

AIRPORT CORPORATION OF VIETNAM (ACV) – UPDATE

Market Price	Target Price	Dividend Yield	Rating	Sector
VND84,500	VND117,900	0.00%	Add	INDUSTRIALS

16 February 2023

Outlook – Short term: Positive
Outlook – Long term: Positive
Valuation: Positive

Consensus*: Add:7 Hold:1 Reduce:0

Target price / Consensus: 11.1%

Key changes in the report

➤ Reduce FY23-24F EPS forecast by 8.7%-7.5%

Price performance



Source: VNDIRECT RESEARCH

Key statistics

52w high (VND)	97,000
52w low (VND)	72,700
3m Avg daily value (VNDmn)	3,816
Market cap (VND bn)	183,981
Free float (%)	5
TTM P/E (x)	29.5
Current P/B (x)	4.2

Ownership

State capital management	95.4%
Other	4.6%

Source: VNDIRECT RESEARCH

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Waiting for fully recovery of int'l travel

- In 4Q22, ACV posted VND1,072bn in NP (+494.6% yoy). FY22 NP hiked 12 times yoy, fulfilling 93.4% of our full year forecast.
- We expect ACV's NP to increase 27.0%/6.8% yoy in FY23-24F, driven by the recovery of international pax (+205%/14.2% yoy in FY23-24F).
- Reiterate Add with unchanged DCF-based target price of VND117,900.

Flourishing int'l market offset the slowdown domestic market in 4Q22

In 4Q22, int'l pax continues to show a strong recovery (+93 times yoy) and reached 67% of pre-pandemic level. Despite increasing 406% yoy, domestic pax growth are slowing down (-36.4% qoq, equal to pre-pandemic level) as (1) 4Q is the low season and (2) people tend to travel abroad after 3 years grounded. Thus, 4Q22 revenue and NP increased 330.8% yoy/494.6% yoy to VND4,109bn/VND1,072bn. On a qoq basis, revenue inched down 1.9% qoq as flourishing int'l market offset the slowdown domestic market, but NP dropped 49.4% qoq as (1) lower financial income (-31% qoq due to lower FX revaluation), (2) higher G&A expenses due to increasing labor cost and provision from the airlines. For the whole FY22, ACV's NP hiked 12 times yoy to VND6,236bn, fulfilling 93.4% of our full-year forecast.

Int'l air business to maintain solid momentum from China reopening

Although Vietnam has not been in China's tourist visa resumption list yet and the number of China tourist to Vietnam decreased 6.6% month-on-month in Jan-23, we still believe in the great recovery prospect of Chinese visitors to Vietnam in 2023F as (1) the visa issuance is being urgently resolved by both sides and we expect it may be restored in the middle of 2Q22F, and (2) the airlines is urgently resuming flights between the two countries. We expect the number of China's passenger to Vietnam may recover to 80% of pre-pandemic level by the end of FY23F, along with air traffic to other countries will fully recover by the end of FY23F, we expect ACV's international pax to surge 205% yoy to 24.7m pax in FY23F (87.9% of pre-pandemic level), and may continue to increase 14.2% yoy to 28.2m pax in FY24F (100.2% of pre-pandemic level).

Reiterate Add with unchanged DCF-based TP of VND117,900

We reiterate our Add rating on ACV with unchanged DCF-based TP of VND117,900 on the mixed impact of (1) we roll our DCF valuation to end-2023F, and (2) we revise down FY23-24F EPS forecast by 8.7%-7.5% on lower domestic pax forecast. Re-rating catalysts include (1) int'l air traffic recovers strongly, (2) dividend plan is announced. Upside risk is listing on the main bourse is approved. Downside risks include (1) uncertainties from China's visa policy, (2) a stronger-than-expected JPY vs VND.

