Kim Teck Cheong Consolidated Bhd

Fair Value: RM0.22

DESCRIPTION

Is principally involved in distributing and warehousing for third party and own brand consumer packaged goods and manufacturing own brand of bakery products in East Malaysia.

Fair Value	RM0.22
IPO Price	RM0.15
Expected Return	45%
Closing Application Date	
Retail	12 Nov 2015
Institutional	12 Nov 2015
Indicative Listing Date	25Nov 2015
Market	Ace
Sector	Consumer
Bursa Code	0180
Bloomberg Ticker	KTCC MK
Shariah-compliant	No

IPO DETAILS	**Shares(m)**
Offer for Sale	368.3
Public Issue	142.0

UTILISATION OF PROCEEDS	**RM (m)**
Acquisition of warehousing facilities	9.0
Construction of new warehousing facility	2.0
Purchase of equipment	3.0
Working capital	4.7
Estimated listing expenses	2.6
Total	**21.3**

KEY STOCK DATA

Market Capitalisation (RM m)	76.5
No. of Shares (m)	510.3

MAJOR SHAREHOLDERS

	%
KTC Holdings	72.17

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Exciting Prospects

Kim Teck Cheong Consolidated (KTC), a market access service provider of consumer packaged products (CPG) in East Malaysia with over 40 years of history, is slated for public listing on 25 November 2015. The company distributes third party CPG and also manufactures bakery products. Our fair value for KTC is RM0.22, based on 11x PE with an estimated EPS of 1.98 sen. Our earnings forecast is supported by a) the growth prospect in Sarawak and Brunei, b) expansion of its warehousing facilities and c) a stable and recurring earnings.

- **Background.** KTC is primarily involved in the distribution and warehousing services of third party CPG in East Malaysia. The bulk of its FY15 revenue, 90.8%, was derived from Sabah while the remaining came from Sarawak and Labuan. It distributes some 194 third party brands for close to 36 brand owners as well as their respective appointed distributors. Besides third party brand products, it also expands and distributes own brands of CPG including bakery products (Creamos), frozen and dry food products (Orie), and wet wipes (Bamble). Orie and Bamble brands' products are sourced from original equipment manufacturers (OEM) while Creamos are in-house manufactured. The business was started by Datuk Lau Yeong Ching in 1975. With 40 years' experience, it has garnered c.4% market share of distribution of CPG in East Malaysia.

- **Expansion plans.** KTC will continue to build its distribution arm in East Malaysia, to cater for a bigger market in Sarawak. It had also acquired a Brunei distributor of CPG to expand into the market. For Sabah and Sarawak, it plans to acquire and construct new warehousing facilities, which enable the group to save on rental expenses as well as enlarge its distribution points. Several new own brand products are being planned to launch in FY16-FY17. It will continue to roll out new bakery products and expand market for its bakery products to Sarawak and Brunei by expanding its production capacity.

- **Ample growth for KTC in East Malaysia.**Total market size of distribution of CPG in Malaysia was estimated at RM38bn, of which East Malaysia accounts for c.18%. KTC only command about 4% of the 18% market size of East Malaysia, implying that there is ample growth for KTC to widen its distribution points and grow its market share.

KEY FINANCIAL SUMMARY (RM m)

FYE June (RM m)	2013A	2014A	2015A	2016F	2017F	CAGR
Revenue	222.7	229.5	299.9	335.6	419.6	17.2%
Gross Profit	27.4	28.8	41.1	46.0	60.8	22.1%
Pre-tax Profit	9.3	9.7	14.2	15.8	18.6	19.0%
Net Profit	5.4	5.6	7.1	9.2	11.1	19.9%
EPS (Sen)	1.0	1.1	1.4	1.8	2.2	20.7%
P/E (x)	21.6	20.5	15.9	12.3	10.2	
DPS (Sen)	-	-	-	-	-	
Dividend Yield (%)	-	-	-	-	-	

Source: Company, PublicInvestResearch estimates
Note:
Pro Forma financial information from company prospectus

Company Background

A well-established consumer packaged goods (CPG) distributor. In mid 1940s, Kim Teck Cheong was a departmental store in Kota Kinabalu until it was taken over by KTC Sdn Bhd in 1975. It converted Kim Teck Cheong into a distributor of CPG in East Malaysia. It started distributing third party brands of personal care products such as Darkie (now known as Darlie), Pureen (baby care products) in Kota Kinabalu, Sabah.

