Vinh Son–Song Hinh Hydropower JSC (HSX:VSH)

Optimistic Long-Term Prospects

- VSH currently owns two old but efficient hydropower plants.
- Positive movements in Thuong Kon Tum (TKT) project brighten long-term prospects for the company.
- Financial indices are getting less attractive until TKT plant operates in mid-2019.
- Prospects for 2017–2021 become optimistic, thanks to contribution from TKT project.
- Business results in 2017 are also expected to witness impressive growth.

Outlook and Valuation:

Vinh Son–Song Hinh Hydropower JSC (HSX:VSH) is a big player among the listed hydropower companies with potential for large expansion capacity in the next three years. In the short term, we highly appreciate VSH for the high operating efficiency of its two current plants, resulting to high competitiveness in the Competitive Generation Market (CGM). In the long term, the contribution from TKT hydropower plant with increasing profit would drive the growth story of the company and become the main reason for its stock price to reach new heights.

Moreover, a stronger voice and support from REE, a large shareholder, is expected to enhance VSH's management capacity and help the company better deal with its current fundamental problems in project management and ensure the implementation progress of TKT project. We also believe that any positive developments in TKT project will translate quickly into catalysts for the upward movement of VSH's stock price.

Using a combination of P/B and DCF valuation methods, we came up with the target price for VSH stock at **VND22,100/share**. This target price, coupled with a VND1,000 cash dividend, yields a total return of 29% (calculated based on the closing price on 6 September 2017). Therefore, we rate **BUY** on VSH stock.

Key Financials

Y/E Dec(VND Bn)	FY2015	FY2016	FY2017F	FY2018F
Net Revenue	467	448	556	544
%Change	-15.7	-4.1	24.0	-2.1
PAT	252	258	291	277
% Change	-30.0	2.6	12.6	-4.6
Net Margin (%)	60	55	57	59
ROA (%)	5.0	4.2	4.1	3.5
ROE (%)	9.0	9.1	10.0	9.3
EPS (VND)	1,193	1,265	1,401	1,336
Book Value (VND)	13,493	12,563	14,089	14,421
Cash Dividend (VND)	1,000	1,000	1,000	1,000
P/E (x)	14.7	15.7	13.1	13.7
P/BV (x)	1.3	1.8	1.6	1.5

Sources: VSH, RongViet Research Estimate

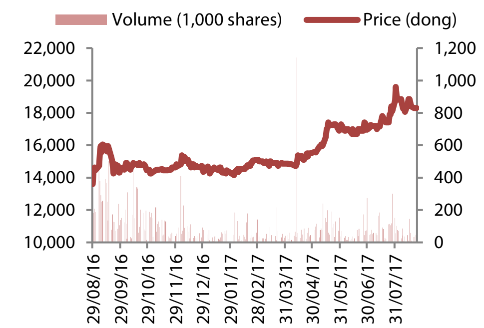
BUY

CMP (VND)	17,900
Target Price (VND)	22,100
Cash Dividend (VND)*	1,000

** Expected in the next 12 months*

Stock Info

Sector	Electricity
Market Cap (VND B)	3,197
Current Shares O/S	206
Beta	1.02
Free Float (%)	69
52-Week High	19,600
52-Week Low	14,162
Avg. Daily Volume (20 sessions)	42,891



Performance (%)

	1M	3M	12M
VSH	5.2	18.1	28.3
Electricity	-3.1	6.5	5.5
VNIndex	2.7	10.2	37.7

Major Shareholders (%)

GENCO 3	30.6
REE	20.7
Perfetto Ltd.	14.2
Halley Sicav - Halley Asian Prosperity	9.1
Hoan My Ltd.	6.8
Foreign Ownership Room (%)	15.4

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VSH Currently Owns Two Old but Efficient Hydropower Plants

Vinh Son–Song Hinh Hydropower JSC (HSX:VSH) has been established since 1994 to manage the operation of Vinh Son hydropower plant and Song Hinh hydropower plant with total annual output of over 700 million kWh. Both plants use turbines and generators manufactured with technology from EU countries, having high efficiency and stability.

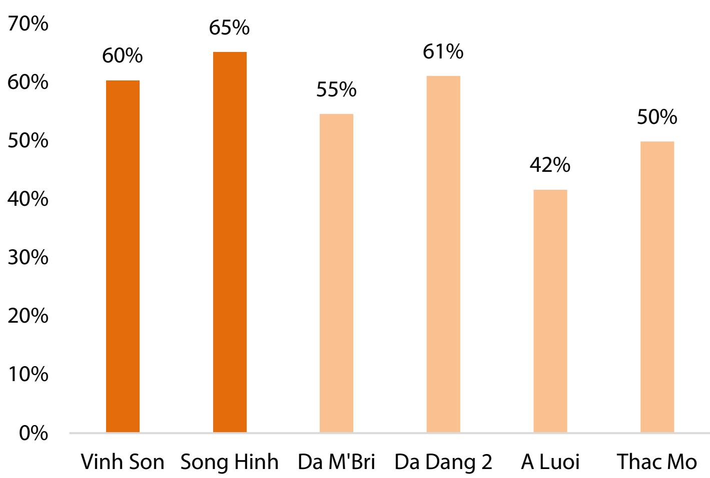
Figure 1. Hydropower Plants of VSH

Plant	Location	Capacity (MW)	Average Annual Sales Volume (million kWh)	Competitive Generation Market	Reservoir	Put into Operation
Vinh Son	Binh Dinh	66	349	Participating	3 Annually Regulated Reservoirs	Dec 1994
Song Hinh	Phu Yen	70	399	Participating	1 Annually Regulated Reservoirs	Mar 2001

Sources: VSH, RongViet Research

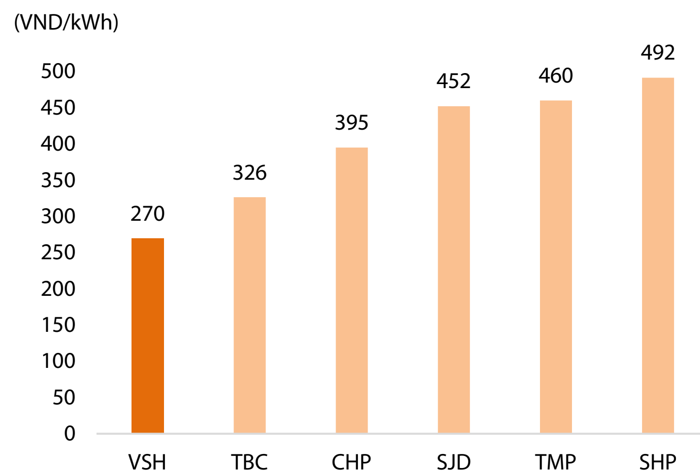
Moreover, thanks to favorable hydrological conditions in the upstream of Kon River and Hinh River, where Vinh Son and Song Hinh plants are located, these plants have high utilization rates ranging from 60–65%. Besides, since these plants are almost fully depreciated, the depreciation expense of VSH is relatively low, which consequently leads to lower average operating cost per kWh output compared to other listed hydropower companies.