Financial summary (VND)	12-21A	12-22A	12-23E	12-24E
Net revenue (bn)	4,752	13,834	20,844	23,632
Revenue growth	(38.8%)	191.1%	50.7%	13.4%
Gross margin	(16.5%)	47.4%	57.2%	57.4%
EBITDA margin	75.9%	81.3%	77.7%	75.9%
Net profit (bn)	480	6,236	7,923	8,465
Net profit growth	(70.9%)	1199.9%	27.0%	6.8%
Recurring profit growth	(70.9%)	1199.9%	27.0%	6.8%
Basic EPS	220	2,864	3,639	3,888
Adjusted EPS	214	2,779	3,530	3,771
BVPS	17,275	20,099	23,655	27,349
ROAE	1.3%	15.3%	16.6%	15.2%

Source: VNDIRECT RESEARCH

WAITING FOR FULLY RECOVERY OF INT'L TRAVEL

Reiterate ADD with unchanged TP of VND117,900

We reiterate our Add rating on ACV with unchanged DCF-based TP of VND117,900 on the mixed impact of (1) we roll our DCF valuation to end-2023F, and (2) we revise down FY23-24F EPS forecast by 8.7%-7.5% on lower domestic pax forecast. We believe ACV is suitable for a long-term investment horizon based on:

- Solid earnings growth of 27.0%/6.8% yoy over FY23-24F, driven by the recovery of international air traffic.
- Potential share dividend plan: the government has approved for ACV to retain its profit before 2021 for re-investment. At end-2020, ACV's undistributed earnings are VND9,705bn, equivalent to a potential share dividend plan of 44% in 2022F. We believe this is a strong catalyst for ACV in the coming periods.
- Long-term potential growth from LTIA and many other aviation infrastructure expansion projects.

Re-rating catalysts

- International air traffic recovers strongly.
- Dividend plan is announced.

Upside catalysts:

- Listing on the main bourse is approved. In ACV's audited consolidated financial statement, there were still 2 emphasis of matters including (1) ACV has not yet obtained the decision about finalisation of ACV's equitisation since its transformation into a joint stock company from competent authorities, and (2) ACV has not yet obtained the decision about approving the value of airfield assets from Ministry of Transportation. We believe when these problems are resolved, ACV would be wide open to list on HSX in the future.

Downside risks:

- Uncertainties from China's visa policy.
- A stronger-than-expected JYP vs VND.

Figure 1: DCF Valuation (Unit: VNDbn)

	2023F	2024F	2025F	2026F	//	2030F	//	2035F
EBIT	8,542	9,770	10,547	14,424		25,880		60,637
less: Taxes	-2,264	-2,419	-2,323	-2,967		-5,459		-13,109
EBIAT	6,278	7,351	8,224	11,457		20,421		47,529
Plus: Depreciation and amortization	3,293	3,566	4,586	2,924		14,332		14,059
Less: Capital expenditure	-8,968	-39,303	-39,818	-36,324		-11,731		-21,465
Less: Increase in net working capital	67	-446	-524	-376		-1,713		-1,691
Unlevered free cash flow (FCFF)	669	-28,832	-27,532	-22,319		21,308		38,432
Present value of FCF	669	-26,476	-23,216	-17,282		11,731		13,815
Cumulative Present value of FCFF	11,363							

Source: VNDIRECT RESEARCH

Figure 1: Assumptions

DCF key input	
Cost of equity	15.00%
Cost of debt	5.00%
Targeted D/(D+E)	50.0%
Effective tax rate	20.00%
WACC	9.50%
Long term growth	4.50%

Source: VNDIRECT RESEARCH

Figure 2: DCF valuation model (Unit: VNDbn)

Unit	VNDbn except for target price
Cumulative Present value of FCFI	11,363.2
Terminal value	21,308
Present value of terminal value	223,176.2
Enterprise value	234,539.5
Less: Market value of Debt	(11,200.7)
Less: Preferred securities	-
Less: Noncontrolling interest	
Plus: Cash and Cash Equivalents	33,289.8
Implied equity value	256,628.6
Outstanding shares	2,177,173,236
Equity value per share	117,872.36
Rounded TP	117,900.00

Source: VNDIRECT RESEARCH

Figure 4: Peer comparison (data as of 15 Feb 2022)

