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Company Initiation



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Woongjin Coway (021240)

Business stability important, M&A doubts less so

- We reinstate coverage of Woongjin Coway at BUY with a KRW90,000 target price.
- Woongjin stands to gain from rising rental demand in Korea and a growing market presence in Malaysia, where rental demand is already substantial.
- Investors should focus on the stability of Woongjin's business model, which we find more important than negatives arising from a change of largest shareholder.

WHAT'S THE STORY?

Korea's unrivalled rental firm: Woongjin Coway in 1998—its 10th year in business—became the first Korean company to adopt a rental business model, which at that time was viewed as an innovative marketing technique. The firm has since cemented its position as Korea's top rental company, offering differentiated management services (enabled by its service managers). Woongjin Coway is also a leading player in Malaysia's rental market. It also runs water treatment and cosmetics operations.

Growing presence in Korea's rental market: Korea's home appliance rentals market is well established, led by: 1) a household trend towards value-for-money consumption; and 2) demographic changes—eg, growing numbers of single-person households. The rental market should continue to enjoy healthy growth as: 1) demand for regular servicing of water and air purifiers is growing structurally; and 2) renting has clear economic benefits—ie, small initial outlay. We expect Woongjin Coway's sales and operating profit to grow at CAGRs of 9% y-y over the next three years, backed by high rental market growth and product diversification.

Rental account numbers in Malaysia surge: Woongjin Coway's success in Malaysia, where the rental market is growing quickly, is another investment point. Demand for water purifiers should keep growing, led by income growth and urbanization. Korean firms in particular should enjoy strong demand, as they are known to provide high-quality servicing of appliances. Woongjin Coway entered the Malaysian market in 2006 and has emerged as the top player. Sales at the Malaysian subsidiary should grow at a CAGR of 31% over the next three years, accounting for 22% of consolidated sales.

Focus on stability of business model, not change of largest shareholder: We reinstate coverage of Woongjin Coway at BUY with a 12-month target price of KRW90,000 (equivalent to 15.5x 2020 P/E). Shares are trading at 14x 2020 P/E—discounted more than 30% to their 2013-2017 average of 22x (a high growth period)—and have continued to put in sluggish performances of late, weighed on by uncertainties over the company's fate. Yet, we recommend gradual accumulation on weakness, believing: 1) the stability of the firm's business model trumps negatives related to a change of largest shareholder; and 2) shares will soon price in efforts by the current largest shareholder to boost enterprise value. The key issues relating to corporate governance are who will take over the firm and what impact this will have on dividend policy.

SUMMARY FINANCIAL DATA

	2018	2019E	2020E	2021E
Revenue (KRWb)	2,707	3,028	3,274	3,532
Operating profit (KRWb)	520	550	607	671
Net profit (adj) (KRWb)	350	395	442	488
EPS (adj) (KRW)	4,735	5,121	5,935	6,543
EPS (adj) growth (% y-y)	9.4	8.1	15.9	10.2
EBITDA margin (%)	28.6	27.3	28.1	29.0
ROE (%)	33.8	33.7	33.0	32.1
P/E (adj) (x)	16.8	15.5	13.4	12.2
P/B (x)	5.3	4.6	4.0	3.5
EV/EBITDA (x)	8.3	7.8	7.1	6.4
Dividend yield (%)	4.5	4.5	5.0	5.5

Source: Company data, Samsung Securities estimates

AT A GLANCE

SELL HOLD BUY

Target price KRW90,000 (13.1%)

Current price KRW79,600

Market cap KRW5.9t/USD4.9b

Shares (float) 73,799,619 (72.7%)

52-week high/low KRW97,000/KRW63,000

Avg daily trading value (60-day) KRW15.9b/USD13.2m

ONE-YEAR PERFORMANCE

	1M	6M	12M
WJ Coway (%)	-5.9	-14.7	-12.9
Vs Kospi (%pts)	1.0	-0.9	4.0

SAMSUNG vs THE STREET

No of estimates	6
Target price	99,833
Recommendation	3.8

BUY★★: 5 / BUY: 4 / HOLD: 3 / SELL: 2 / SELL★★: 1

Valuation

We reinstate coverage of Woongjin Coway at BUY with a 12-month target price of KRW90,000 (based on a DCF valuation, to reflect the firm's solid growth potential, stable cash flows, and a likely hike in dividend payout). Our valuation assumes a WACC of 5.6% (derived by applying a perpetual growth rate of 1%, risk-free rate of 1.2%, market premium of 8.4%, and beta of 0.5), and we apply a 20% discount to our fair value estimate to reflect uncertainties over business strategy and earnings outlook (vis-à-vis an upcoming change of largest shareholder). Our target price equates to 15.5x 2020 P/E. Shares are trading at 14x 2020 P/E, discounted more than 30% to the average of 22x at which they traded over 2013-2017 (a high growth period).

Established in 1989 and specializing in hygiene-related goods, Woongjin Coway manufactures and sells household electronics (eg, water purifiers, air purifiers, bidets, and water softeners). In 1998, it became Korea's first company to launch a home appliance rental operation (an innovative marketing technique at that time), and it has since cemented its position as Korea's top rental player by offering differentiated management services (enabled by its service managers). Woongjin Coway is also a leading player in Malaysia's rental market, and it runs water treatment and cosmetics operations, as well.