Figure 2. Utilization Rate of Some Listed Hydropower Plants



Sources: VSH, RongViet Research

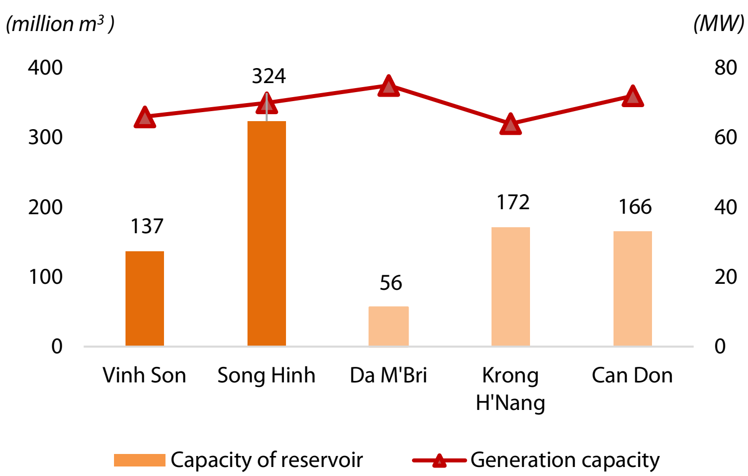
Figure 3. Average Cost of Goods Sold for Each kWh Output



Sources: VSH, RongViet Research

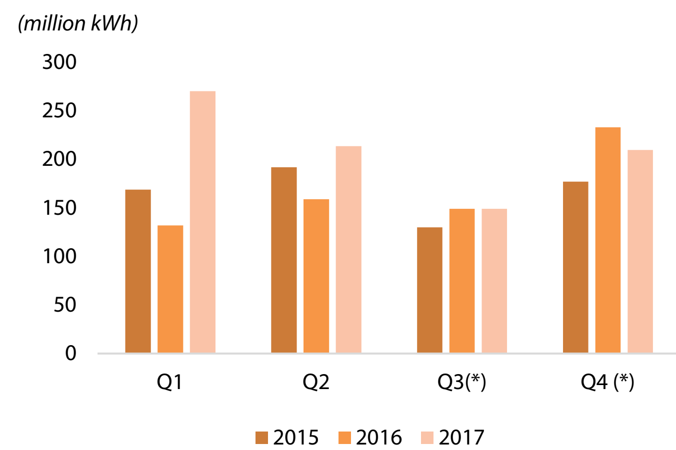
In addition, since both of VSH's plants have annually regulated reservoirs with large capacity, it can easily distribute its production volume among quarters of the year. This is a special competitive advantage of VSH in CGM as the company can reserve its water for dry season and enjoy higher selling prices.

Figure 4. Reservoir Capacity of Similar Listed Hydropower Plants



Sources: RongViet Research

Figure 5. Sales Volume of VSH by Quarter



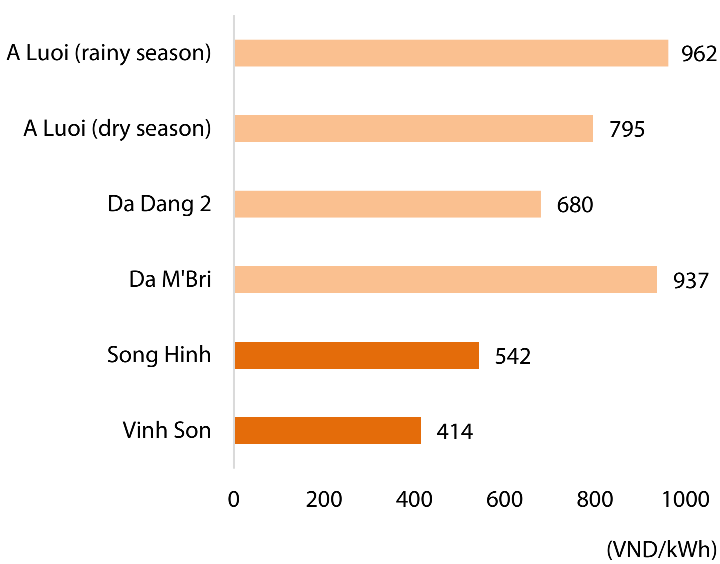
(*) Q3 and Q4 2017 are forecast data

Source: VSH, RongViet Research

Although Vinh Son and Song Hinh plants have relatively low power purchase agreement (PPA) prices, gross profit margin of VSH is still high compared to its peers. Since both plants are almost fully depreciated, resulting in low depreciation expense and low production cost, the PPA prices for Vinh Son plant and Song Hinh plant from 2014 until the end of the economic lives of both plants in 2040 are only VND414/kWh and VND542/kWh, respectively. These PPA prices are relatively lower than that of other listed hydropower plants.