Company name	Ticker	Price	Target price	Recomm	Mkt cap	P/E		3-year EPS	P/BV		ROE (%)		EV/EBITDA	
		LC\$	LC\$			US\$m	2023F	2024F	CAGR (%)	2023F	2024F	2023F	2024F	2023F
Airports														
Airport Corp of Vietnam	ACV VN	84,500.0	117,900	ADD	7,705.3	23.5	22.0	119.0	3.6	3.1	16.6	15.2	12.0	10.9
Airport of Thailand	AOT TB	72.5	N/A	NR	30,654.2	95.6	35.9	NA	9.3	8.0	10.1	23.0	42.6	22.3
Shanghai International Air-A	600009 CH	61.9	N/A	NR	22,612.6	NA	73.1	NA	4.1	3.9	-7.8	5.0	NA	36.0
Beijing Capital Intl Airpo-H	694 HK	5.9	N/A	NR	3,459.3	NA	NA	NA	1.3	1.3	-13.2	-2.0	NA	29.0
Japan Airport Terminal Co	9706 JP	6,400.0	N/A	NR	4,513.4	NA	101.6	NA	3.9	3.8	-2.9	3.5	41.9	18.6
Shenzen Airport Co-A	000089 CH	7.6	N/A	NR	2,289.9	NA	NA	NA	1.4	1.4	-9.3	-1.2	NA	23.6
Malaysia Airports Holdings	MAHB MK	7.0	N/A	NR	2,667.2	NA	29.0	NA	1.7	1.7	-2.3	6.0	11.3	7.5
Average						59.6	52.3		3.6	3.3	-1.2	7.1	27.0	21.1

Source: BLOOMBERG, VNDIRECT RESEARCH

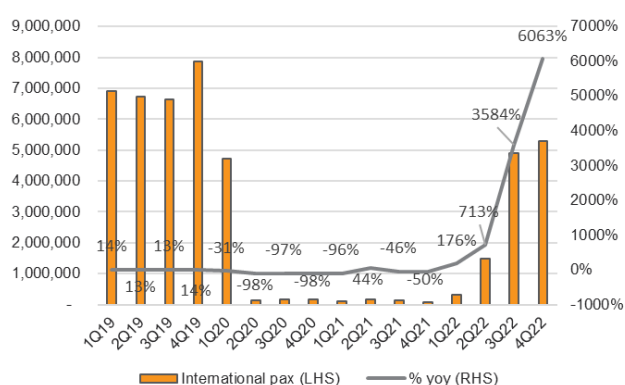
4Q22 & FY22 recap: flourishing international market offset the slowdown domestic market

Figure 5: 4Q22 and FY22 results overview

	4Q22	4Q21	%yoy	%qoq	FY22	FY21	%yoy	vs FY22 forecast	Comments
Total pax throughput (m)	22.3	3.7	497.3%	-31.9%	95.1	29.7	219.9%	89.6%	
- Int'l (m)	3.6	0.0	9305.3%	8.1%	8.1	0.2	3465.6%	95.2%	4Q22 international pax showed a strong recovery on both yoy and qoq basis as Vietnam has resumed international flights with most countries (except China). 4Q22 international pax has reached 67% of pre-pandemic level.
- Domestic (m)	18.7	3.7	406.6%	-36.4%	87.0	29.5	194.9%	89.1%	Although 4Q22 domestic pax increased 406.6% yoy, it decreased 36.4% on qoq basis due to (1) being out of tourism peak season, and (2) people tend to travel abroad after 3 years grounded.
Net revenue	4,109	954	330.8%	-1.9%	13,834	4,752	191.1%	93.2%	
- Aeronautical services	3,433	794	332.1%	-2.5%	11,575	3,829	202.3%	94.5%	
- Non aeronautical services	494	128	286.6%	3.4%	1,674	753	122.4%	92.7%	
- Commercial	251	44	471.7%	23.0%	697	193	260.9%	89.0%	
Gross profit	1,933	(162)	NA	-18.8%	6,558	(785)	NA	98.5%	
Gross margin	47.0%	-17.0%	+64.0% pts	-9.8% pts	47.4%	-16.5%	+63.9% pts		
Financial income	633	962	-34.2%	-31.0%	4,120	3,254	26.6%	111.5%	4Q22 financial income dropped 34.2% yoy as FX profit dropped 73.9% yoy.
Financial expenses	28	67	-58.0%	38.9%	91	204	-55.6%	49.8%	
Selling expenses	82	3	2511.9%	43.2%	220	85	159.3%	87.8%	
G&A expenses	950	334	184.4%	241.9%	1,744	1,232	41.5%	166.5%	4Q22 G&A expenses hiked 184.4% yoy due to (1) 361% yoy increase in labor cost, and (2) 176% yoy increase in provision from the airlines.
Gain/(loss) from joint ventures	62	(18)	-444.9%	44.3%	196	33	489.4%	56.0%	
Profit return to the state	211	109	94.4%	-24.2%	885	310	185.6%	129.1%	
Net profit	1,072	180	494.6%	-49.4%	6,236	480	1199.9%	93.4%	Lower than our expectation due to lower than expected domestic pax growth and higher than expected G&A expenses.