We expect Woongjin Coway's sales and operating profit to grow at CAGRs of 9% over the next three years, backed by: 1) the firm's position in Korea's fiercely competitive rental market; 2) plans to bolster rental account numbers and sales via product portfolio diversification; and 3) rapid growth of the Malaysian market.

DCF valuation

(KRWb)	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
EBIT	520	550	607	671	735	806	814	822	830	838	847
- Tax on EBIT	132	143	158	175	191	210	212	214	216	218	220
- Capex	400	427	460	490	494	499	504	509	515	520	525
- Net working capital increase (decrease)	(41)	11	29	28	28	29	29	29	30	30	30
+ Depreciation expenses	247	268	306	344	347	351	354	358	362	365	369
+ Amortization expenses	9	8	8	9	8	7	7	7	8	8	8
Free cash flow	285	246	275	331	376	426	430	435	439	443	448
Terminal value	9,912										
Terminal growth (%)	1%										
NPV of FCFF	2,814										
PV of terminal value	5,768										
Enterprise value	8,583										
Estimated value per share (KRW)	112,578										
Discount (%)*	20										
Target price (KRW)	90,000										
Current price (KRW)	79,600										
Upside (%)	13.1										

Note: As of Aug 27 close;

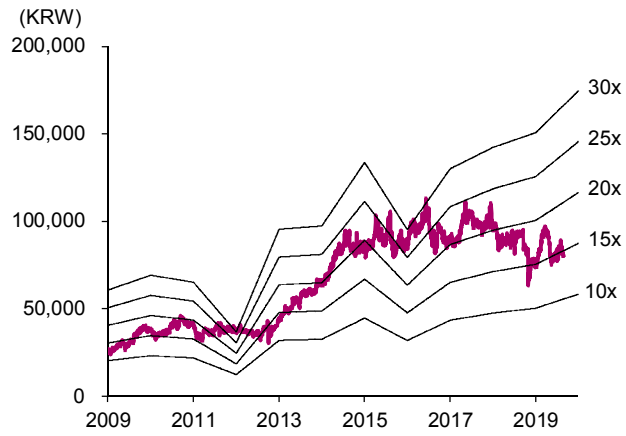
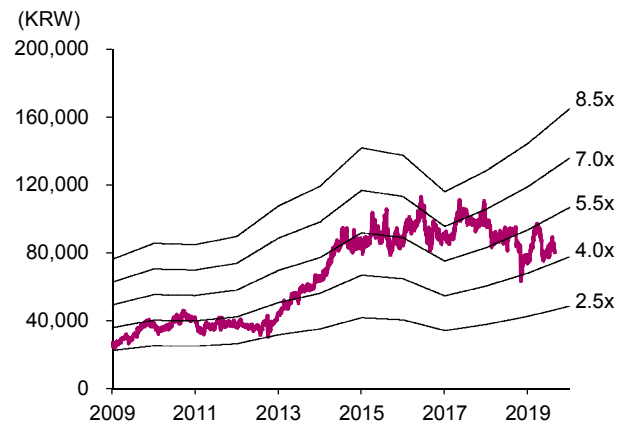
*To reflect uncertainty over business strategy and performance relating to upcoming change of large shareholder

