1	(649)	(9.0)	(2,422)	(2,181)	11.1
- Cost of TV & radio	(564)	(560)	0.6	(622)	(9.3)	(2,307)	(2,068)	11.5
- Cost of concession	(27)	(30)	(8.7)	(28)	(0.5)	(115)	(112)	2.6
Gross profit	908	506	79.5	866	4.9	3,307	2,962	11.7
- TV & radio	710	315	125.4	681	4.3	2,495	2,182	14.3
- Concession	198	191	3.8	185	7.3	812	779	4.1
Gross margin (%)	60.6%	46.2%		57.2%		57.7%	57.6%	
- TV & radio	55.7%	36.0%		52.3%		52.0%	51.3%	
- Concession	87.9%	86.4%		87.0%		87.6%	87.4%	

Source: Company data

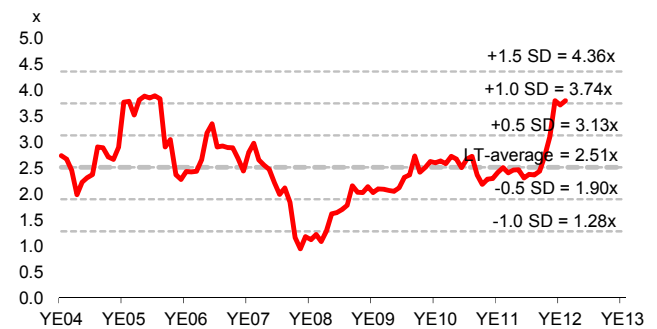
Regional Comparisons

	Bloomberg Code	Price (local curr.)	Market Cap (US\$ equivalent)	PER (x)		EPS Growth (%)		PBV (x)		ROE (%)		Div Yield (%)	
				2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E	2013E	2014E
Abs-Cbn Corp	ABS PM	PHP38.3	7.9	19.0	14.3	-45.1	313	2.7	2.4	8.2	11.0	15	16
Gma Network Inc	GMA7 PM	PHP 10.0	826	214	18.6	30.3	10.9	4.8	4.6	23.0	25.0	6.6	3.3
Sun Tv Network Ltd	SUNTV IN	INR438.7	3,139	24.4	20.3	2.1	19.3	6.3	5.7	26.6	28.3	2.3	2.6
Zee Entertainment Enterprise	Z IN	INR220.8	3,844	29.5	24.2	23.2	214	5.5	4.8	19.3	20.3	10	12
Television Broadcasts Ltd	511HK	HKD60.1	3,394	15.3	14.6	10.8	3.0	3.5	3.2	23.7	22.8	4.0	4.2
Phoenix Satellite Television	2008 HK	HKD3.3	2,131	18.6	17.2	-1294.0	20.6	3.5	3.0	17.3	17.7	18	2.1
Nippon Television Network	9404 JP	JPY14510	4,087	15.5	13.8	2.4	12.9	0.8	0.8	5.4	5.9	2.0	2.1
Tokyo Broadcasting System	9401JP	JPY1220.0	2,481	30.8	23.1	-40.6	310	0.6	0.6	18	2.9	10	12
Tv Asahi Corp	9409 JP	JPY1779.0	1911	22.0	19.2	16.7	12.2	0.7	0.7	3.5	3.5	13	14
Beijing Gehua Catv Network-A	600037 CH	CNY7.1	1210	25.5	23.5	6.5	7.9	n.a.	n.a.	6.0	5.8	15	17
BEC World	BEC TB	THB69.50	4,669	23.9	21.1	21.8	13.3	14.4	12.9	67.1	67.8	4.1	4.6
GMM Grammy	GRAMMY TB	THB23.60	420	167.7	10.2	n.m.	52.2	4.0	3.8	3.4	5.0	0.0	0.5
Major Cineplex Group	MAJOR TB	THB21.50	641	18.3	16.6	28.8	9.9	2.9	2.8	16.3	17.4	5.1	5.6
MCOT	MCOT TB	THB50.50	1,166	16.6	14.9	18.7	116	4.1	3.8	25.4	26.8	5.4	6.0
VGI Global Media	VGI TB	THB 122.00	1,229	25.0	20.3	53.7	23.1	19.7	16.5	85.5	88.4	3.2	3.9
Workpoint Entertainment	WORK TB	THB50.00	432	216	19.0	29.5	13.8	7.8	6.9	40.0	39.3	3.5	4.0
Simple average				30.9	24.4	-75.7	18.4	5.4	4.8	23.3	24.2	2.8	2.9

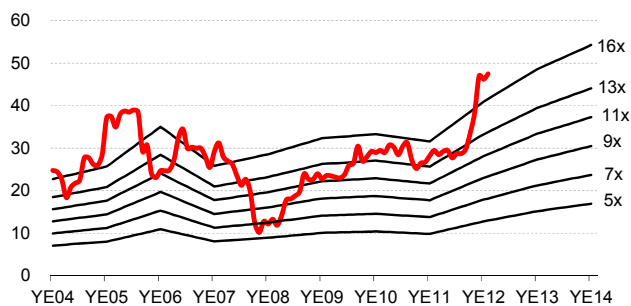
PER band versus SD (next 12 months)