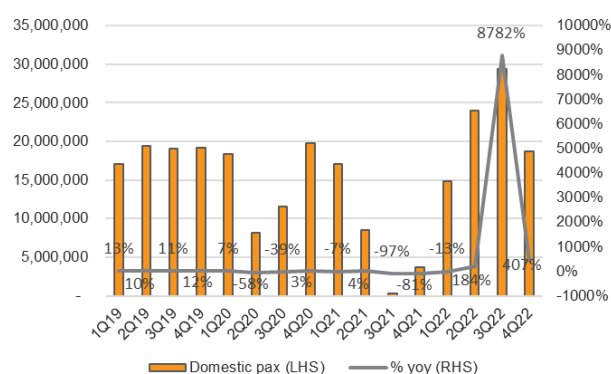
Source: VNDIRECT RESEARCH, COMPANY REPORTS

Figure 6: International pax continues to show strong recovery in 4Q22



Source: CAAV, VNDIRECT RESEARCH

Figure 7: Domestic pax dropped 36.4% yoy in 4Q22 when peak season ended and people can travel abroad easily



Source: CAAV, VNDIRECT RESEARCH

FY23-24F outlook: Int'l air business to maintain strong growth momentum from China reopening

International market to be the growth engine

In Jan-23, international pax continued to grow 10% qoq with the most growth contribution from U.S. passengers (+50% qoq) and Korean passengers (+28.5% qoq). After three years, China announced its reopening from Jan-2023 in which passengers can enter China without quarantine but still need negative PCR results within 48 hours before departure. Though China has announced the

quarantine-free policies for the traveler, the tourist visa is still suspended, except for 20 countries in the latest list announced on 08 Feb 2023. Vietnam is not in the list due to some problems in the issuance of tourist visa between the two countries. However, we still believe in the great recovery prospect of Chinese visitors to Vietnam in 2023F as:

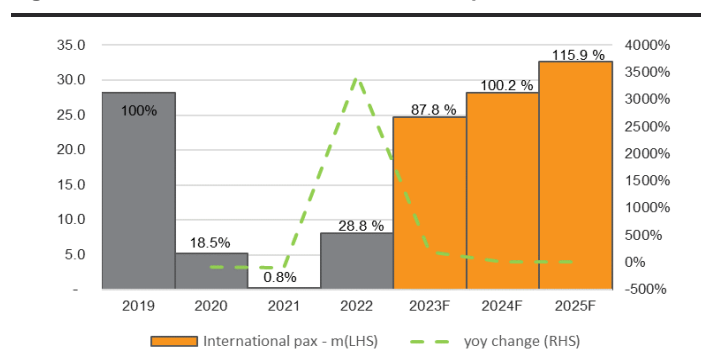
- The visa issuance is being urgently resolved by both sides and we expect it may be restored in the middle of 2Q22F.
- The airlines are urgently resuming flights between the two countries. HVN will restore 9/10 regular routes to China in the next 2 months while Vietjet and Bamboo will launch many new routes to China in this summer.

Figure 8: Recovery rate of international pax volume estimates

Country	2019	2022				2023F			
	weight	1Q22	2Q22	3Q22	4Q22	1Q23F	2Q23F	3Q23F	4Q23F
China	34.5%	4%	5%	15%	20%	20%	40%	60%	80%
Korea	25.5%	5%	20%	40%	70%	90%	100%	105%	110%
SEA	12.5%	5%	50%	80%	90%	100%	105%	110%	115%
Europe	8.1%	5%	20%	40%	60%	90%	100%	105%	110%
Japan	5.6%	6%	20%	40%	60%	80%	100%	105%	110%
Taiwan	5.5%	4%	10%	20%	40%	60%	80%	100%	105%
U.S	4.5%	5%	20%	40%	60%	80%	100%	105%	110%
Russia	3.8%	5%	10%	20%	50%	80%	90%	100%	105%
India	0.0%	5%	20%	40%	60%	80%	100%	105%	110%
Total	100.0%	4.9%	18.6%	36.5%	54.0%	68.1%	83.4%	94.9%	105.3%
		28.5%				87.9%			