Source: Company data, Samsung Securities estimates

Results and forecasts

(KRWb)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19E	4Q19E	2018	2019E	2020E
Consolidated sales	648	678	670	712	709	755	757	806	2,707	3,028	3,274
Parent sales	572	596	595	633	607	635	623	667	2,395	2,531	2,610
Household electronics	493	502	495	514	515	530	506	528	2,005	2,078	2,099
Rental	379	383	382	384	385	392	388	389	1,528	1,553	1,538
Financial lease	39	41	45	60	56	68	57	77	185	258	323
Membership	32	31	29	28	28	27	26	25	121	105	92
Outright sales	44	47	38	41	46	44	34	37	171	161	145
Exports	54	72	80	96	70	84	97	118	302	369	429
Cosmetics	21	19	18	19	19	19	17	18	75	73	72
Others	3	3	3	3	3	3	3	3	13	11	9
Overseas	76	82	74	79	103	120	134	139	312	496	665
Sales growth (% y-y)											
Consolidated sales	6.2	8.8	6.4	8.9	9.5	11.4	13.0	13.3	7.6	11.8	8.2
Parent sales	(0.1)	3.6	1.1	8.2	6.1	6.6	4.6	5.4	3.2	5.7	3.1
Household electronics	3.0	1.0	(0.4)	4.3	4.3	5.5	2.2	2.6	2.0	3.7	1.0
Rental	2.5	0.9	1.0	1.5	1.6	2.3	1.6	1.2	1.4	1.7	(1.0)
Financial lease	49.3	35.3	28.7	91.1	45.9	65.5	26.9	27.1	50.7	39.5	25.1
Membership	(14.9)	(15.4)	(18.1)	(17.0)	(13.5)	(13.3)	(12.7)	(12.7)	(16.3)	(13.0)	(12.7)
Outright sales	(4.5)	(6.2)	(19.3)	(14.8)	4.0	(7.9)	(9.8)	(9.8)	(11.2)	(5.7)	(9.8)
Exports	(20.1)	29.3	16.5	42.7	29.1	16.6	21.2	22.7	16.5	22.0	16.3
Cosmetics	(1.6)	(0.7)	(9.7)	(9.2)	(8.1)	1.0	(1.7)	(2.1)	(5.3)	(2.9)	(1.4)
Others	(17.5)	(12.8)	(26.1)	(6.3)	(6.0)	(14.8)	(16.1)	(13.6)	(16.1)	(12.6)	(15.3)
Overseas	99.2	70.2	82.8	14.4	34.7	46.1	80.3	76.4	58.9	59.1	34.0
Operating profit	131	129	130	129	135	138	142	135	520	550	607
Parent	123	120	121	114	122	111	124	118	477	475	496
Overseas	8	9	10	15	13	27	18	17	43	75	111
Operating margin (%)	20.3	19.1	19.5	18.1	19.1	18.3	18.8	16.7	19.2	18.2	18.5
Parent	21.5	20.1	20.3	18.0	20.2	17.4	20.0	17.6	19.9	18.8	19.0
Overseas	10.8	11.5	13.2	19.2	12.4	22.9	13.2	12.2	13.7	15.1	16.7
Growth (% y-y)	8.6	7.2	5.0	20.3	2.9	6.9	9.1	4.4	10.0	5.8	10.4
Parent	0.1	(4.3)	(5.0)	10.1	(0.6)	(7.6)	3.2	3.5	(0.2)	(0.4)	4.4
Overseas	n/a	n/a	n/a	n/a	55.7	190.9	81.1	11.5	n/a	75.7	48.4
Pre-tax profit	128	123	118	100	136	137	132	121	469	526	581
Tax	33	32	24	30	35	35	32	29	119	131	140
Net profit	95	91	94	70	100	102	101	92	350	395	442
Net margin (%)	14.7	13.4	14.1	9.8	14.2	13.5	13.3	11.4	12.9	13.0	13.5

