# Raffles Medical RFMD SP

HEALTHCARE | SINGAPORE

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Maintained

BUY

## Our view

We met up with Raffles Medical's (RMG) management and obtained the latest updates on recent issues and developments. While private healthcare admissions in Singapore may decline amid the recession, we believe the group is largely defensive and enjoys significant operating leverage. We reiterate our BUY rating.

## Anchor themes

- We believe continued demand for private healthcare in the region will support the long-term prospects for Singapore healthcare service operators who enjoy strong operating margins, brand equity and high entry barriers.
- Medical travel is a recurring sector theme driven by globalisation and escalating healthcare costs in developed countries. Singapore is the premier regional centre for high-end care and private operators are well-positioned to ride the growth, in our view.

| | |
|---|---|
| Closing price on 2 Apr | S$0.78 |
| Price target | **S$1.07** |
| Upside/downside | 38.1% |
| Difference from consensus | 15.1% |
| FY09F net profit (S$mn) | 35.3 |
| Difference from consensus | 10.2% |

Source: Nomura

## Nomura vs consensus

We believe consensus has not recognised RMG's operating leverage, which drives earnings growth despite slower top-line growth in the current recession.

# 1Q09 pre-earnings update

- Superior credit quality, no downside surprises expected
- 1Q09 operational updates
- Valuations at trough

## ① Superior credit quality, no downside surprises expected

With the recent S$34.4mn provision on Parkway's doubtful receivables, we believe a key investor concern on private healthcare players has been the possible deterioration of credit quality amid the current recession. RMG's management has confirmed that the hospital does not have any arrangement with the Middle East government to treat its citizens and that most of its outstanding receivables are from corporates, mainly MNCs and government agencies. We believe that RMG exhibits superior credit quality — with only 6.4% of its receivables overdue for more than a year (as at 4Q08, Exhibit 3) and is likely not to have any downside surprises in the upcoming results.

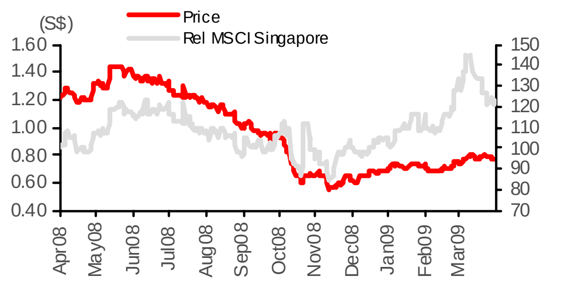
On the other hand, Parkway's FY08 annual report shows that 65% of the receivables past due 180 days have been provided for (Exhibit 4), with a remaining net receivable of S$24.7mn (past due 180-365 days) and S$4.8mn (past due more than a year). Parkway's management has confirmed that the S$34.4mn provision in 4Q08 includes the entire doubtful receivables owed by that specific group of debtors, and the remaining net receivables are part of usual operations. We believe this clarity should mitigate investor concerns on further significant writedowns for Parkway.

### Key financials & valuations

| 31-Dec (S$mn) | FY08 | FY09F | FY10F | FY11F |
|---|---|---|---|---|
| Revenue | 200.8 | 213.0 | 234.5 | 269.7 |
| Reported net profit | 31.3 | 35.3 | 41.8 | 51.9 |
| Normalised net profit | 31.3 | 35.3 | 41.8 | 51.9 |
| Normalised EPS (S$) | 0.060 | 0.066 | 0.078 | 0.097 |
| Norm. EPS growth (%) | 26.8 | 10.5 | 18.5 | 24.2 |
| Norm. P/E (x) | 13.0 | 11.7 | 9.9 | 8.0 |
| EV/EBITDA (x) | 8.5 | 7.4 | 5.9 | 4.3 |
| Price/book (x) | 1.8 | 1.7 | 1.5 | 1.3 |
| Dividend yield (%) | 3.2 | 3.9 | 3.9 | 4.4 |
| ROE (%) | 14.8 | 15.2 | 16.4 | 18.2 |
| Net debt/equity (%) | net cash | net cash | net cash | net cash |
| **Earnings revisions** | | | | |
| Previous norm. net profit | | 35.3 | 41.8 | 51.9 |
| Change from previous (%) | | - | - | - |
| Previous norm. EPS (S$) | | 0.066 | 0.078 | 0.097 |