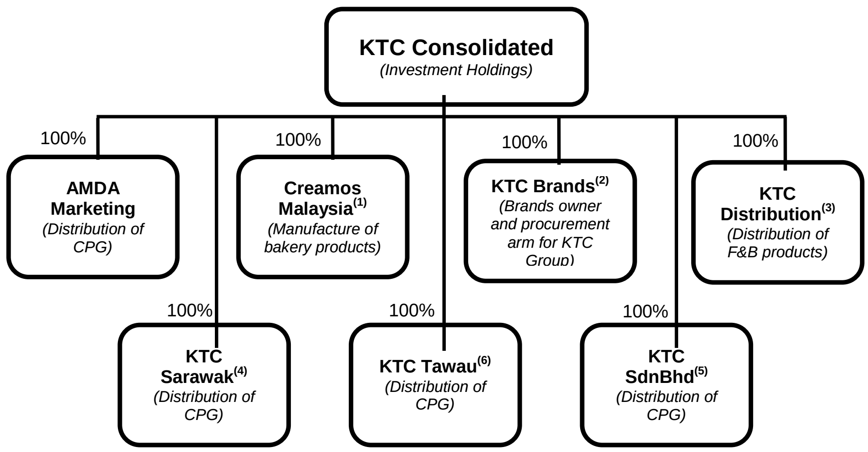
The company continued expanding its business by engaging other bigger companies such as Tohtonku, which owns “Everyday”, “Follow Me”, “Nanowhite” brands, P&G Co. and UnzaSdnBhd to provide better market access for their products.AMDA Marketing was set up, to focus on the distribution of P&G products in Sabah and Labuan in 2004.

In 2006, it acquired a distribution center which includes the business and cold room facilities in Bundusan, Penampang in Sabah, to diversify its product portfolio into distribution of frozen and chilled products. Throughout the years, the companyhas extended its product line into over-the-counter (OTC) drugs, health supplements and household products. It created its brands of CPG, namely “Bamble” for wet tissues and “Orie” for frozen and dry food. The products are OEM from external manufacturers and suppliers and started distribute own brands of CPG in 2011.

It extended its coverage in Sabah by setting up office and warehousing facility in Tawau and Sandakan. Not only in Sabah, it also penetrated into Sarawak market in 2013 by acquiring 80% of IKH Enterprise Sdn Bhd (now known as KTC Sarawak), a distributor of CPG in Sibu, Sarawak. The company has set up three distribution centers in Sarawak, with one each in Sibu, Kuching and Miri within two years.

In tandem with its expansion plans, Creamos Malaysia, the manufacturing of bakery products was commenced in 2014 with own manufacturing facility in SEDCO Light Industrial Estate. It has been producing c. 38,000 pcs of cream rolls per day with different varieties of flavour. As at September 2015, it has a total of 18 distribution centers in Sabah, Sarawak and Labuan to service CPG in East Malaysia.

Figure 1: Company Structure



Notes:

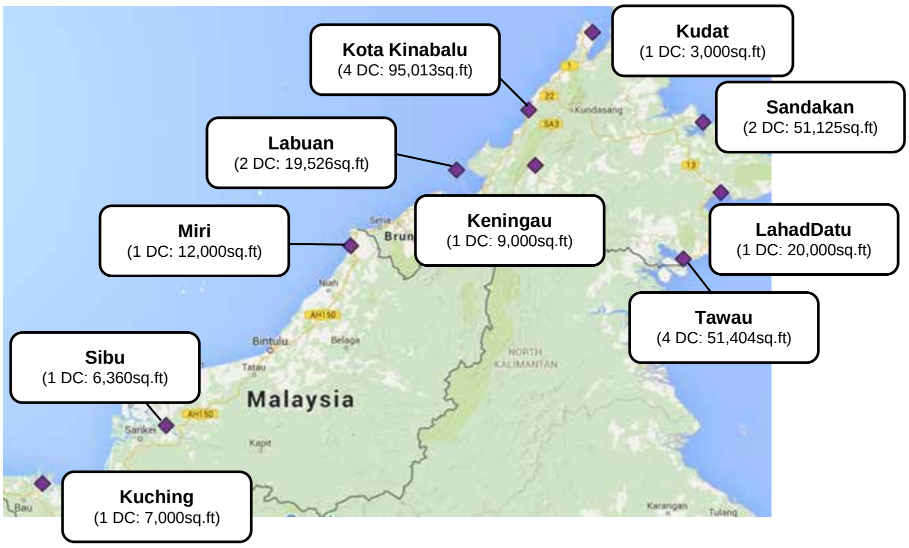
(1) Mainly focused on distribution of P&G products in Sabah and Labuan.
(2) Ownership of brands refers to “Orie” and “Bamble”.
(3) Mainly focused on distribution of F&B products in Sabah and Labuan.
(4) Mainly focused on distribution of CPG in Sarawak and surrounding areas.
(5) Mainly focused on distribution of non-food related brands.
(6) Mainly focused on distribution of CPG in Tawau and surrounding areas.