Source: Company data, Samsung Securities estimates

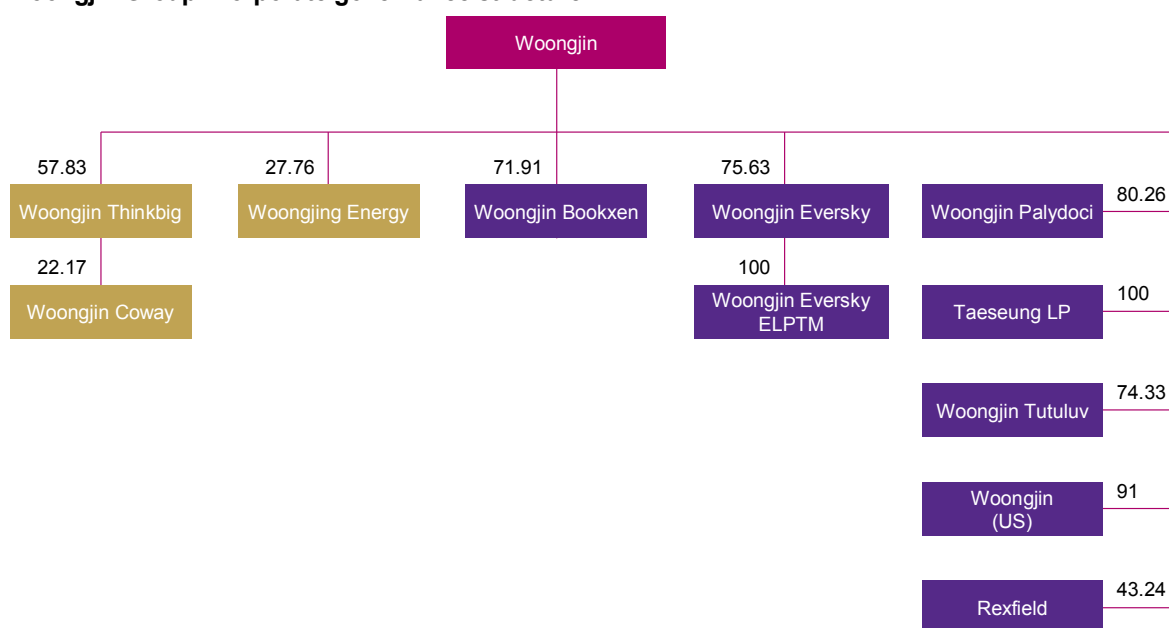
P/E band**P/B band**

Source: Company data, QuantiWise

Concerns over largest shareholder change

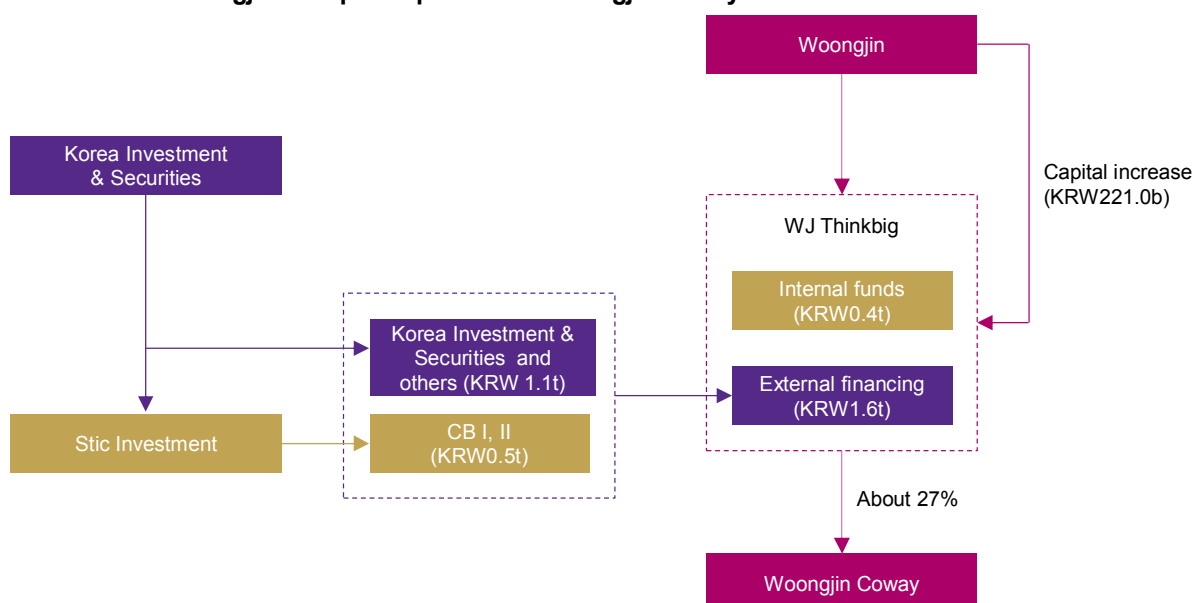
Woongjin Coway shares have been highly volatile over the past year. Upon selling Coway to MBK Partners in Jan 2013, Woongjin Group was prohibited (by a non-compete clause) from running a rental operation for five years. With that prohibition expiring in early 2018, the group launched home-appliance rental brand Woongjin Rental and re-entered the market, starting with water purifiers. Affiliate Woongjin Thinkbig on Oct 29 announced that it would purchase a 22.17% stake in Coway for KRW1.7t. Following the announcement, Coway shares tumbled amid concerns over: 1) the switch of largest shareholder; and 2) business plans and earnings outlook. Recently, shares have taken a further hit as the financially weak Woongjin Group has again decided to sell its stake in Woongjin Coway.

Woongjin Group: Corporate governance structure



Source: Company data, Samsung Securities

Structure of Woongjin Group's acquisition of Woongjin Coway



Source: Company data, Samsung Securities

Woongjin Group and its key underwriter opened preliminary bidding for the stake in Woongjin Coway on Jul 31. About seven firms submitted letters of intent, and Woongjin Group on Aug 2 put SK Networks, the Haier consortium, and global PEF's Carlyle and Bain Capital on a shortlist. When the group sold Coway in 2012 (the year it filed for court receivership), several Korean and overseas PEFs and were joined in the bidding by domestic firms. At that time, the group's 31% stake was valued at KRW1.3t. Now, as the group is asking for at least KRW1.7t for its 22% stake in Woongjin Coway, it should take much longer than many expect for a sale to be finalized. It is also possible that Woongjin Coway's strategic and financial investors will form business alliances during the process.

Contrary to concerns, there is little chance of Woongjin Coway's fundamentals being eroded over the long term, as: 1) its ability to generate stable cash flows should trump any negatives arising from a change of largest shareholder; and 2) share should soon price in efforts by the current largest shareholder to boost enterprise value. As the group and its key underwriter plan to finalize the sale this year, related news flows make keep share-price volatility heightened until year-end. Yet, as Woongjin Coway's fundamentals will probably remain strong over the long term, we advise accumulating shares on weakness.

Going forward, the key issues pertaining to Woongjin Coway's corporate governance structure are who will buy the firm and what impact that will have. If another PEF buys the stake and becomes Woongjin Coway's largest shareholder, it is likely to uphold stringent cost controls and a high-dividend policy, as was the case with former largest shareholder MBK Partners. If SK Networks—the strongest candidate—emerges victorious, this would likely bodes well in terms of synergies and market presence, though it may hurt the firm's high-dividend policy. Exactly how Woongjin Coway is utilized depends on whether the new largest shareholder has its own growth drivers.

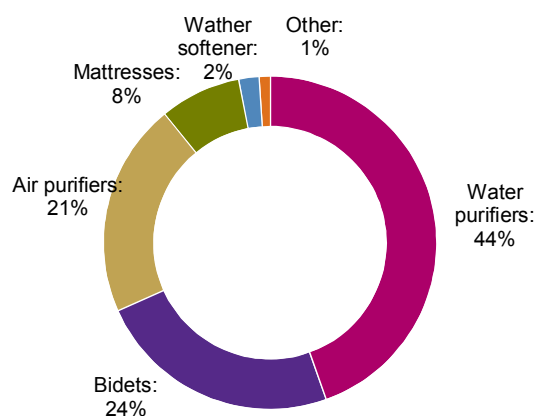
Growing presence in Korea's rental market

Woongjin Coway specializes in hygiene-related goods rentals (especially, household appliance rentals), generating 45% of total sales from water purifiers, 24% from bidets, 21% from air purifiers, 8% from mattresses, and 2% from water softeners. It controls 53% of Korea's household appliance rental market (making it the largest of the nation's top-six rental players; based on account numbers). Woongjin Coway also ranks first in terms of brand equity.