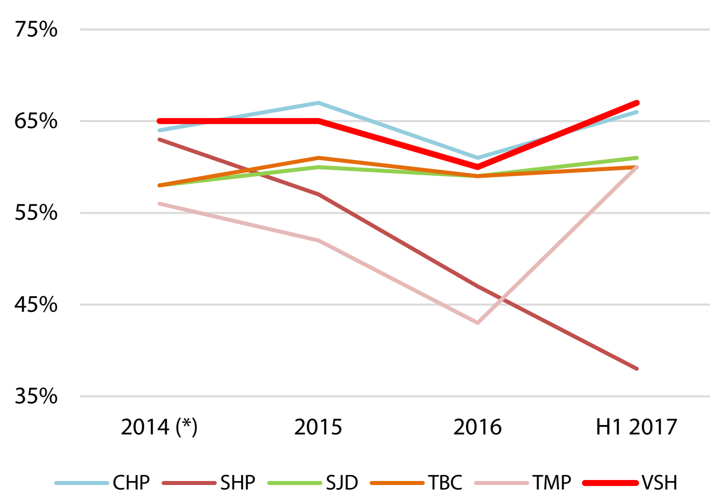
However, VSH also has about 20% of its output being offered in CGM. The contribution from this proportion of output has brought VSH about VND108 billion–VND140 billion revenue each year, corresponding to 24–25% of its annual revenue. Thanks to this important contribution, the ASP of VSH during 2014–2016 was about VND667–VND701/kWh, which is by far higher than its PPA prices. In addition, thanks to its low production cost, VSH still enjoys high gross profit margin ranging from 60 to 67%.

Figure 6. PPA Prices of Similar Listed Hydropower Plants



Sources: RongViet Research

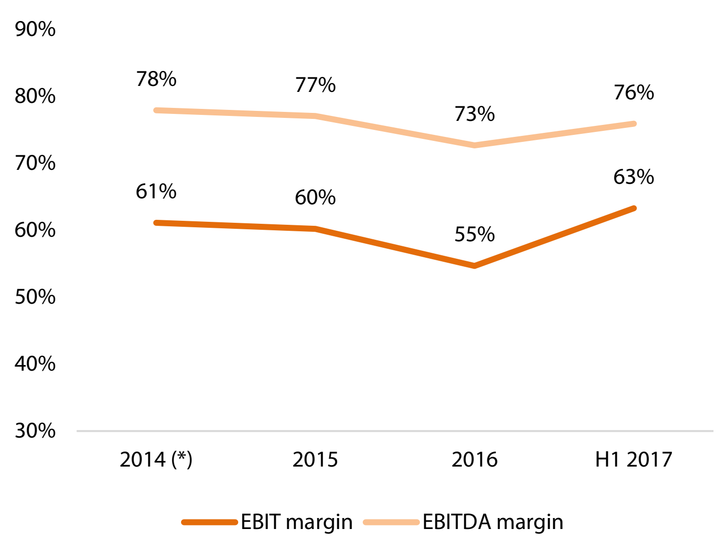
Figure 7. Gross Profit Margin of Hydropower Companies



(*) GPM of VSH in 2014 has been adjusted retrospectively for the electricity selling revenue in 2010–2013

Source: VSH, RongViet Research

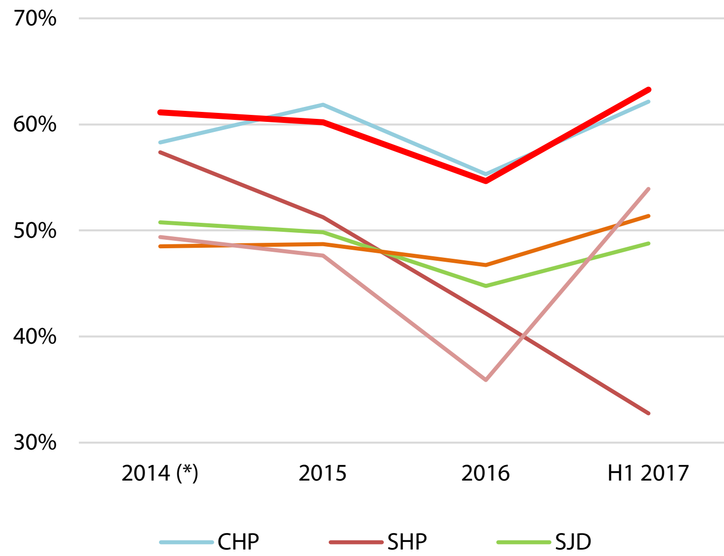
Figure 8. EBIT and EBITDA of VSH from 2014 to H1 2017



(*) EBIT margin and EBITDA margin in 2014 has been adjusted retrospectively for the electricity selling revenue in 2010–2013

Sources: RongViet Research

Figure 9. EBIT Margin of Hydropower Companies



(*) EBIT margin of VSH in 2014 has been adjusted retrospectively for the electricity selling revenue in 2010–2013

Source: VSH, RongViet Research

Positive Movements in Thuong Kon Tum (TKT) Project Brighten Long-Term Prospects for VSH

TKT hydropower plant is a large-scale project with a special design. The project, which started in September 2009, includes three main parts: pressure line, energy gland, and electromechanical equipment for the plant. The plant is located upstream of Dak Snghe River, with an annually regulated reservoir in the area. According to TKT plant's design, the energy gland contains a 17-kilometer-long tunnel digging through Truong Son Mountains and connecting its reservoir to Tra Khuc River.

The difference in height between the two ends of the tunnel is about 700 meters; which increases the water pressure and therefore, substantially enhances power generation efficiency of TKT plant. To implement this package of TKT project, VSH had to use the tunnel boring machine (TBM).This is a modern equipment but so complicated to operate that Huadong, a Chinese associate contractor, experienced many issues and had to give up, which consequently led to the delay of TKT project.