Source: Company, Nomura estimates

### Share price relative to MSCI Singapore

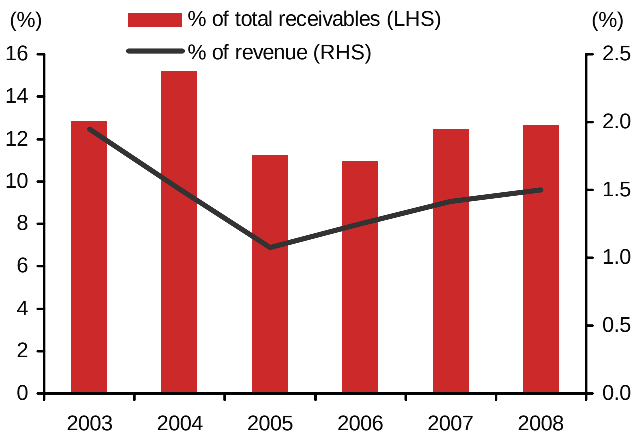



| | 1m | 3m | 6m |
|---|---|---|---|
| Absolute (S$) | 2.6 | 10.7 | (17.6) |
| Absolute (US$) | 6.0 | 7.0 | (20.8) |
| Relative to Index | (9.1) | 17.9 | 11.5 |
| Market cap (US$mn) | | | 267.0 |
| Estimated free float (%) | | | 49.4 |
| 52-week range (S$) | | | 1.45/0.55 |
| 3-mth avg daily turnover (US$mn) | | | 0.091 |
| Stock borrowability | | | Easy |
| Major shareholders (%) | | | |
| Loo Choon Yong | | | 40.2 |
| Temasek Holdings | | | 4.9 |

Source: Company, Nomura estimates

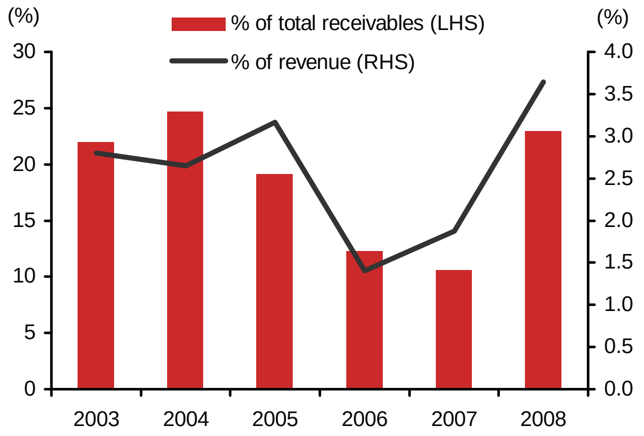
**See the important disclosures and analyst certifications on pages 6 to 9. gl**

### Exhibit 1. RMG: bad debt provisions




Source: Company data, Nomura Singapore Limited

### Exhibit 2. Parkway: bad debt provisions




Source: Company data, Nomura Singapore Limited

### Exhibit 3. RMG: quality of receivables (as at 4Q08)

| | 2007 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | S$mn | % of total rec. | % provision | S$mn | % of total rec. | % provision |
| Not past due | 6.8 | 35.6% | 0% | 9.7 | 40.9% | 0% |
| Past due 0-30 days | 5.0 | 26.1% | 0% | 4.8 | 20.3% | 0% |
| Past due 31-365 days | 6.2 | 32.2% | 22% | 7.7 | 32.3% | 21% |
| More than one year | 1.2 | 6.0% | 90% | 1.5 | 6.4% | 92% |
| Total trade receivables | 19.1 | | 12% | 23.8 | | 13% |
| Allowance for doubtful receivables | (2.4) | | | (3.0) | | |