Source: Company Prospectus

Business Overview

Distribution and warehousing. It is an established service provider with market access and coverage of CPG in East Malaysia, namely Sabah, Sarawak and Labuan which contribute 90.8%, 4.5% and 4.7% of FY15 revenue respectively. Its CPG portfolio includes food & beverages, personal care, household, baby care and OTC drugs and health supplements. As at September 2015, it distributes some 194 third party brands for close to 36 brand owners as well as their respective appointed distributors. In addition, it continues expanding and building its own brands of CPG which include bakery products (Creamos), frozen, dry food products (Orie), and personal care products (Bamble). As a distributor, it is supported by 18 distribution centers, of which 13 are located in Sabah, 3 in Sarawak and 2 in Labuan. 50% of its distribution centers are owned and rented, while the remaining is outsourced to third parties.

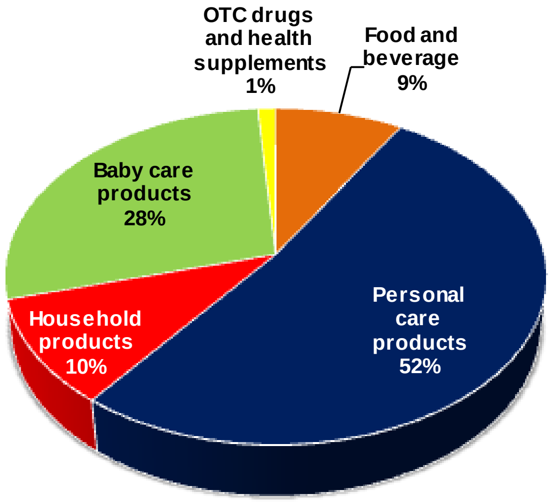
Figure 2: KTC's Distribution Centers in East Malaysia



Note:
1. D.C. = Distribution Center
2. It only includes cold room storage facilities and premises are outsourced to external parties.

Source: Company Prospectus

Figure 3: Product Portfolio



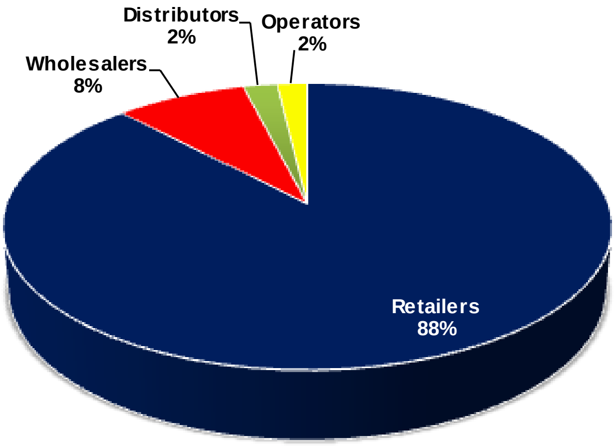
Note:
1. Based on stockkeeping unit (SKU)as at September 2015.
2. One SKU represents one distinct products or stock item that can be purchased.

Source: Company Prospectus

Manufacture of bakery products. Apart from distribution and warehousing of CPG, it also produces bakery products and sell under own brand, "Creamos". Cream rolls are manufactured in different flavours, including chocolate, vanilla, corn, yam and tiramisu. Currently, its brand of bakery products is only sold at retail outlets in Kota Kinabalu, Sandakan, Tawau and Labuan. About 2% of FY15 revenue is generated from its bakery products with a profit margin of 43%.

Customer base. It services a customer base of c. 5,939 customers comprising retailers, wholesalers, operators and distributors. Retailers are the major revenue contributor to the group, accounted for 88% of FY15 revenue. It includes hypermarkets, supermarkets, departmental stores, sundry shops, convenience stores, pharmacies and others.

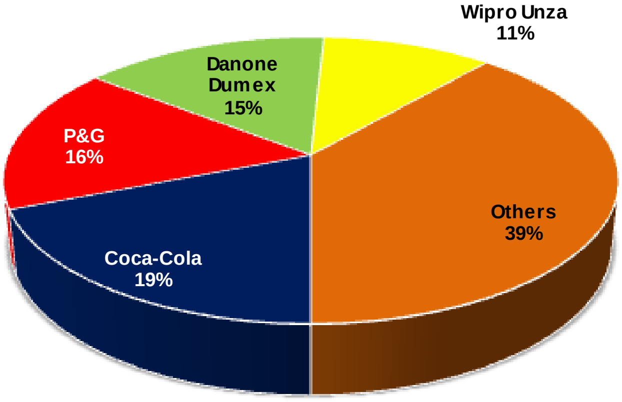
Figure 4: Revenue contribution by customer base