The rapid growth of Korea's rental market owes to: 1) changes in consumption demand; 2) changes in demographics; and 3) expectations related to appliance servicing. Whereas people used to place a lot of value on ownership, nowadays they are more interested in consuming a diverse range of products. With product prices rising and product lifespans growing shorter (amid rapid technological advances), consumers are starting to favor product rentals over purchases. Growth in the number of one- and two-person households is also positive for the rental market. Finally, demand for clean water and clean air is structurally growing (led by income growth), making rental firms' maintenance services attractive. Consumers are increasingly eager to receive professional maintenance services for home appliances (which need regular parts replacement or are hard to manage)—even if this means paying monthly fees.

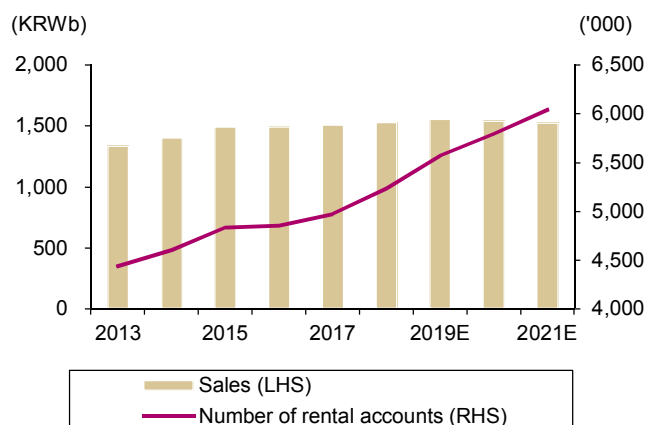
Coway, which mainly targets high-end rental demand, is unrivalled in Korea. It has attracted nearly 6m rental accounts, and it has sustained its strong market position by focusing on households of 4 people and more and a high ASP. Of late, latecomers have enjoyed growth by diversifying product portfolios to include small, low-end home appliances that fit well with Korea's changing demographics. Coway is also adjusting to market changes by launching suitable products.

Woongjin Coway:
Rental market revenue, by category



Source: Company data

Woongjin Coway:
Rental revenue and account numbers in Korea



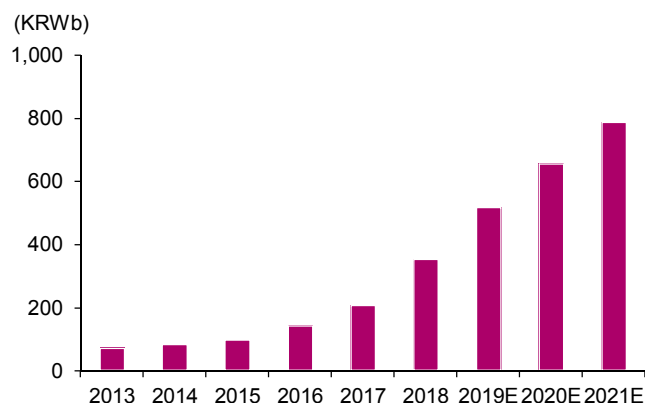
Source: Company data, Samsung Securities estimates

We expect sales and operating profit at Woongjin Coway to grow at CAGRs of 9% over the next three years, backed by rapid growth of the rental market and product diversification. The firm has added items to its portfolio, including mattresses (2012), closet products with clothes freshening systems (2018), and electric ranges (2019; after sticking to an outright sales policy), and it plans to continue strengthening its product lineup.

Malaysia's rental market exploding

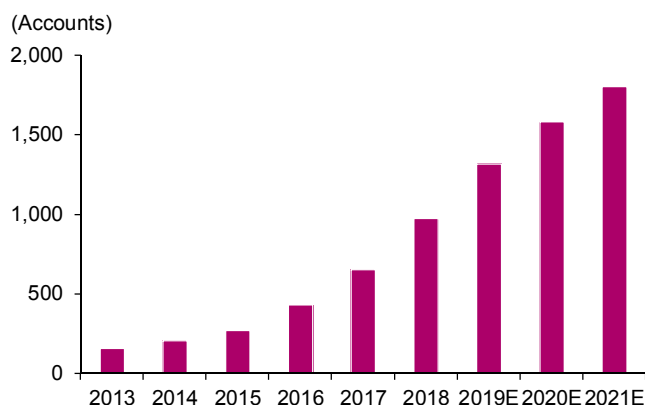
Success in the Malaysian rental market is Woongjin Coway's longer-term growth engine. It entered the market in 2006 and has since cemented its leadership there. As of 2Q19, it had attracted 1.15m accounts, and it aims to raise this figure to 1.5m by year-end.