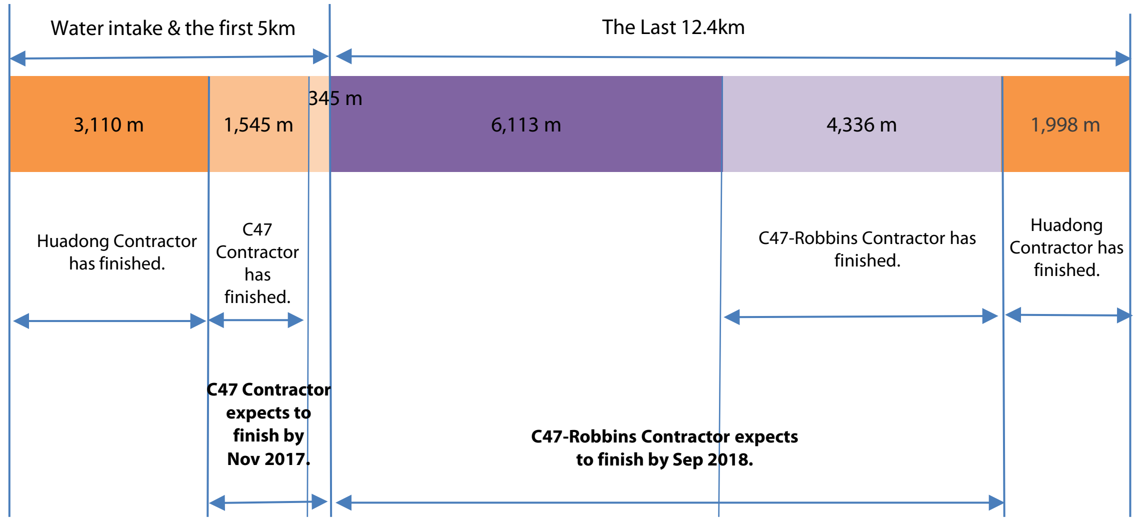
Figure 10. Summary Information about TKT Hydropower Project

Location: Kon Plong district, Kon Tum province			
Capacity (MW)	220	Investment Capital (VND B)	7,408
Annual Output (million kWh)	1,094	Average Investment Capital (VND B/MW)	33.7
Groundbreaking	09/2009	Economic Life of Project (in years)	40
Expected Completion Date	06/2019	Debt Financing Ratio	70%

Sources: VSH, RongViet Research

There is a reasonable basis to believe that TKT project would finish on time. Since May 2016, VSH has signed a new contract with other associate contractors including Construction JSC No. 47 (HSX:C47) and The Robbins Company, a US contractor which creates the TBM. With adequate capacity to operate the TBM, the new contractors have made impressive progress with digging speed at approximately 400m per month.

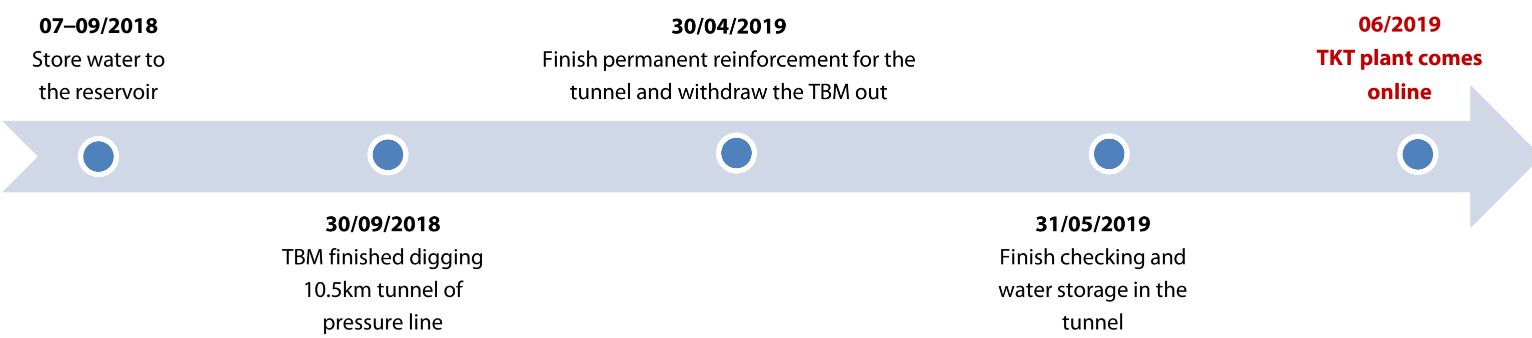
Figure 11. The Tunnel Digging Progress in TKT Project until 30/06/2017



Sources: VSH, RongViet Research

Moreover, with the current digging speed of the TBM, we estimate that C47-Robbins contractor can finish digging the remaining part of the tunnel by September 2018. As constructing the tunnel has always been the bottleneck of TKT project, we expect that the on time completion of this item would help ensure the progress of the remaining items and enable TKT plant to operate by June 2019.

Figure 12. Important Milestones of TKT Project As Approved in 2017 EGM

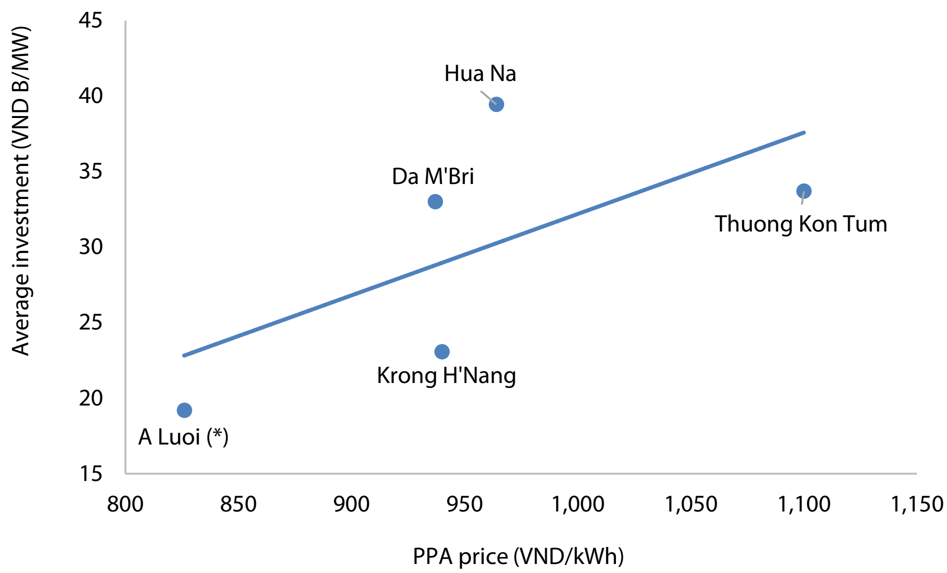


Sources: VSH, RongViet Research

With its total capacity of 220 MW, TKT hydropower project plays a critical role in the long-term prospect of VSH, whose current capacity is only 133 MW. According to VSH, at a total initial investment estimate of over VND5,700 billion, TKT plant has expected selling price in PPA at 4.5 UScents/kWh (about VND1,022/kWh). Recently, since the investment estimate has increased to VND7,400 billion, the company expects that they would have PPA price at about VND1,100/kWh.