Source: Company Prospectus

Suppliers. As a CPG distributor, it is very dependent on its suppliers. About 61% of FY15 purchases came from four key suppliers, namely Coca-Cola, P&G, DanoneDumex, and Wipro Unza. Since it became the distributor of Coca-Cola products in 2014, the company is now its largest supplier and accounted for 19% of total purchases in FY15. P&G and Wipro Unza are their major suppliers for personal care, household products, which have more than 30 years relationship and accounted for 17% and 11% of its total purchases respectively. Danone Dumex has been its milk powder supplier since eight years ago and represented 15% of its total purchases.

Figure 5: Contribution of Each Suppliers in Total Purchases



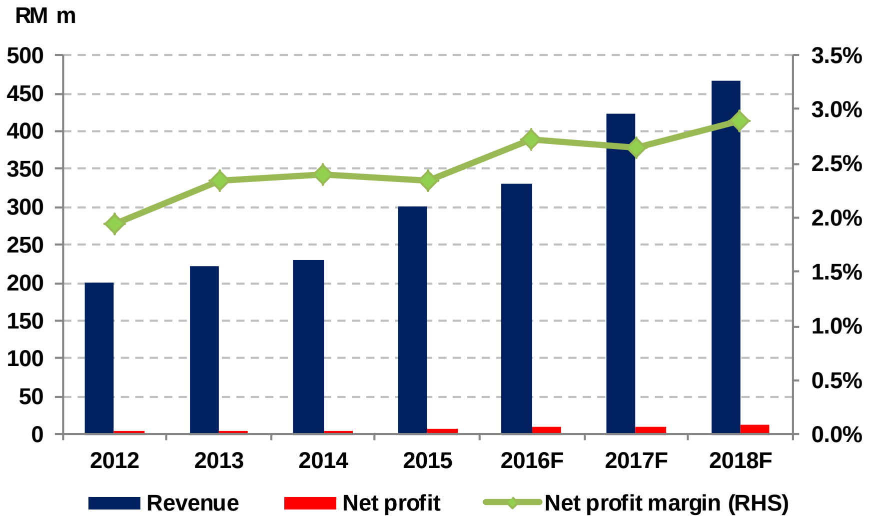
Source: Company Prospectus

Financials

More than 90% of its revenue came from distribution of CPG

The group's earnings have improved steadily over the past 3 years with a CAGR of 14% on the back of increased contribution from distribution of CPG and its newly commenced business on manufacturing of bakery products. Its revenue was largely derived from distribution of CPG, including third party and own brands of CPG, which accounted for more than 90% of its revenue. The remaining of its revenue came from manufacturing of bakery products.

Figure 6: Revenue and Net Profit Trend



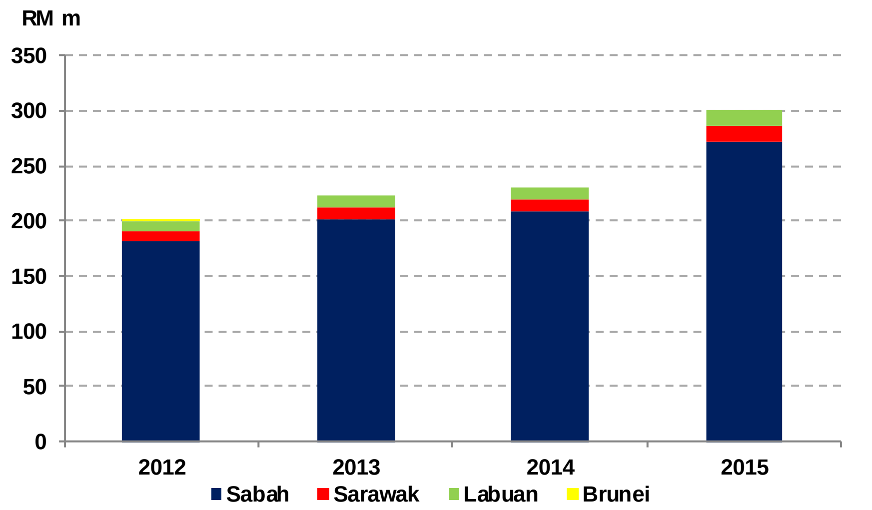
Source: Company Prospectus

The group's revenue registered a jump of 31% to RM299.9mn in FY15 from RM229.5m in FY14. This was mainly led by new distribution of third party beverage products, Coca-Cola, which contributed about 18% of total revenue. Within its product portfolio, F&B was the largest segment which represented about 49% of total revenue and 43% of total gross profit.