Source: Company data

### Exhibit 4. Parkway: quality of receivables (as at 4Q08)

| | 2007 | | | 2008 | | |
|---|---|---|---|---|---|---|
| | S$mn | % of total rec. | % provision | S$mn | % of total rec. | % provision |
| Not past due | 47.0 | 30.6% | 0% | 22.1 | 12.8% | 1% |
| Past due 0-30 days | 26.8 | 17.4% | 0% | 27.3 | 15.7% | 3% |
| Past due 31-180 days | 45.6 | 29.7% | 2% | 38.8 | 22.4% | 2% |
| Past due 180-365 days | 23.7 | 15.4% | 0% | 48.4 | 27.9% | 49% |
| More than one year | 10.6 | 6.9% | 98% | 37.0 | 21.3% | 87% |
| Total trade receivables | 153.7 | | | 173.6 | | |
| Allowance for doubtful receivables | (16.3) | | | (58.1) | | |

Source: Company data

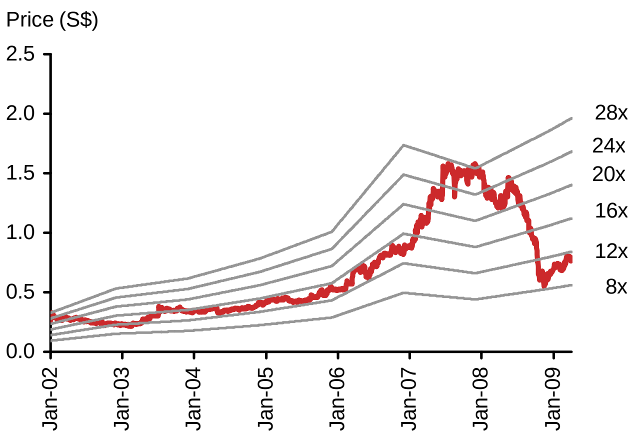
## ② 1Q09 operational updates

Management indicated that 1Q09 operations remained relatively stable on a y-y basis. However, RMG faces seasonal effects and historically has a weak 1Q due to fewer patients during the Chinese festive season. Despite the ongoing recession, RMG continues its aggressive marketing overseas, with a key hire recently — Dr. Jason Yap, previously the Director of *SingaporeMedicine* (the government initiative to promote medical travel), was hired to fine-tune RMG's marketing strategy. RMG has also taken advantage of the 2009 budget to send its employees for training during downtime, with 90% of course fees and absentee payroll reimbursable by the government.

## ③ Valuations at trough

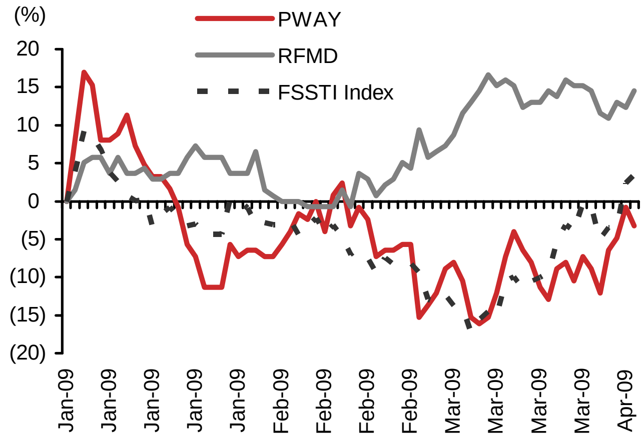
Raffles Medical is currently trading near trough valuations at FY09E P/E of 11.7x, with a sustainable dividend yield of 4% (FCF yield: 8%). The stock has outperformed the market and its closest peer Parkway YTD due to its defensiveness as a group practice (FY09E EPS growth of 10.5%) and its strong balance sheet with net cash position. We reiterate our BUY rating. In terms of risks, a worse-than-expected recession may lead to prolonged slowdown in medical travel and fall in Singapore's expatriate population. Raffles Medical's patient base will be severely affected in such a scenario.