However, comparing this expected price with that of other hydropower plants with similar average investment expense, including Da M'Bri and Hua Na, the expected price seems very high. Therefore, we came up with a forecast assumption that TKT plant can enjoy this high PPA price in its first 10 years due to its high financial expenses and pressure from cash outflow to repay its debts, which is still in line with the regulations of the Ministry of Industry and Trade. After that, we expect that the PPA price of TKT plant would decrease.

Figure 13. Average Investment and PPA Price of Some Hydropower Plants



Sources: RongViet Research Estimate, (*) PPA price of A Luoi plant is the average price during the economic life of the project

When TKT plant fully comes into operation at the selling price of VND1,100/kWh, it could contribute about 1,094 million kWh to annual output and VND1,227 billion to annual revenue of VSH, which would consequently increase VSH's annual revenue by 255%. Moreover, this selling price would also ensure that TKT plant will yield profits in the first years of operation, with NPAT of about VND168 billion in 2020, which is expected to increase gradually in the next years due to lower interest expense.

Figure 14. Key Projections about Contribution from TKT Project

Annual Sales Volume	1,094 million kWh	**Tax rate**	• 0% in the first 4 years • 5% in the next 9 years • 10% in the next 2 years • 20% in the last 25 years
ASP (VND/kWh)	• 1,100 in the first 10 years • 950 in the last 30 years		
Average COGS	528 VND/kWh	**Depreciation Period**	20 years
%G&A Expenses/Revenue	5%	**Economic Life**	40 years
Required Return on Owner's Equity	13%	**Debt Repayment Period**	2017 - 2029
NPV of FCFE	**VND1,780 billion**		

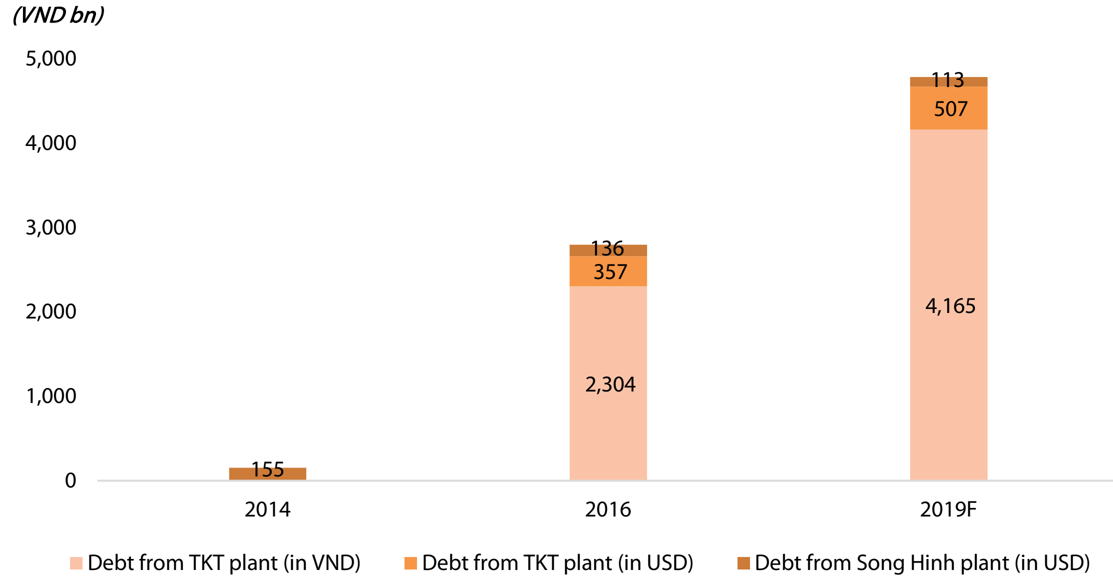
Sources: VSH, RongViet Research estimate

On one hand, TKT project is still worrying investors for being in a legal dispute with Huadong, its former Chinese contractor, in which Huadong filed a lawsuit against VSH, claiming VND1,700 billion in compensation for VSH's violation of the contract. Meanwhile, VSH has also submitted its defense and counterclaim, demanding a VND1,300 billion compensation from Huadong for violating the Vietnamese law, which resulted in the delay of the project. The company's management team is confident with their strategic approach and confirms that it will pursue the case until it eventually gets a satisfactory verdict.

Financial Indices Are Getting Less Attractive until TKT Plant Operates in Mid-2019

While long-term debt tends to increase financing of TKT project, the project would still be able to generate enough cash flow to repay its own debts. Total long-term debt of VSH has increased quickly 20 times to VND2,796 billion from 2014 to 2016. This number is expected to climb to VND4,785 billion by the end of 2019, corresponding to CARG of 20% in 2016–2019. However, all the increase in long-term debt come from TKT project. We estimate that the project would generate stable free cash flow for the firm (FCFF) of around VND940 billion each year, while the required cash for the interest expense and debt repayment of the plant would peak at VND922 billion in 2020 and decrease gradually in the next years. Therefore, we believe that TKT project would be able to repay its debt with the cash flow it will generate.

Figure 15. Changes in Long-Term Debt Structure of VSH Between 2014 and 2019

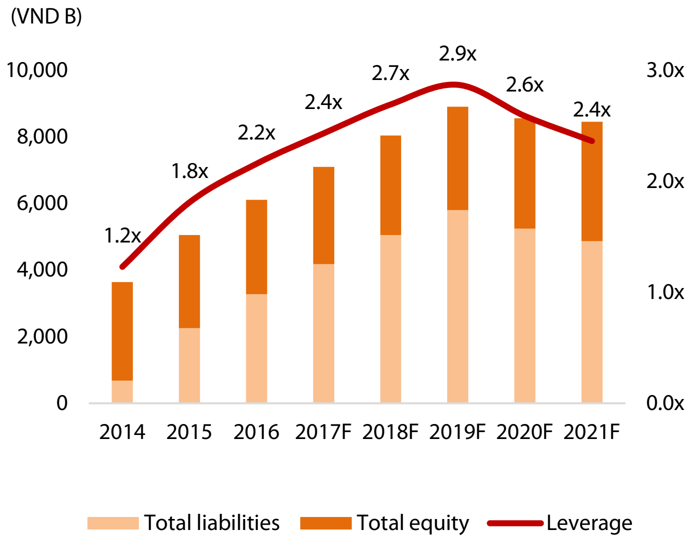


Source: VSH, RongViet Research

Both leverage and EBITDA/Adjusted interest expense would improve from 2019 when TKT plant comes into operation. Since long-term debt increases to finance TKT project, the leverage of VSH increases gradually as well. We estimate that it would reach a peak at 2.9x in 2019, when TKT plant operates, and thereafter decrease in the next years as the amount of debt in TKT project starts to decline.