Doubling its sales and distribution points from 2,678 in FY12 to 5,965 in FY14. As at Sept 2015, it has expanded to 6,419 points

Apart from new distributorship, its geographical footprints has been expanding over the years with the doubling of its sales and distribution points from 2,678 in FY12 to 5,965 in FY14. As at Sept 2015, sales and distribution points has increased to 6,419. About 91% of its revenue is generated from Sabah, followed by 5% in Labuan and 4% in Sarawak. Given the expansion of its warehousing facility in Sabah, Sarawak and Brunei, we believe sales and distribution points will continue expand in the next 3 years.

Figure 7: Revenue Breakdown by Geography

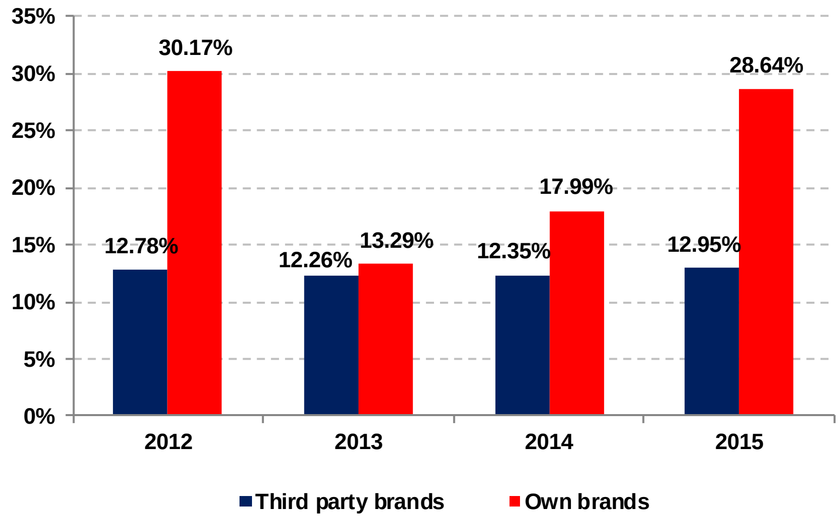


Source: Company Prospectus

Distribution of own brands of CPG fetches higher margin compared to third party brands of CPG (FY15: 28.64% vs 12.95%)

Margin. Distribution of own brands of CPG have relatively higher margin compared to third party brands of CPG (FY15: 28.64% vs 12.95%). Most of its own brands of CPG are sourced from external manufacturers locally and overseas and packed under own brand name of Orie and Bamble. The company expects to expand margin and bakery product line through the launch of new brand, Butter Maid.

Figure 8: Gross Margin Breakdown by Brand



Source: Company Prospectus

We have taken a conservative approach, valuing revenue contribution from new manufacturing plant and new warehousing facility by assuming a lower utilisation rate of 50% and 70% respectively. We assumed KTC's revenue growth of 12%, 25% and 10% in FY16, FY17, and FY18 respectively, to account for i) contribution of newly acquired distributor of CPG in Brunei, ii) launch of new own brands of CPG and bakery products, iii) expansion of warehousing facilities in Sabah and Sarawak. Major contribution of its expansion plans will only come in FY17. Thus, earnings are expected to enhance by 20-30% over the next three years.

Future Plans

Currently, Sabah is its key market but going forward, KTC will expand market presence in Sarawak and Brunei

Strengthen distribution arm in East Malaysia. The management guided the group will continue to expand its geographical footprint in East Malaysia. The plan includes the acquisition of warehousing facilities in Sarawak, penetrate into Brunei market and the construction of new warehousing facility in Sabah. Its new distribution centres are estimated to expand capacity by 20-30%.

(a) **Brunei.** In respect of Brunei market penetration plan, it has proposed to acquire existing distributor in Brunei, which covers range of F&B, personal care and household products. Negotiation between KTC and existing distributor in Brunei is on-going and the acquisition is expected to complete in first half of 2016. The proposed acquisition comprised a rented warehouse and office with a total built-up area of c.10,000sq.ft. This can provide access about 500 sales and distribution points in Brunei market. The total estimated cost is RM1.5m and will be satisfied by the group internally generated funds and bank borrowings.

(b) **Sarawak.** The group plans to acquire new warehousing facilities and relocate Sibu, Miri and Kuching rented distribution centres. Each new warehousing facility would have an estimated built-up area of 15,000 sq.ft. A total estimated cost of RM9.0m will be funded through IPO proceeds.