**Exhibit 5. RFMD 12-month forward P/E**




Source: Bloomberg, Nomura Singapore Limited

**Exhibit 6. Relative performance YTD**




Source : Bloomberg, Nomura Singapore Limited

# Financial statements

| Income statement (S$mn) | | | | | |
|---|---|---|---|---|---|
| Year-end 31 Dec | FY07 | FY08 | FY09F | FY10F | FY11F |
| **Revenue** | 168.7 | 200.8 | 213.0 | 234.5 | 269.7 |
| Cost of goods sold | (140.4) | (162.3) | (170.2) | (184.1) | (207.6) |
| **Gross profit** | **28.2** | **38.5** | **42.8** | **50.4** | **62.1** |
| SG&A | - | - | - | - | - |
| Employee share expense | - | - | - | - | - |
| **Operating profit** | **28.2** | **38.5** | **42.8** | **50.4** | **62.1** |
| | | | | | |
| **EBITDA** | **32.4** | **45.1** | **49.5** | **57.3** | **69.2** |
| Depreciation | (4.2) | (6.6) | (6.8) | (6.9) | (7.0) |
| Amortisation | - | - | - | - | - |
| **EBIT** | **28.2** | **38.5** | **42.8** | **50.4** | **62.1** |
| Net interest expense | (0.4) | (0.4) | (0.1) | 0.1 | 0.6 |
| Associates & JCEs | 1.1 | - | - | - | - |
| Other income | - | - | - | - | - |
| **Earnings before tax** | **28.9** | **38.1** | **42.6** | **50.5** | **62.7** |
| Income tax | (5.5) | (6.7) | (7.2) | (8.6) | (10.7) |
| **Net profit after tax** | **23.4** | **31.4** | **35.4** | **41.9** | **52.0** |
| Minority interests | (0.1) | (0.1) | (0.1) | (0.1) | (0.2) |
| Other items | - | - | - | - | - |
| Preferred dividends | - | - | - | - | - |
| **Normalised NPAT** | **23.4** | **31.3** | **35.3** | **41.8** | **51.9** |
| Extraordinary items | 12.5 | - | - | - | - |
| **Reported NPAT** | **35.9** | **31.3** | **35.3** | **41.8** | **51.9** |
| Dividends | (17.8) | (12.9) | (15.5) | (15.5) | (17.6) |
| **Transfer to reserves** | **18.1** | **18.4** | **19.7** | **26.3** | **34.3** |
| | | | | | |
| **Valuation and ratio analysis** | | | | | |
| FD normalised P/E (x) | 16.4 | 13.0 | 11.7 | 9.9 | 8.0 |
| FD normalised P/E at price target (x) | 22.7 | 17.9 | 16.2 | 13.7 | 11.0 |
| Reported P/E (x) | 10.7 | 13.0 | 11.7 | 9.9 | 8.0 |
| Dividend yield (%) | 4.7 | 3.2 | 3.9 | 3.9 | 4.4 |
| Price/cashflow (x) | 9.6 | 10.1 | 10.8 | 8.3 | 6.8 |
| Price/book (x) | 1.9 | 1.8 | 1.7 | 1.5 | 1.3 |
| EV/EBITDA (x) | 12.1 | 8.5 | 7.4 | 5.9 | 4.3 |
| EV/EBIT (x) | 13.9 | 10.0 | 8.6 | 6.7 | 4.8 |
| Gross margin (%) | 16.7 | 19.2 | 20.1 | 21.5 | 23.0 |
| EBITDA margin (%) | 19.2 | 22.5 | 23.3 | 24.4 | 25.6 |
| EBIT margin (%) | 16.7 | 19.2 | 20.1 | 21.5 | 23.0 |
| Net margin (%) | 21.3 | 15.6 | 16.6 | 17.8 | 19.2 |
| Effective tax rate (%) | 19.0 | 17.6 | 17.0 | 17.0 | 17.0 |
| Dividend payout (%) | 49.5 | 41.3 | 44.0 | 37.2 | 33.9 |
| Capex to sales (%) | 2.5 | 3.1 | 2.3 | 2.1 | 2.0 |
| Capex to depreciation (x) | 1.0 | 0.9 | 0.7 | 0.7 | 0.8 |
| ROE (%) | na | 14.8 | 15.2 | 16.4 | 18.2 |
| ROA (pretax %) | na | 14.6 | 16.1 | 18.9 | 23.1 |
| | | | | | |
| **Growth (%)** | | | | | |
| Revenue | | 19.0 | 6.1 | 10.1 | 15.0 |
| EBITDA | | 39.0 | 9.8 | 15.6 | 20.8 |
| EBIT | | 36.4 | 11.2 | 17.8 | 23.4 |
| Normalised EPS | | 26.8 | 10.5 | 18.5 | 24.2 |
| Normalised FDEPS | | 26.8 | 10.5 | 18.5 | 24.2 |
| | | | | | |
| **Per share** | | | | | |
| Reported EPS (S$) | 0.07 | 0.06 | 0.07 | 0.08 | 0.10 |
| Norm EPS (S$) | 0.05 | 0.06 | 0.07 | 0.08 | 0.10 |
| Fully diluted norm EPS (S$) | 0.05 | 0.06 | 0.07 | 0.08 | 0.10 |
| Book value per share (S$) | 0.41 | 0.43 | 0.47 | 0.52 | 0.58 |
| DPS (S$) | 0.04 | 0.03 | 0.03 | 0.03 | 0.03 |