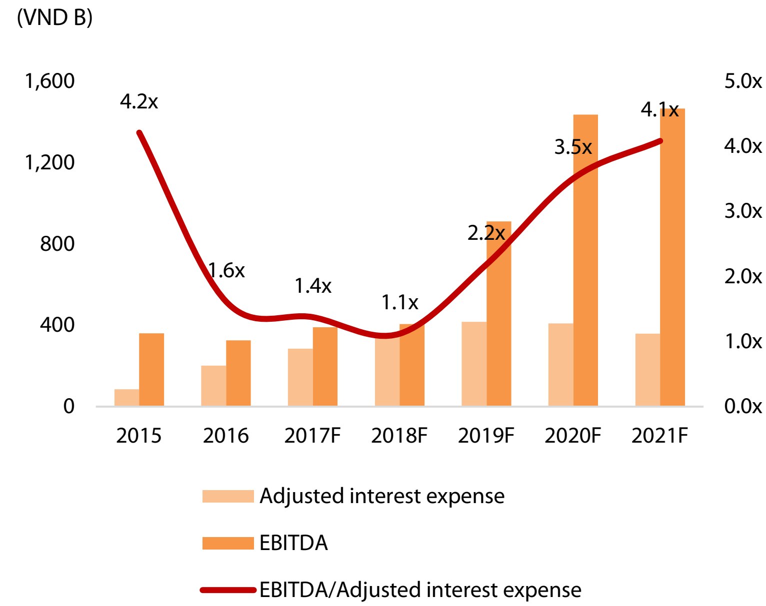
Besides, we estimate that EBITDA/Adjusted interest expense ratio would decline quickly from 4.2x in 2016 to 1.1x in 2018 as interest expense of debts from TKT project rises from VND77 billion to VND354 billion. The decline in EBITDA/Adjusted interest expense ratio reflects lower liquidity for VSH in these years. However, with contribution from TKT plant, EBITDA in 2019 would double to about VND910 billion and as a result, help the ratio bounce back strongly.

Figure 16. Capital Structure of VSH Between 2014 and 2021F



Source: VSH, RongViet Research

Figure 17. Interest Expense Adjusted for Loans from TKT Project, EBITDA and EBITDA/Adjusted Interest Expense



Source: VSH, RongViet Research

In summary, the increased financial leverage of VSH is still in line with the common characteristics of the power industry, in which new power plants are usually financed largely by debts and have their PPA prices high enough to ensure capability to repay those debts. Therefore, we believe that the risk from the increase of debt is not a big problem and will improve gradually from mid-2019 when TKT plant comes into operation. Moreover, the quick decline of long-term debt from 2019 onwards would also lead to lower interest expense and consequently enhance VSH's profit over the next years.

The USD denominated debts offer reasonable expenses. Currently, VSH has two loans denominated in USD with total value of VND535 billion, which is expected to increase to VND766 billion by the end of 2017. The loans include: (1) USD8.4 million loan to finance Song Hinh hydropower plant with related expenses of 0.95% per year and (2) USD29.1 million loan to finance TKT hydropower plant with interest rate of about 4.5% per year.

Besides, compared to the interest rate of the loans denominated in VND at about 9.5%, those denominated in USD still have relatively lower financial expenses except when the depreciation of VND against USD is more than 5%. Therefore, we believe that USD denominated loans offer VSH more benefits than the risk from exchange rate fluctuation.

Figure 18. Summary Information about VSH's USD Denominated Loans

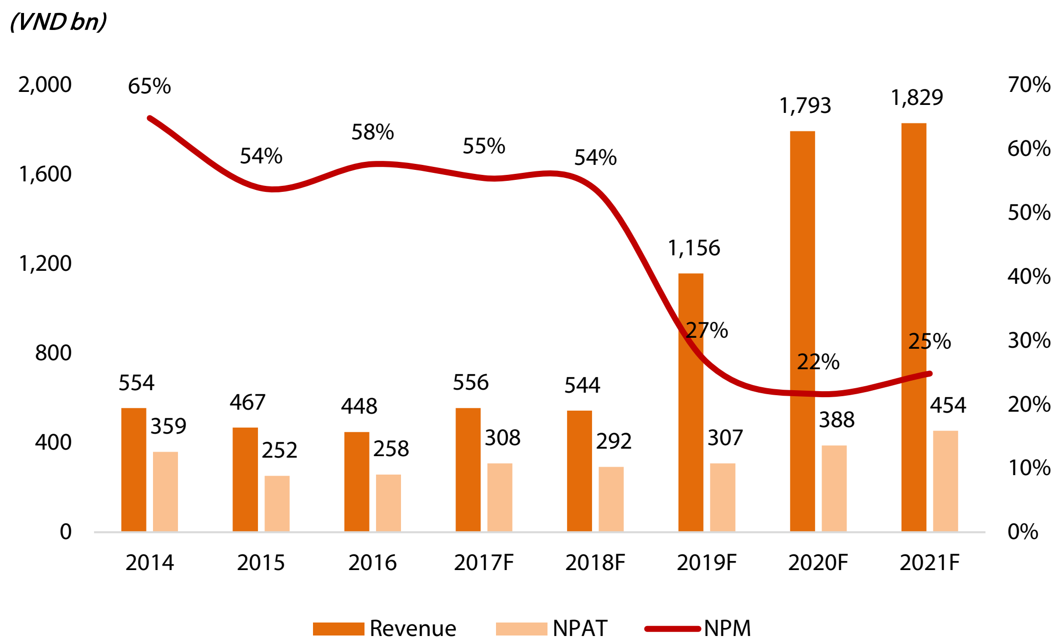
Creditor	Loan Value at 30/06/2017 (VND bn)	Loan Limit (VND bn)	Repayment Period	Related Expenses
VDB - Phu Yen	126	184	2005 - 2035	0% interest rate+0.2% management fee+0.75% service fee
Raiffeisenlandesbank Oberösterreich Aktiengesellschaft	409	640	2016 - 2025	6-month LIBOR + 2.97% interest rate