Figure 8: Proposed Timing of Acquisition

Acquisition of Warehousing Facilities	Timing of acquisition
One warehouse in Sibu	First half of 2016
One warehouse in Miri	First half of 2016
One warehouse in Kuching	Second half of 2016

Source: Company Prospectus

(c) **Sabah.** The group is planning to construct a new warehousing facility on its existing land area, with an estimated built-up area of c. 35,914sq.ft. It intends to purchase 10 units of forklifts, 1 configuration of pallet racking system, and 3,600 units of wooden pallets. Part of the construction expenses are funded by IPO proceeds.

Expansion of own brands of CPG. The group intends to expand and commercialise on own brand of CPG. A list of OEM products and own brand name will be launch next year. A new brand name, namely Butter Maid is expected to launch in the first half of 2016. Besides bakery products, the group will continue to source new products from external manufacturers, to expand its own brands of CPG.

Figure 9: Proposed Launch Timing of Own Brand of CPG

	Brand Name	Launch Date
F&B		
Dry Food		
Condensed milk	Orie	First Half of 2016
Sauce and condiments	Orie	First Half of 2016
Packaged and seasonings	Orie	Second Half of 2016
Biscuit products	Creamos	First Half of 2016
Bakery products ^	Creamos	First Half of 2016
Beverage products	Creamos	Second Half of 2016
Chilled and Frozen products		
Potato-based products	Orie	First Half of 2016
Margarine	Orie	First Half of 2016
Butter	Butter Maid #	First Half of 2016
Burger Patties	Orie	First Half of 2016
Personal care products	Bamble	Second Half of 2016

Source: Company Prospectus

New market for its bakery products. Currently its manufactured cream rolls which under brand of Creamos are sold in Kota Kinabalu, Sandakan, Tawau and Labuan. It plans to expand and penetrate own brand bakery products into Brunei and Sarawak by appointing external distributors or wholesalers starting 2H16.

Expansion of manufacturing facility. To cater for larger geographical areas and product expansion, the group is expanding its manufacturing facility in Sabah and Sarawak.

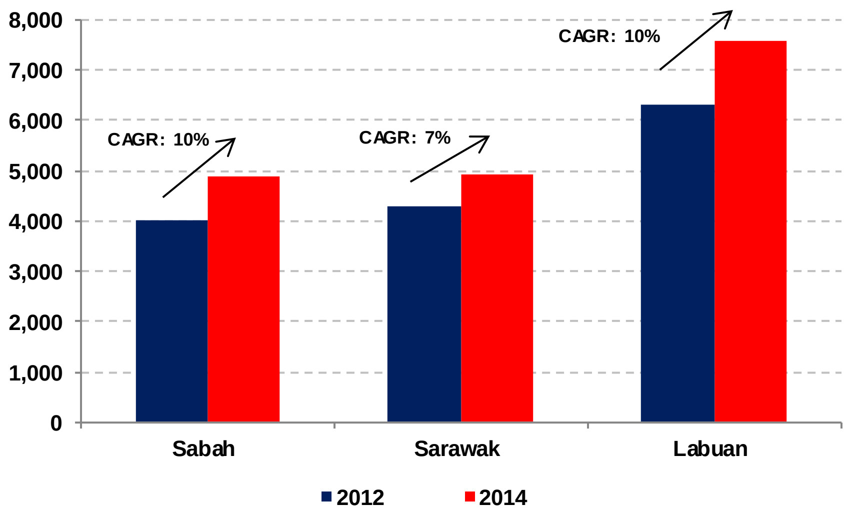
(a) **Sabah.**It has completed acquisition of a land area of 1.87 acre and building with a total built-up area of c. 20,596 sq.ft. in Kota Kinabalu, with a purchase consideration of RM6.23m in July 2015. The newly acquired land and building will house three new production lines to cater for its product expansion plans. Meanwhile, the existing manufacturing facility in SEDCO will be moved to the newly acquired land and building by end of this year. In addition, the new bakery products such as cakes with different flavors will be launched by end of this year.

(b) **Sarawak.**To promote its cream roll into Sarawak market, it will build a new manufacturing facility in Sarawak with an estimated built-up area of 10,000sq.ft on rented premises. The manufacturing plant will be set-up and commenced by 2H16 and RM1m of the total costs are funded by IPO proceeds, while the remaining RM0.5m are funded by internal funds or bank borrowings.

Industry Outlook

Higher purchasing ability. According to Department of Statistics survey, average household income of East Malaysia has a steady CAGR of 9% in 2012-2014. Growing household income will have a favourable impact on the consumption of consumer packaged goods. However, consumer spending may reduce due to the implementation of Good and Service Tax (GST) in April 2015. Nevertheless, we think the impact of GST is still manageable as most CPG are basic necessities and non-discretionary products.