Source: CAAV, VNDIRECT RESEARCH

Figure 9: Vietnam medium-term international pax forecast



Source: CAAV, VNDIRECT RESEARCH

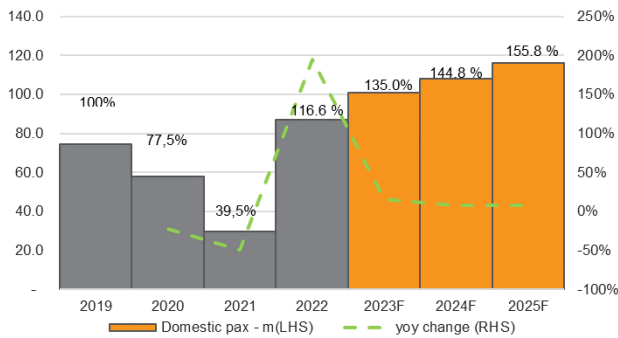
We expect the number of China's passenger to Vietnam to recover sharply from 2Q22F and may recover to 80% of pre-pandemic level by the end of FY23F, along with air traffic to other countries will fully recover by the end of FY23F, we expect ACV's international pax to surge 205% yoy to 24.7m pax in FY23F (87.9% of pre-pandemic level), and may continue to increase 14.2% yoy to 28.2m pax in FY24F (100.2% of pre-pandemic level).

Domestic market could achieve a two-digit growth in FY23F before slowing down in FY24F due to capacity shortage

In Jan-23, domestic pax returned to growth trajectory on a month-on-month basis with 7.5m pax (+15% mom) due to Tet vacation.

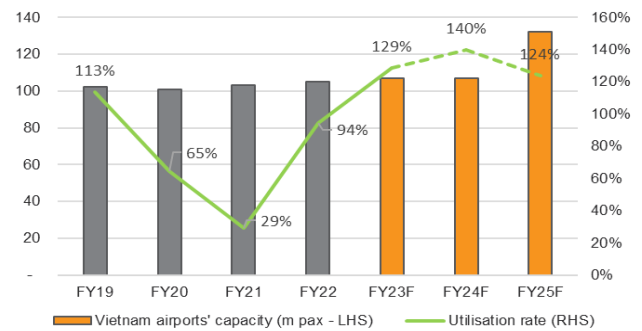
- For FY23F, given the low base in 1Q22 when the pandemic broke out and the current growth momentum, we expect FY23F domestic pax may grow 15.8% yoy to 100.7m pax.
- For FY24F, growth may slow down to 7.3% yoy (108m pax) due to (1) the high base from FY23F, and (2) capacity shortage as many key aviation infrastructure projects are underdeveloped, which makes the aviation infrastructure cannot keep in pace with the demand growth in near-term and Vietnam aviation infrastructure may become heavily overloaded. We estimate Vietnam aviation airports may operate at 129%/140% designed capacity in 2023-24F before offloading from 2025F when many key aviation infrastructure projects launch such as T3 terminal in Tan Son Nhat international airport (TIA) and T2 expansion in Noi Bai International airport (NIA). Notably, T3 project has started construction by the end of Dec-22 and may launch in 4Q24F.