Source: VSH, RongViet Research

Prospects for 2017–2021 Become Optimistic, Thanks to Contribution from TKT Project

With the above analysis about the potential of TKT project, we expect that it would be the key driver for the long-term growth of VSH when it operates in mid-2019. Besides, since TKT hydropower plant is still new with high financial expenses, its net profit margin would still be low in 2019–2020, resulting in low contribution to total NPAT of VSH, and then increase gradually in the next years due to decreasing interest expense.

Figure 19. Revenue and NPAT of VSH during 2014–2021F



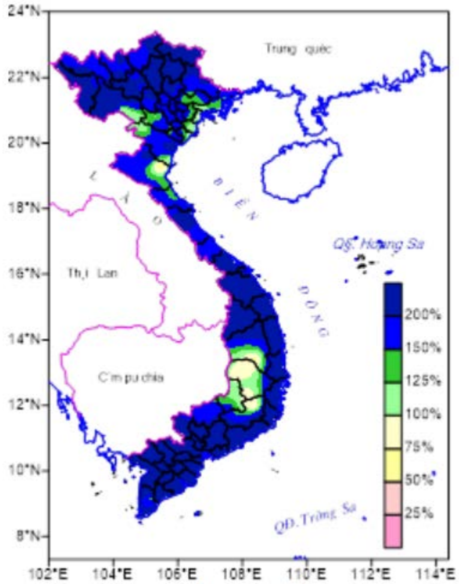
Source: VSH, RongViet Research

Business Results in 2017 Are Also Expected to Witness Impressive Growth

Favorable hydrological conditions resulted in strong growth in H1 2017. In this period, VSH achieved impressive growth in revenue and NPAT at 43% YoY and 37% YoY, respectively. Thanks to the favorable hydrological conditions with rainfall level being far above multiyear average level, H1 2017 business results witnessed a 66% growth in total output, offsetting the effects of a 14% decrease in average selling price and an increase in effective tax rates (from 5% in H1 2016 to 10% in H1 2017).

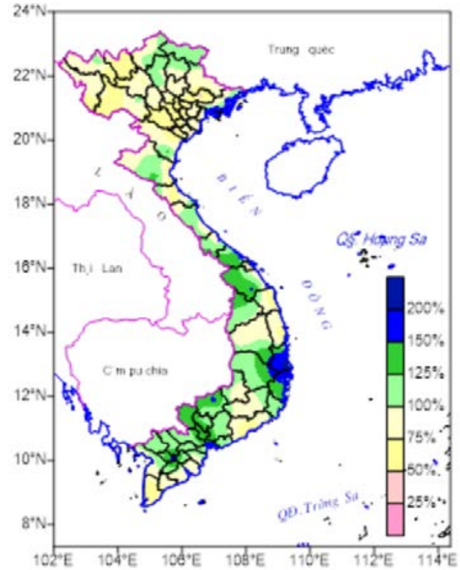
Applying Decree No. 164/2003/ND-CP, the business of VSH (excluding TKT hydropower plant since the plant is newly constructed) has favorable CIT rate at 0% during 2005–2008, 5% during 2009–2016, 10% during 2017–2018, and 20% from 2019 onwards. With the increase in CIT rate and before-tax profit, total CIT expense of VSH trebled from VND8 billion in H1 2016 to VND24 billion in H1 2017.

Figure 20.The Amount of Rainfall in Q1 2017 Compared to Multiyear Average Level



Source: Vietnam National Centre for Hydro-Meteorological Forecasting

Figure 21.The Amount of Rainfall in Q2 2017 Compared to Multiyear Average Level



Source: Vietnam National Centre for Hydro-Meteorological Forecasting

*Revenue and NPAT in H2 2017 would approximate to those of H2 2016.*We expect that revenue and NPAT of VSH in H2 2017 would reach VND244 billion and VND114 billion, respectively, corresponding to 5% growth in revenue and 3.5% decline in NPAT. This is due to 6% decrease in total output, 8% increase in ASP, and the increase of CIT rate as mentioned previously.

According to the most recent forecasts of Vietnam National Center for Hydro-Meteorological Forecasting (NCHMF), the amount of rainfall in the central region in Q3 2017 and Q4 2017 would be around multiyear average level except for August and October, during which the expected amount of rainfall would be 15–25% above the multiyear average level. Compared to the situation in H2 2016, which was affected by La Nina at the end of Q3, bringing 150–200% above multiyear average level of rainfall to the area where VSH's plants are located, the amount of rainfall in the area in Q4 2017 would be lower. Therefore, we expect that the total output of VSH in Q3 2017 would be the same as that of Q3 2016 while the total output in Q4 2017 would decline by 10% YoY, leading to the total output in H2 2017 falling by 6% YoY to 359 million kWh.

We also forecast an 8% increase in ASP of VSH since the oversupply situation of hydropower is no longer expected to recur in H2 2017. In H2 2016, the sudden rise in the amount of rainfall has led to too much supply from hydropower plants, which dragged down the overall CGM prices and caused a 7% decrease in average selling price of VSH. Therefore, we expect that ASP of VSH this year, without the similar situation, would rise back by 8% to VND636/kWh.

Our forecasts on business results of VSH in 2017 are summarized as follows:

Figure 22. Summary of VSH's Forecasted 2017 Business Result

	Unit	H2 2016	H2 2017	%Change YoY	2016A	2017F	%Change YoY
Total Output	mn kWh	382	359	-6.1%	673	843	25.2%
Revenue	VND B	225	237	5.0%	448	556	24.0%
NPAT	VND B	113	109	-3.5%	258	291	19.3%

Source: VSH, RongViet Research

Valuation and Recommendation

As a big player among the listed hydropower companies, Vinh Son–Song Hinh Hydropower JSC (HSX:VSH) has the potential to expand largely its capacity in the next three years. In the short term, we highly appreciate VSH for the high operating efficiency of its current two plants, resulting in high competitiveness in the Competitive Generation Market. In the long term, the contribution from TKT hydropower plant with increasing profit would drive company growth and become the main reason for its stock price to reach new heights.