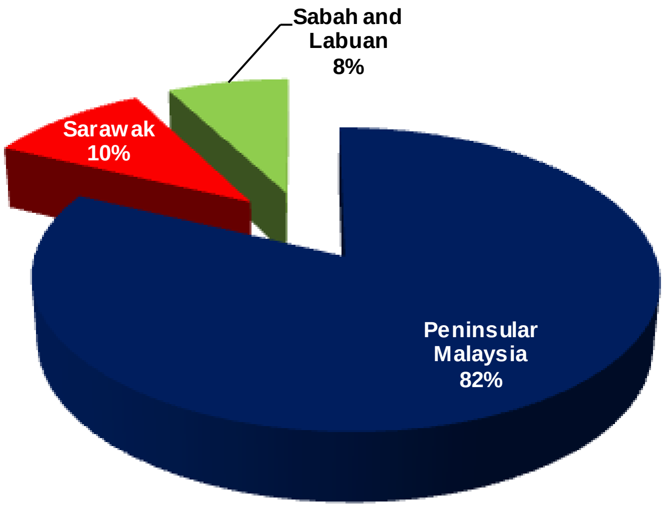
Figure 8: Household Income of East Malaysia



Source: Department of Statistics

Market Size. According to Vital Factor Consulting, the market size for the distribution of CPG in Malaysia was estimated at RM38bn, of which Sabah & Labuan and Sarawak accounted for 8% and 10% respectively, while the remaining are in Peninsular Malaysia. We believe there is ample growth for KTC as it commands only c.10% market share in Sabah and less than 1% in Sarawak and Labuan. KTC is expanding its distribution center to capture more market share.

Figure 9: Market Size for Distribution of CPG



Source: Company Prospectus

Figure 10: SWOT Analysis

Strengths	Weakness
· KTC had c. 4% market share of the distribution of CPG in East Malaysia (Sabah: 10%, Sarawak and Labuan: <1%) · Established 40-year track record as a distributor of CPG · High barrier to entry	· Dependency on external manufacturers for own brands of CPG · Dependency on new distributorship and third party of CPG
Opportunities	**Threats**
· Growing market in Sarawak and Brunei which has market size of RM3.9bn and RM542m respectively.	· Demand of its bakery product which under "Creamos" brand name. · Highly competitive industry, e.g. DKSH and Harrisons.

Source: PublicInvest Research

Valuations

Pegging KTC's estimated EPS of 1.98 sen to 11x PE, we derive our target price of RM0.22, which implies an upside of 45%. Among KTC's listed peers, Harrisons and DKSH are trading at 10.8x and 13.2x (trailing 12 months) respectively. Hence, we believe our valuation is not excessive as it is below the sector's average. Our earnings forecast is supported by a) the growth prospect in Sarawak and Brunei, b) expansion of its warehousing facilities and c) a stable and recurring earnings.

Figure 11: Peer Comparison

	Price (RM) @ 09-Nov	Market Cap (RMm)	EPS (sen)		EPS Growth (%)	
			2013A	2014A	2013A	2014A
Harrisons	3.39	219.1	0.4	-0.1	-7.4	-
DKSH	4.55	703.2	1.1	0.4	115.6	-64.3
Average	3.97	461.1	0.7	0.1	54.1	-32.1
KTC	0.22	76.5	1.0	1.1	33.5	5.5

	P/E(x)		P/B(x)		ROE (%)		Dividend Yield (%)	
	2013A	2014A	2013A	2014A	2013A	2014A	2013A	2014A
Harrisons	7.8	-	0.7	0.8	8.9	-3.2	5.0	4.8
DKSH	6.1	14.2	2.3	1.8	47.3	13.0	1.5	0.0
Average	7.0	7.1	1.5	1.3	28.1	4.9	3.2	2.4
KTC	21.6	20.5	-	-	-	-	-	-

Source: Bloomberg, PublicInvest Research estimates

IPO Details

Kim Teck Cheong (KTC) Consolidated Bhd is seeking a listing with an enlarged issued and paid-up share capital of 510,227,000 shares with RM0.10 par value on Bursa Malaysia's Ace Market. Pursuant to IPO listing, the company's market capitalization is RM76,451,550, based on its IPO price of RM0.15.

The IPO size of 142,000,000 new shares represents approximately 28% of enlarged issued and paid-up share capital. It comprises the following:

i. A total of 34,000,000 new shares, represent approximately 6.7% of its enlarged issued and paid-up share capital are available to Malaysian Public at IPO price of RM0.15 each.

ii. A total of 16,255,000 new shares, represent approximately 3.2% of its enlarged issued and paid-up share capital are reserved for its Eligible Employees and persons who contributed to the success of the Group.

iii. 91,745,000 shares represent approximately 18% of its enlarged issued and paid-up share capital is allocated for placement to selected investors.