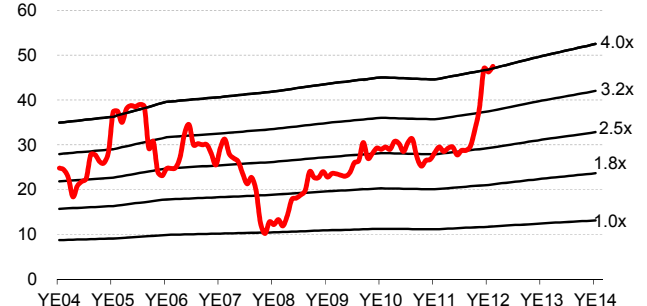
PBV band versus SD (next 12 months)



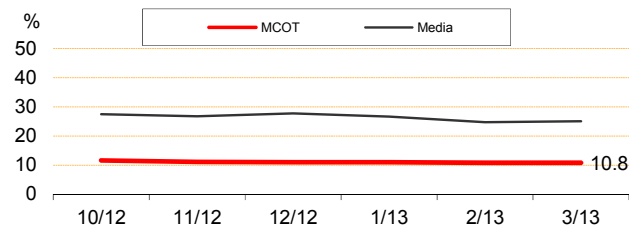
PER band and share price



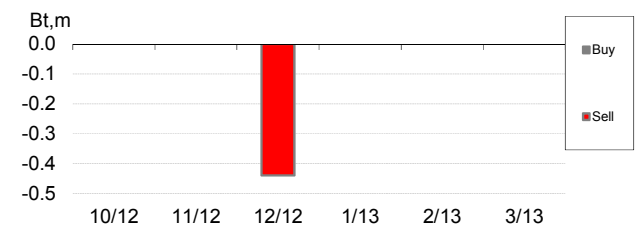
PBV band and share price



Foreign holding



Management trading activities during past six months








BUALUANG SECURITIES PUBLIC COMPANY LIMITED (BLS) is a subsidiary of BANGKOK BANK PUBLIC COMPANY LIMITED (BBL). This document is produced based upon sources believed to be reliable but their accuracy, completeness or correctness is not guaranteed. The statements or expressions of opinion herein were arrived at after due and careful consideration to use as information for investment. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. The use of any information shall be at the sole discretion and risk of the user.

BUALUANG SECURITIES PUBLIC COMPANY LIMITED MAY BE IN RELATIONSHIP WITH THE SECURITIES IN THIS REPORT. "Opinions, projections and other information contained in this report are based upon sources believed to be accurate including the draft prospectus, but no responsibility is accepted for any loss occasioned by reliance placed upon the contents hereof. Bualuang Securities Public Company Limited may from time to time perform investment, advisory or other services for companies mentioned in this report, as well as dealing (as principal or otherwise) in, or otherwise being interested in, any securities mentioned herein, This report does not constitute a solicitation to buy or sell any securities". Investors should carefully read details in the prospectus before making investment decision.

BUALUANG SECURITIES PUBLIC COMPANY LIMITED ACTS AS MARKET MAKER AND ISSUER OF DWs UNDERLYING STOCKS. Investors should carefully read the details of the derivative warrants in the prospectus before making investment decisions.

BUALUANG SECURITIES PUBLIC COMPANY LIMITED IS OR MAY BE A UNDERWRITER/CO-UNDERWRITER/JOINT LEAD IN RESPECT OF THE INITIAL PUBLIC OFFERING ("IPO") OF SECURITIES.

DWs Underlying Stocks	Financial Advisor	Underwriter/ Co-underwriter
ADVANC, AOT, BANPU, BAY, BCP, BEC, BGH, BH, BIGC, BJC, BLA, BTS, CPALL, CPF, CPN, DTAC, EGCO, ESSO, GLOW, HMPRO, HEMRAJ, INTUCH, IRPC, IVL, JAS, KBANK, KK, KTB, LH, MAKRO, MINT, PS, PTT, PTTEP, PTTGC, ROBINS, SCB, SCC, SPALI, TCAP, THAI, TISCO, TOP, TMB, TPIPL, TRUE, TUF		

Score Range	Score Range	Description
90 – 100		Excellent
80 – 89		Very Good
70 – 79		Good
60 – 69		Satisfactory
50 – 59		Pass
Below 50	No logo given	N/A

CORPORATE GOVERNANCE REPORT DISCLAIMER

This research report was prepared by Bualuang Securities Public Company Limited and refers to research prepared by Morgan Stanley. Morgan Stanley does not warrant or guarantee the accuracy or completeness of its research reports. Morgan Stanley reserves copyright and other proprietary rights in the material reproduced in this report. Morgan Stanley is under no obligation to inform Bualuang Securities or you if the views or information referred to or reproduced in this research report change.

Corporate Governance Report disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not base on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. Bualuang Securities Public Company Limited does not conform nor certify the accuracy of such survey result.

BUALUANG RESEARCH – RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Expected positive total returns of 15% or more over the next 12 months.

HOLD: Expected total returns of between -15% and +15% over the next 12 months.

SELL: Expected negative total returns of 15% or more over the next 12 months.

TRADING BUY: Expected positive total returns of 15% or more over the next 3 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.