Moreover, a stronger voice and support from REE, a large shareholder, is expected to enhance VSH's management capacity and help the company better deal with its current fundamental problems in project management and ensure implementation progress of TKT project. We also believe that any positive developments in TKT project will translate quickly into catalysts for the upward movement of VSH's stock price.

To evaluate VSH stock, we apply P/B and DCF methods. Regarding P/B method, we use the average P/B ratio of hydropower industry at 1.8x with 10% discount for TKT plant still being under construction. As a result, target price using P/B method is VND22,675/share. Using DCF method, we simulate the free cash flow to equity (FCFE) of each plant (including Vinh Son, Song Hinh, and TKT plants) and then discount those of Vinh Son and Song Hinh plants at 12% discount rate, and those of TKT plant at 13% discount rate. The target price using this method is VND21,581/share.

We combined both methods to come up with final target price for VSH stock at **VND22,100/share**. This target price, coupled with a VND1,000 cash dividend, yields a total return of 29% (calculated based on the closing price on 06 September 2017). Therefore, we rate **BUY** on VSH stock.

Figure 23. Summary Information about VSH Stock Valuation

Valuation Method	Price	Weight	Contribution
FCFE	21,581	50%	10,790
P/B	22,675	50%	11,338
Target Price (VND)			**22,100**

Unit: VND billion

INCOME STATEMENT	2015A	2016A	2017F	2018F
Revenue	467	448	556	544
COGS	165	181	214	196
Gross profit	**302**	**267**	**342**	**348**
Selling expense	0	0	0	0
G&A expense	21	22	26	24
Financial income	29	53	46	27
Financial expense	21	20	21	26
Other income/loss	-8	1	0	0
Gain/(loss) from JV	1	2	2	2
PBT	**283**	**281**	**342**	**326**
Tax expense	31	23	51	49
Minority interests	0	0	0	0
PAT	**252**	**258**	**291**	**277**
EBIT	281	245	316	323
EBITDA	360	326	396	406

FINANCIAL RATIO	2015A	2016A	2017F	2018F
Growth (%)				
Revenue	-15.7	-4.1	24.0	-2.1
EBITDA	-25.4	-12.9	28.8	2.5
EBIT	-20.6	-9.6	21.6	2.5
PAT	-30.0	2.6	12.6	-4.6
Total Asset	38.7	21.0	16.0	13.3
Total Equity	-5.8	1.5	2.9	2.4
Profitability (%)				
Gross profit margin	64.7	59.5	61.6	63.9
EBITDA margin	60.2	54.7	56.8	59.5
EBIT margin	77.0	72.7	71.3	74.7
Net profit margin	53.8	57.6	52.3	51.0
ROA	5.0	4.2	4.1	3.5
ROE	9.0	9.1	10.0	9.3
Efficiency (x)				
Receivables turnover	1.2	1.3	0.9	0.5
Inventories turnover	1.2	2.0	1.5	1.2
Payables turnover	0.5	1.2	2.8	1.5
Liquidity (x)				
Current	4.3	4.5	1.7	0.8
Quick	3.5	3.6	1.3	0.6
Financial Structure (x)				
Total debt/ Equity	0.7	1.1	1.3	1.6
ST debt / Equity	0.1	0.1	0.2	0.3
LT debt/ Equity	0.6	1.0	1.2	1.3

Unit: VND billion

BALANCE SHEET	2015A	2016A	2017F	2018F
Cash and cash equivalents	1,153	301	303	281
Short term investment	34	664	328	34
Accounts receivable	441	754	278	272
Inventories	369	374	250	229
Other current assets	21	44	34	36
Tangible Fixed Assets	2,996	3,929	5,851	7,158
Intangible Fixed Assets	0	0	0	0
Long term investment	13	13	13	13
Other non-current assets	23	12	13	13
Total Asset	**5,049**	**6,110**	**7,090**	**8,036**
Account Payable	220	233	266	244
Short term borrowings	251	246	432	761
Long term borrowings	1,775	2,789	3,448	4,000
Other non-current liabilities	0	0	0	0
Bonus and Welfare fund	13	10	12	14
Technology – Science dev fund	0	0	0	0
Total Liabilities	**2,258**	**3,277**	**4,158**	**5,019**
Common stock and APIC	2,791	2,833	2,932	3,017
Treasury stock	2,069	2,069	2,069	2,069
Retained Earnings	400	442	541	626
Other comprehensive income / (loss)	294	294	294	294
Investment and Development Fund	28	28	28	28
Total Equity	**2,791**	**2,833**	**2,932**	**3,017**
Minority Interest	0	0	0	0
Total Resources	**5,049**	**6,110**	**7,090**	**8,036**

CASH FLOW STATEMENT	2015A	2016A	2017F	2018F
Profit before tax	283	281	342	326
-Depreciation	79	81	80	83
-Adjustments	-27	-48	-48	-29
+/- Working capital	-95	-72	593	-46
Net Operating CFs	**261**	**256**	**967**	**334**
+/- Fixed Asset	-561	-1,304	-2,003	-1,390
+/- Deposit, equity investment	-2	-630	315	315
Interest, dividend, cash profit received	0	48	48	29
Net Investing CFs	**-540**	**-1,886**	**-1,640**	**-1,046**
+/- Capital	0	0	0	0
+/- Debt	1,615	1,003	862	897
Dividend paid & other	-412	-206	-207	-207
Net Financing CFs	**1,203**	**797**	**655**	**690**
Beginning cash & equivalents	**230**	**1,153**	**320**	**303**
+/- cash & equivalents	923	-833	-18	-22
Ending cash & equivalents	**1,153**	**320**	**303**	**281**

COMPANY REPORT

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	NEUTRAL	SELL
Total Return including Dividends in 12-month horizon	>20%	-20% to 20%	<-20%

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