Figure 10: Vietnam medium-term domestic pax forecast



Source: CAAV, VNDIRECT RESEARCH

Figure 11: Utilisation rate forecasts of Vietnam airports until FY25F

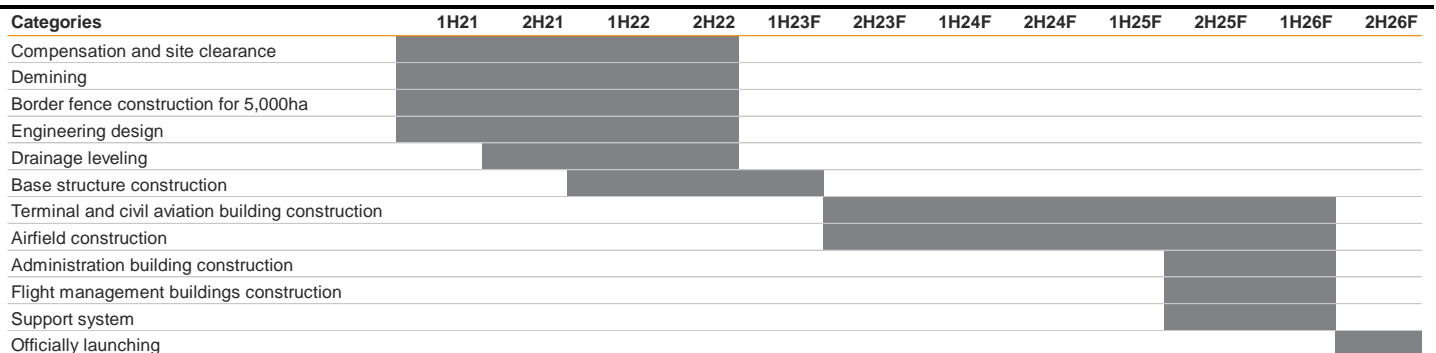


Source: CAAV, VNDIRECT RESEARCH

Long Thanh International airport project may behind schedule but would improve financial health for ACV in the coming periods

In Feb-23, ACV has launched a second bidding invitation to find a contractor ready to build the facility's passenger terminal after a false start last year. The package up for bidding is worth US\$1.5bn and ACV aims to find a contract before May-23. Time to implement the package is 33 months, thus, following the schedule, it will not be until March-26 to complete the package.

Figure 12: LTIA construction timeline in our estimates

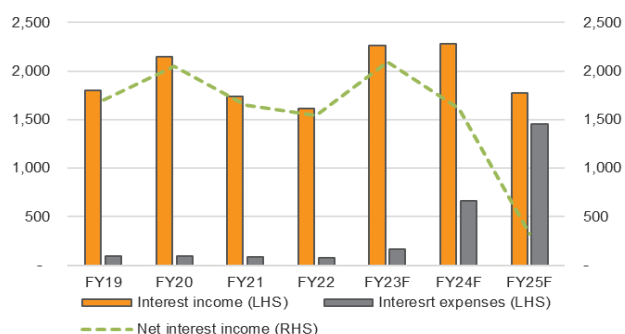


Source: CAAV, VNDIRECT RESEARCH

Although construction progress may be slower than expected, this means the disbursement progress will also be relaxed and ACV's financial health will improve during the peak capex cycle for LTIA thanks to (1) more accumulated profits to reciprocate for investment projects, and (2) the peak disbursement time will fall in FY24-25F when interest rates are forecast to cooldown and somehow reduce financial expenses for ACV. We forecast ACV's disbursement progress and financial situation in the coming years as follows:

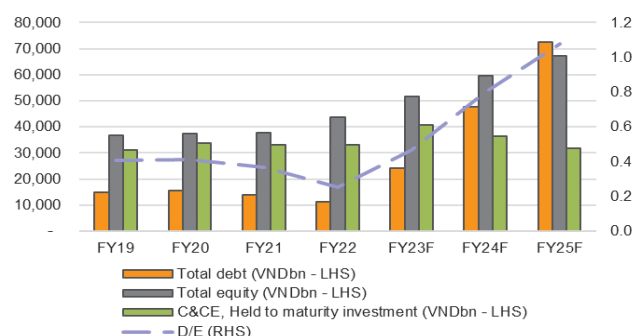
- We expect ACV to disburse US\$0.34bn/US\$1.63bn/US\$1.65bn in FY23-25F.
- Thus, ACV's deposit income may increase 39.8% yoy in FY23F thanks to higher deposit rates and accumulated earnings, then remain at this level in FY24F before dropping 22% yoy in FY25F. This would cause net interest income to increase 35.6% yoy in FY23F before decreasing 22.9%/79.9% yoy in FY24-25F.
- In terms of leverage ratio, we expect ACV's D/E may jump from 0.3x in FY22 to 1.1x in FY25F, a relatively safe level for enterprises in the peak capex cycle.