Revenue in Malaysia



Source: Company data, Samsung Securities estimates

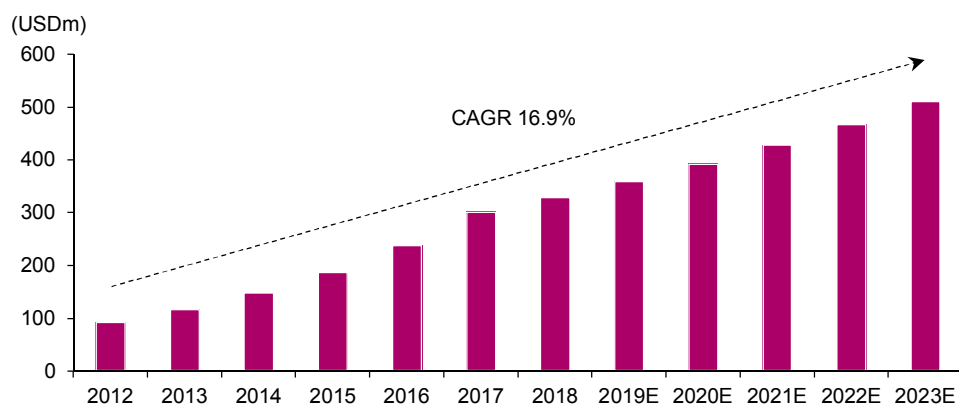
Number of rental accounts in Malaysia



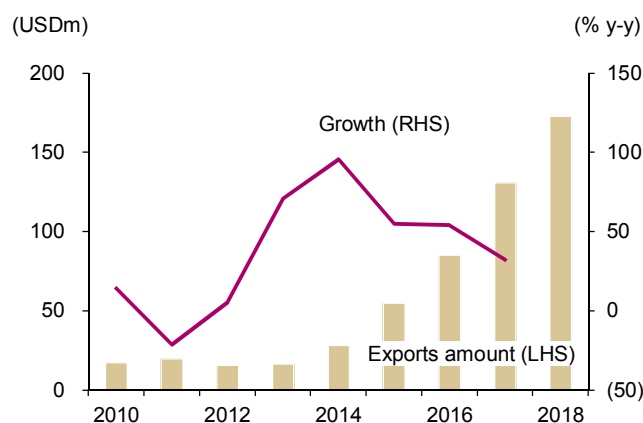
Source: Company data, Samsung Securities estimates

Malaysian people have a strong distrust of tap water due to the nation's aged water and sewage systems—yet Malaysia's water purifier penetration rate stands at just 25-30%, implying a lot of growth potential for the water purifier rental market (which has grown at a 5-year CAGR of 23%). We expect demand for water purifiers in Malaysia to keep growing, fueled by income growth and urbanization. Malaysians have shown a strong preference for Korean rental firms, which offer high-quality servicing. Indeed, Korean water purifier exports to Malaysia have grown at a CAGR of 60% over the past five years.

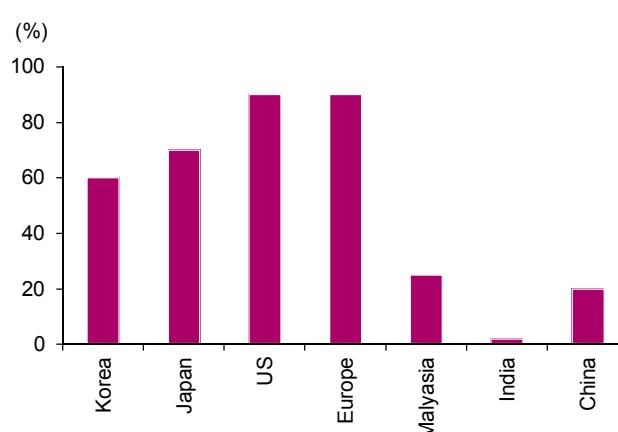
Malaysia has a population of 32.4m people in 7m households (as of 2018). Given the nature of the rental business (*ie*, monthly fees), a rental firm's key target should be households that can afford to pay monthly rental fees. We believe this corresponds to the portion of households that now watches cable TV (CATV). We expect the Malaysian rental market to more than double given that: 1) some 3.6m Malaysian households subscribe to CATV; and 2) Coway and Homesys currently have a combined 1.85m rental accounts—*ie*, 1.15m and 700,000 accounts, respectively.

Malaysia: Water purifier market size

Source: Techsci Research, Samsung Securities estimates

Korea: Water purifier exports to Malaysia

Source: Kita

Major nations: Water purifier penetration

Source: Kotra, China Market Monitor

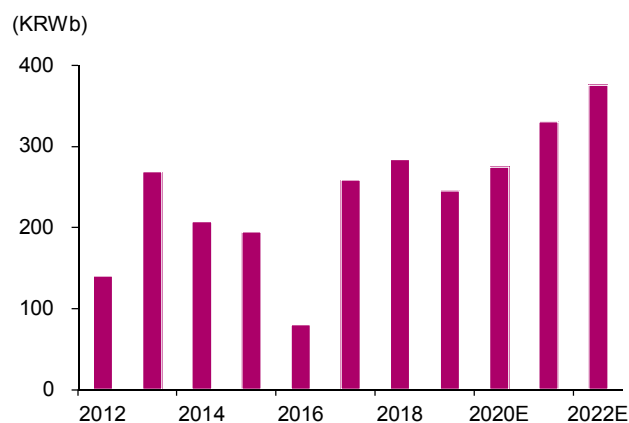
Coway's Malaysian subsidiary saw revenue jump more than 70.5% in 2018. As we foresee its top-line growth hitting 31% *pa* over the next three years (*ie*, through 2021), we believe the subsidiary will contribute 22% of consolidated sales by 2021. The subsidiary is now heavily geared toward water purifier products, but it plans to diversify into other categories to boost sales and rental account numbers (as the parent company has in Korea). Backed by rich rental knowhow accumulated on home soil, Woongjin Coway is winning consumer confidence overseas.