Source: Nomura estimates

| Cashflow (S$mn) | | | | | |
|---|---|---|---|---|---|
| Year-end 31 Dec | FY07 | FY08 | FY09F | FY10F | FY11F |
| EBITDA | 32.4 | 45.1 | 49.5 | 57.3 | 69.2 |
| Change in working capital | 13.3 | 1.0 | (4.0) | 0.9 | 1.7 |
| Other operating cashflow | (5.7) | (6.0) | (7.4) | (8.4) | (10.1) |
| **Cashflow from operations** | **40.1** | **40.1** | **38.2** | **49.7** | **60.8** |
| Capital expenditure | (4.3) | (6.1) | (5.0) | (5.0) | (5.5) |
| **Free cashflow** | **35.8** | **33.9** | **33.2** | **44.7** | **55.3** |
| Reduction in investments | 14.3 | 0.7 | - | - | - |
| Net acquisitions | | | | | |
| Reduction in other LT assets | | 0.1 | - | - | - |
| Addition in other LT liabilities | | 0.0 | - | - | - |
| Adjustments | (62.8) | 1.2 | - | - | - |
| **Cashflow after investing acts** | **(12.8)** | **36.0** | **33.2** | **44.7** | **55.3** |
| Cash dividends | (17.8) | (12.9) | (15.5) | (15.5) | (17.6) |
| Equity issue | 69.0 | 1.3 | (0.1) | - | - |
| Debt issue | (60.4) | 0.9 | (6.5) | (4.4) | (4.4) |
| Convertible debt issue | - | - | - | - | - |
| Others | - | - | - | - | - |
| **Cashflow from financial acts** | **(9.2)** | **(10.7)** | **(22.1)** | **(19.9)** | **(22.0)** |
| **Net cashflow** | **(22.0)** | **25.2** | **11.1** | **24.8** | **33.3** |
| Beginning cash | 41.3 | 19.7 | 44.5 | 55.6 | 80.4 |
| Ending cash | 19.3 | 45.0 | 55.6 | 80.4 | 113.7 |
| Ending net debt | | (17.9) | (35.5) | (64.7) | (102.4) |