Figure 13: Net interest income may begin to fall since FY24F
(Unit: VNDbn)



Source: Company reports, VNDIRECT RESEARCH

Figure 14: ACV's D/E ratio may jump significantly in FY23-25F but still kept at safe level



Source: Company reports, VNDIRECT RESEARCH

FY23-24F earnings forecast revision

We change our forecasts for ACV's business as follows:

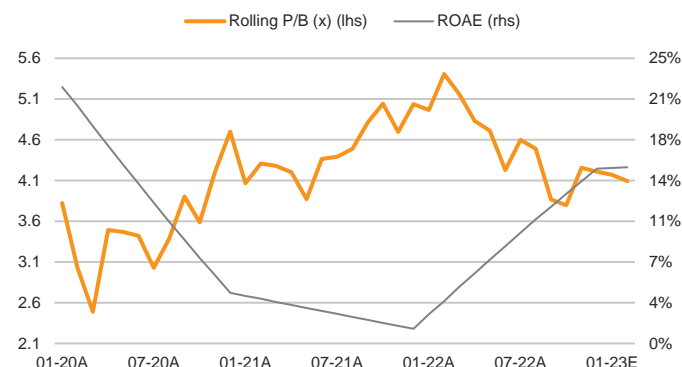
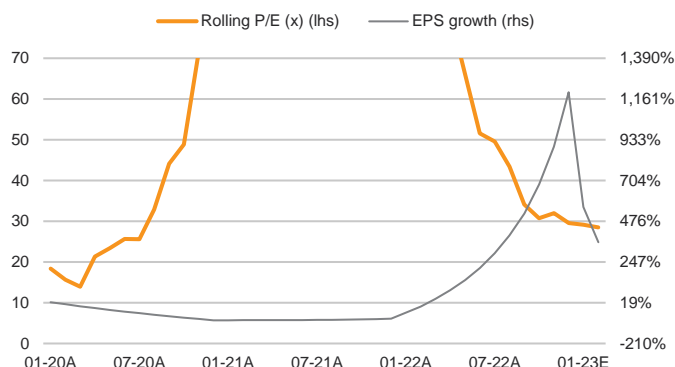
- We reduce FY23-24F domestic pax by 5.0%-6.4% due to the recent slow growth of domestic pax on a qoq basis.
- Along with the lower adjustment of revenue per guest according to FY22 results, we lower FY23-24F revenue by 11.3% - 14.9%.
- We increase FY23-24F G&A expenses by 33.0% - 28.0%, mainly in labor cost to adjust in line with FY22 results.
- We increase FY23-24F financial income by 86.1% - 183.3% and reduce FY23-24F financial expense by 90.7% - 78.3% to reflect the relaxing of LTIA investment disbursement, which could help improve ACV's financial health vs our previous report.

Based on the above adjustments, we reduce FY23-24F EPS by 8.7%-7.5%.

Figure 35: FY23-24F earnings revision

	FY22	FY23F			FY24F		
		Old forecast	New forecast	Change	Old forecast	New forecast	Change
Total pax throughput (m)	95.1	130.7	125.4	-4.1%	143.9	136.2	-5.3%
- Int'l (m)	8.1	24.7	24.7	0.0%	28.5	28.2	-1.0%
- Domestic (m)	87.0	106.0	100.7	-5.0%	115.4	108.0	-6.4%
Revenue (VNDbn)	13,834	23,509	20,844	-11.3%	27,777	23,632	-14.9%
Gross profit	6,558	14,317	11,925	-16.7%	16,915	13,558	-19.8%
Selling expenses	220	342	243	-28.8%	392	244	-37.7%
G&A expenses	1,744	1,288	1,713	33.0%	1,512	1,935	28.0%
Associates' profit	196	385	385	-0.1%	419	419	0.0%
Financial income	4,120	1,379	2,566	86.1%	909	2,575	183.3%
Financial expenses	91	2,091	194	-90.7%	3,205	694	-78.3%
Net profit	6,236	8,675	7,923	-8.7%	9,149	8,465	-7.5%
EPS (VND)	2,864	3,984	3,639	-8.7%	4,202	3,888	-7.5%