Dividend merit

The strength of the rental business stems from the stability of the business model and its ability to generate solid cash flows. In the initial stages of a company's rental operation, costs may be high due to COGS and sales commission, but once the business secures a certain number of subscribers (and the concomitant monthly rental fees), it can breakeven in three to four years and start generating stable profits thereafter.

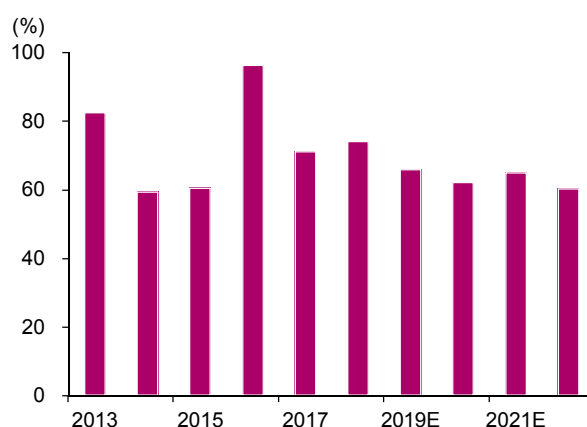
We expect Coway's EPS to grow at 11% *pa* over 2019-2021 and its dividend payout ratio to rise to 67% in 2021 (for a dividend yield of 5.5% at the current share-price level). The change of largest shareholder might result in a new dividend policy, but given the strength of Woongjin Coway's business model—*ie*, its ability to generate stable cash flows regardless of a change of largest shareholder—we expect the firm to keep paying out handsome dividends.

Free cash flow



Source: Company data, Samsung Securities estimates

Dividend payout ratio



Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2017	2018	2019E	2020E	2021E
Sales	2,517	2,707	3,028	3,274	3,532
Cost of goods sold	798	878	1,001	1,067	1,143
Gross profit	1,718	1,829	2,026	2,208	2,390
Gross margin (%)	68.3	67.6	66.9	67.4	67.7
SG&A expenses	1,246	1,309	1,476	1,600	1,719
Operating profit	473	520	550	607	671
Operating margin (%)	18.8	19.2	18.2	18.5	19.0
Non-operating gains (losses)	(33)	(51)	(24)	(26)	(29)
Financial profit	1	1	8	9	10
Financial costs	12	18	26	25	25
Equity-method gains (losses)	0	0	0	0	0
Other	(22)	(35)	(7)	(9)	(14)
Pre-tax profit	440	469	526	581	642
Taxes	114	119	131	140	154
Effective tax rate (%)	26.0	25.3	24.9	24.0	24.0
Profit from continuing operations	326	350	395	442	488
Profit from discontinued operations	0	0	0	0	0
Net profit	326	350	395	442	488
Net margin (%)	12.9	12.9	13.0	13.5	13.8
Net profit (controlling interests)	326	350	394	442	489
Net profit (non-controlling interests)	(0)	(0)	1	(0)	(1)
EBITDA	708	775	826	921	1,023
EBITDA margin (%)	28.1	28.6	27.3	28.1	29.0
EPS (parent-based) (KRW)	4,328	4,735	5,345	5,988	6,625
EPS (consolidated) (KRW)	4,321	4,730	5,353	5,986	6,611
Adjusted EPS (KRW)*	4,328	4,735	5,121	5,935	6,543

Cash flow statement

Year-end Dec 31 (KRWb)	2017	2018	2019E	2020E	2021E
Cash flow from operations	554	539	661	729	795
Net profit	326	350	395	442	488
Non-cash profit and expenses	476	541	421	479	513
Depreciation	227	247	268	306	344
Amortization	8	9	8	8	9
Other	241	286	145	165	161
Changes in A/L from operating activities	(148)	(237)	3	(41)	(40)
Cash flow from investments	(290)	(394)	(430)	(461)	(490)
Change in tangible assets	(323)	(388)	(427)	(460)	(490)
Change in financial assets	17	(49)	(1)	(1)	(1)
Other	17	43	(1)	(0)	0
Cash flow from financing	(218)	(187)	(233)	(261)	(292)
Change in debt	332	59	37	38	40
Change in equity	2	1	0	0	0
Dividends	(409)	(231)	(266)	(295)	(325)
Other	(143)	(16)	(4)	(4)	(8)
Change in cash	44	(41)	(2)	7	13
Cash at beginning of year	66	110	69	67	74
Cash at end of year	110	69	67	74	87
Gross cash flow	802	891	816	921	1,001
Free cash flow	217	139	234	269	306