Source: Nomura estimates

RMG generates a FCF of S$30-40mn annually, and trades at a FCF yield of 8%

| Balance sheet (S$mn) | | | | | |
|---|---|---|---|---|---|
| As at 31 Dec | FY07 | FY08 | FY09F | FY10F | FY11F |
| Cash & equivalents | 19.7 | 44.5 | 55.6 | 80.4 | 113.7 |
| Marketable securities | 0.7 | - | - | - | - |
| Accounts receivable | 20.2 | 24.9 | 26.6 | 29.3 | 33.7 |
| Inventories | 3.8 | 4.8 | 4.9 | 5.4 | 6.3 |
| Other current assets | 0.7 | - | - | - | - |
| **Total current assets** | **45.2** | **74.2** | **87.1** | **115.1** | **153.6** |
| LT investments | 84.4 | 84.4 | 84.4 | 84.4 | 84.4 |
| Fixed assets | 150.8 | 150.3 | 148.5 | 146.6 | 145.1 |
| Goodwill | - | - | - | - | - |
| Other intangible assets | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other LT assets | 1.5 | 1.3 | 1.3 | 1.3 | 1.3 |
| **Total assets** | **282.2** | **310.4** | **321.6** | **347.7** | **384.7** |
| Short-term debt | 25.3 | 4.6 | 2.5 | 2.5 | 2.5 |
| Accounts payable | 48.2 | 51.5 | 49.4 | 53.6 | 60.5 |
| Other current liabilities | 6.7 | 9.3 | 9.3 | 9.3 | 9.3 |
| **Total current liabilities** | **80.2** | **65.4** | **61.2** | **65.4** | **72.3** |
| Long-term debt | - | 22.0 | 17.6 | 13.2 | 8.8 |
| Convertible debt | - | - | - | - | - |
| Other LT liabilities | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| **Total liabilities** | **80.9** | **88.2** | **79.6** | **79.3** | **81.9** |
| Minority interest | 0.2 | 0.3 | 0.4 | 0.6 | 0.7 |
| Preferred stock | - | - | - | - | - |
| Common stock | 170.0 | 171.3 | 171.3 | 171.3 | 171.3 |
| Retained earnings | 30.8 | 50.6 | 70.3 | 96.6 | 130.9 |
| Proposed dividends | - | - | - | - | - |
| Other equity and reserves | - | - | - | - | - |
| **Total shareholders' equity** | **200.8** | **221.9** | **241.6** | **267.9** | **302.2** |
| **Total equity & liabilities** | **282.0** | **310.4** | **321.6** | **347.7** | **384.7** |
| **Liquidity (x)** | | | | | |
| Current ratio | 0.56 | 1.13 | 1.42 | 1.76 | 2.12 |
| Interest cover | 75.0 | 105.4 | 328.1 | na | na |
| **Leverage** | | | | | |
| Net debt/EBITDA (x) | net cash | net cash | net cash | net cash | net cash |
| Net debt/equity (%) | net cash | net cash | net cash | net cash | net cash |
| **Activity (days)** | | | | | |
| Days receivable | | 41.1 | 44.2 | 43.5 | 42.6 |
| Days inventory | | 9.6 | 10.4 | 10.3 | 10.3 |
| Days payable | | 112.4 | 108.2 | 102.1 | 100.3 |
| Cash cycle | - | (61.7) | (53.7) | (48.3) | (47.4) |

Source: Nomura estimates

Strong balance sheet with net cash position

## ANALYST CERTIFICATIONS

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| Issuer | Ticker | Price (as at last close) | Closing Price Date | Rating | Disclosures |
|---|---|---|---|---|---|
| Raffles Medical | RFMD SP | | | Buy | |

### Previous Ratings

| Issuer | Previous Rating | Date of change |
|---|---|---|
| Raffles Medical | No Rating | 03 Mar 2009 |

### Three-year stock price and rating history

Not Available for Raffles Medical

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As at 6 January 2009.