Source: VNDIRECT RESEARCH

Valuation

Income statement

(VNDbn)	12-22A	12-23E	12-24E
Net revenue	13,834	20,844	23,632
Cost of sales	(7,276)	(8,919)	(10,074)
Gen & admin expenses	(1,744)	(1,713)	(1,935)
Selling expenses	(220)	(243)	(244)
Operating profit	4,594	9,968	11,379
Operating EBITDA	6,933	13,261	14,944
Depreciation and amortisation	(2,339)	(3,293)	(3,566)
Operating EBIT	4,594	9,968	11,379
Interest income	4,120	2,566	2,575
Financial expense	(91)	(194)	(694)
Net other income	14	21	23
Income from associates & JVs	196	385	419
Pre-tax profit	8,833	12,746	13,702
Tax expense	(1,706)	(2,549)	(2,740)
Minority interest	(891)	(2,273)	(2,496)
Net profit	6,236	7,923	8,465
Adj. net profit to ordinary	6,236	7,923	8,465
Ordinary dividends	(0)	0	0
Retained earnings	6,236	7,923	8,465

Balance sheet

(VNDbn)	12-22A	12-23E	12-24E
Cash and equivalents	2,497	3,613	5,380
Short term investments	30,498	36,998	30,998
Accounts receivables	6,410	7,330	8,291
Inventories	449	676	765
Other current assets	367	541	614
Total current assets	40,221	49,159	46,048
Fixed assets	16,428	24,488	61,232
Total investments	2,816	7,651	6,151
Other long-term assets	574	864	980
Total assets	60,037	82,162	114,411
Short-term debt	366	903	1,604
Accounts payable	909	1,119	1,240
Other current liabilities	4,044	5,223	5,778
Total current liabilities	5,320	7,245	8,621
Total long-term debt	10,834	23,279	46,097
Other liabilities	78	95	107
Share capital	21,772	21,772	21,772
Retained earnings reserve	15,940	18,841	24,556
Shareholders' equity	43,758	51,502	59,544
Minority interest	48	42	42
Total liabilities & equity	60,037	82,162	114,411

Cash flow statement

(VNDbn)	12-22A	12-23E	12-24E
Pretax profit	8,833	12,746	13,702
Depreciation & amortisation	2,339	3,293	3,566
Tax paid	(200)	(2,549)	(2,740)
Other adjustments	(6,389)	(4,139)	(4,303)
Change in working capital	(1,320)	67	(446)
Cash flow from operations	3,262	9,418	9,778
Capex	(4,980)	(8,968)	(39,303)
Proceeds from assets sales	0	0	0
Others	1,792	2,566	2,575
Other non-current assets changes	2,219	(6,500)	6,000
Cash flow from investing activities	(969)	(12,903)	(30,728)
New share issuance	0	0	0
Shares buyback	0	0	0
Net borrowings	(362)	4,602	22,717
Other financing cash flow	(7)	0	0
Dividends paid	(0)	0	0
Cash flow from financing activities	(369)	4,602	22,717
Cash and equivalents at beginning of period	573	2,497	3,613
Total cash generated	1,924	1,117	1,767
Cash and equivalents at the end of period	2,497	3,613	5,380

Key ratios

	12-22A	12-23E	12-24E
Dupont			
Net profit margin	45.1%	38.0%	35.8%
Asset turnover	0.24	0.29	0.24
ROAA	10.8%	11.1%	8.6%
Avg assets/avg equity	1.41	1.49	1.77
ROAE	15.3%	16.6%	15.2%
Efficiency			
Days account receivable	166.1	119.1	119.1
Days inventory	22.5	27.7	27.8
Days creditor	45.6	45.8	45.0
Fixed asset turnover	0.90	1.02	0.55
ROIC	11.3%	10.5%	7.9%
Liquidity			
Current ratio	7.6	6.8	5.3
Quick ratio	7.5	6.7	5.3
Cash ratio	6.2	5.6	4.2
Cash cycle	143.0	101.0	101.8
Growth rate (yoy)			
Revenue growth	191.1%	50.7%	13.4%
Operating profit growth		117.0%	14.1%
Net profit growth	1,199.9%	27.0%	6.8%
EPS growth	1,199.9%	27.0%	6.8%

Source: VND RESEARCH

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RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

- Add The stock's total return is expected to reach 15% or higher over the next 12 months.
- Hold The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
- Reduce The stock's total return is expected to fall below negative 10% 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.

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