Note: * Excluding one off items, ** Fully diluted, excluding one-off items

*** From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2017	2018	2019E	2020E	2021E
Current assets	791	844	849	907	972
Cash & equivalents	110	69	67	74	87
Accounts receivable	315	302	333	362	391
Inventories	75	103	98	109	122
Other current assets	292	370	350	361	372
Fixed assets	1,367	1,535	1,746	1,917	2,096
Investment assets	56	58	57	57	58
Tangible assets	712	781	931	1,076	1,214
Intangible assets	184	160	162	162	162
Other long-term assets	415	536	596	622	663
Total assets	2,159	2,379	2,594	2,824	3,068
Current liabilities	1,125	1,234	1,281	1,336	1,388
Accounts payable	54	62	71	74	81
Short-term debt	670	731	768	806	846
Other current liabilities	401	441	443	456	462
Long-term liabilities	52	57	61	60	59
Bonds & long-term debt	12	10	10	10	10
Other long-term liabilities	40	47	51	50	49
Total liabilities	1,177	1,291	1,342	1,396	1,448
Owners of parent equity	982	1,088	1,252	1,428	1,621
Capital stock	41	41	41	41	41
Capital surplus	129	130	130	130	130
Retained earnings	963	967	1,131	1,307	1,500
Other	(151)	(49)	(49)	(49)	(49)
Non-controlling interests' equity	0	(0)	(0)	(0)	(0)
Total equity	982	1,088	1,252	1,428	1,621
Net debt	513	567	600	626	647

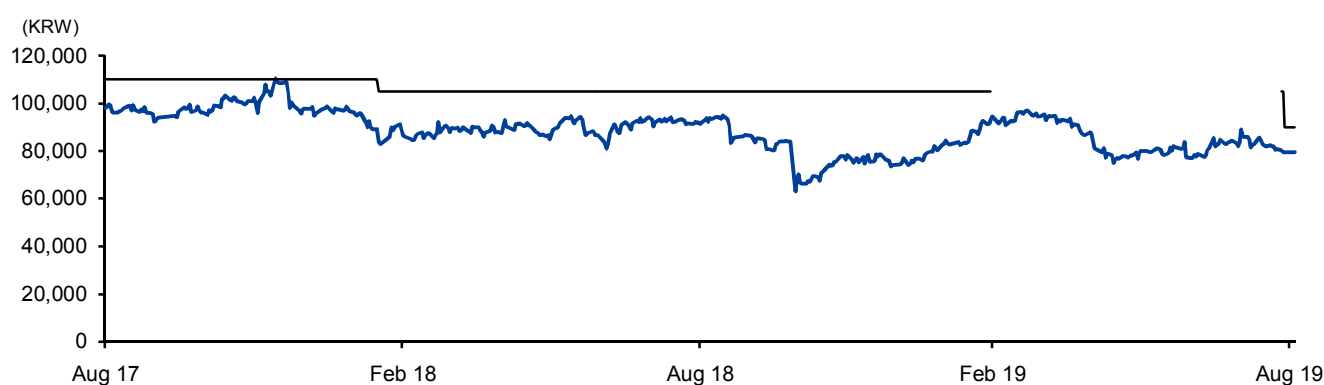
Financial ratios

Year-end Dec 31	2017	2018	2019E	2020E	2021E
Growth (%)					
Sales	5.9	7.6	11.8	8.2	7.9
Operating profit	39.5	10.0	5.8	10.4	10.4
Net profit	33.8	7.4	12.9	11.8	10.4
Adjusted EPS**	36.6	9.4	8.1	15.9	10.2
Per-share data (KRW)					
EPS (parent-based)	4,328	4,735	5,345	5,988	6,625
EPS (consolidated)	4,321	4,730	5,353	5,986	6,611
Adjusted EPS**	4,328	4,735	5,121	5,935	6,543
BVPS	13,619	15,074	17,339	19,777	22,446
DPS (common)	3,200	3,600	3,600	4,000	4,400
Valuations (x)					
P/E***	18.4	16.8	15.5	13.4	12.2
P/B***	5.8	5.3	4.6	4.0	3.5
EV/EBITDA	9.0	8.3	7.8	7.1	6.4
Ratios (%)					
ROE	30.1	33.8	33.7	33.0	32.1
ROA	15.8	15.4	15.9	16.3	16.6
ROIC	24.6	25.1	24.1	23.8	23.8
Payout ratio	71.2	74.2	65.9	65.4	65.0
Dividend yield (common)	4.0	4.5	4.5	5.0	5.5
Net debt to equity	52.2	52.1	47.9	43.8	40.0
Interest coverage (x)	38.3	29.2	31.3	38.2	39.3

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Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2017/8/1	2018/2/13	2019/2/13	8/28
Recommendation	BUY	BUY	BUY	BUY
Target price (KRW)	110,000	105,000	105,000	90,000
Gap* (average)	(10.52)	(18.92)	(14.67)	
(max or min)**	0.45	(9.52)	(11.71)	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%

** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

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HOLD	Expected to increase/decrease in value by less than 10% within 12 months
SELL	Expected to decrease in value by 10% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

Percentage of ratings in 12 months prior to Jun 30, 2019

BUY (75.5%) | HOLD (24.5%) | SELL (0%)

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