Figure 11: Share Capital

	No. of shares
Authorised share capital	**750,000,000**
Issued and fully paid-up share capital	368,277,000
To be issued and credited pursuant to IPO	142,000,000
Enlarged issued and paid-up share capital upon listing	**510,277,000**

Source: Company Prospectus

Utilisation of proceeds. With the gross proceeds of RM21,300,000, KTC Consolidated intends to use 51.6% for acquisition and construction of new warehousing facility in Sabah and Sarawak, 22.1% for its working capital to fund future plans, 14.1% for purchase new equipment for its new warehouse and production lines of bakery products. The remaining proceeds will be used for listing expenses.

Figure 12: Utilisation of Proceeds

Purpose	**RM'000**	**%**	**Time frame**
Acquisition of warehousing facilities in Sibu, Miri and Kuching, Sarawak	9,000	42.26	Within 24 months
Construction of new warehousing facility in Kota Kinabalu, Sabah	2,000	9.39	Within 18 months
Working capital	4,700	22.07	Within 12 months
Purchase of equipment for the following:			
(a) New warehousing facility in Kota Kinabalu, Sabah	1,000	4.69	Within 18 months
(b) Three production lines for bakery products in Sabah	1,000	4.69	Within 12 months
(c) A production line for bakery products in Sarawak	1,000	4.69	Within 12 months
Estimated listing expenses	2,600	12.21	Upon listing
Total	**21,300**	**100.00**	

Source: Company Prospectus

Figure 13: Product Categories and Third Party Brands of CPG

Food and Beverages products	
(a) Dry Food 	(b) Frozen Food 
(c) Chilled Food 	(d) Beverages 
Personal Care products (a) Skin & Body Care 	(b) Hair Care 
(c) Oral Care 	(d) Others 
Household Products (a) Laundry Detergents & Other Cleaning Products 	(b) Air Freshener and Others 

Baby Care Products

(a) Diapers, Baby Wipes and Accessories

(b) Baby Foods and Body Care products

OTC Drugs and Health Supplements

(a) OTC Drugs

(b) Health Supplements

Source: Company Prospectus

KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE June (RM m)	2013A	2014A	2015A	2016F	2017F
Revenue	222.7	229.5	299.9	335.6	419.6
Gross Profit	27.4	28.8	41.1	46.0	60.8
Operating Profit	9.3	9.7	14.2	15.8	18.6
Finance Costs	-2.1	-2.3	-3.8	-3.3	-3.9
Pre-tax Profit	7.2	7.4	10.4	12.5	14.8
Income Tax	-1.9	-1.8	-3.3	-3.3	-3.7
Effective Tax Rate (%)	26%	25%	32%	25%	25%
Minorities	-0.2	-0.1	0.0	0.0	0.0
Net Profit	5.2	5.5	7.1	9.2	11.0

Growth					
Revenue	-	3%	31%	12%	25%
Gross Profit	-	5%	42%	12%	32%
Net Profit	-	6%	29%	30%	21%

Source: Company, PublicInvestResearch estimates

BALANCE SHEET DATA

FYE June (RM m)	2013A	2014A	2015A	2016F	2017F
Property, Plant & Equipment	-	-	60.2	66.3	71.9
Cash and Cash Equivalents	-	-	29.9	30.8	27.8
Trade and Other Receivables	-	-	60.3	67.4	84.3
Other Assets	-	-	60.3	66.5	81.4
Total Assets	**-**	**-**	**210.7**	**231.0**	**265.4**
Trade and Other Payables	-	-	56.3	63.0	78.0
Borrowings	-	-	63.7	50.9	60.9
Deferred tax	-	-	1.8	0.0	0.0
Other Liabilities	-	-	15.8	13.5	11.8
Total Liabilities	**-**	**-**	**137.5**	**127.4**	**150.7**
Shareholders' Equity	-	-	73.2	103.6	114.7
Total Equity and Liabilities	**-**	**-**	**210.7**	**231.0**	**265.4**

Source: Company, PublicInvestResearch estimates

PER SHARE DATA & RATIOS

FYE June	2013A	2014A	2015A	2016F	2017F
Book Value Per Share	-	-	0.1	0.2	0.2
NTA Per Share	-	-	0.1	0.1	0.2
EPS (Sen)	1.0	1.1	1.4	1.8	2.2
DPS (Sen)	-	-	-	-	-
Payout Ratio	-	-	-	-	-
ROA	-	-	3%	4%	4%
ROE	-	-	14%	12%	12%

Source: Company, PublicInvestResearch estimates

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

DISCLAIMER

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