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### Explanation of Nomura's equity research rating system in Europe, Middle East and Africa, US and Latin America for ratings published from 27 October 2008:

The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to price target defined as (fair value - current price)/current price, subject to limited management discretion. In most cases, the fair value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as discounted cash flow or multiple analysis, etc.

*Stocks:*

• A rating of "1", or **"Buy"**, indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months.
• A rating of "2", or **"Neutral"**, indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months.
• A rating of "3", or **"Reduce"**, indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months.
• A rating of **"RS-Rating Suspended"**, " indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain

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Benchmarks are as follows: **United States**: S&P 500, MSCI World Technology Hardware & Equipment; **Europe**: Please see valuation methodologies for explanations of relevant benchmarks for stocks (accessible through the left hand side of the Nomura Disclosure web page: http://www.nomura.com/research); **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia.

*Sectors:*

A "**Bullish**" stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months.
A "**Neutral**" stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months.
A "**Bearish**" stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months.

Benchmarks are as follows: **United States:** S&P 500; **Europe:** Dow Jones STOXX® 600; **Global Emerging Markets (ex-Asia):** MSCI Emerging Markets ex-Asia.

## Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009:

*Stocks:*

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Price Target – Current Price) / Current Price, subject to limited management discretion. In most cases, the Price Target will equal the analyst's 12-month intrinsic valuation of the stock, based on an appropriate valuation methodology such as discounted cash flow, multiple analysis, etc.
• A "**Buy**" recommendation indicates that potential upside is 15% or more.
• A "**Neutral**" recommendation indicates that potential upside is less than 15% or downside is less than 5%.
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A "**Neutral**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.
A "**Bearish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

## Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009 (and ratings in Europe, Middle East and Africa, US and Latin America published prior to 27 October 2008):

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• A rating of "2", or **"Buy"**, indicates that the analyst expects the stock to outperform the Benchmark by 5% or more but less than 15% over the next six months.
• A rating of "3", or **"Neutral"**, indicates that the analyst expects the stock to either outperform or underperform the Benchmark by less than 5% over the next six months.
• A rating of "4", or **"Reduce"**, indicates that the analyst expects the stock to underperform the Benchmark by 5% or more but less than 15% over the next six months.
• A rating of "5", or **"Sell"**, indicates that the analyst expects the stock to underperform the Benchmark by 15% or more over the next six months.
• Stocks labeled **"Not rated"** or shown as **"No rating"** are not in Nomura's regular research coverage. Nomura might not publish additional research reports concerning this company, and it undertakes no obligation to update the analysis, estimates, projections, conclusions or other information contained herein.

*Sectors:*

A **"Bullish"** stance, indicates that the analyst expects the sector to outperform the Benchmark during the next six months.
A **"Neutral"** stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next six months.
A **"Bearish"** stance, indicates that the analyst expects the sector to underperform the Benchmark during the next six months.

Benchmarks are as follows: **Japan**: TOPIX; **United States**: S&P 500, MSCI World Technology Hardware & Equipment; **Europe**, by sector — *Hardware/Semiconductors*: FTSE W Europe IT Hardware; *Telecoms*: FTSE W Europe Business Services; *Business Services*: FTSE W Europe; *Auto & Components*: FTSE W Europe Auto & Parts; *Communications equipment*: FTSE W Europe IT Hardware;

**Ecology Focus:** Bloomberg World Energy Alternate Sources; **Global Emerging Markets:** MSCI Emerging Markets ex-Asia.

## Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published prior to 30 October 2008:

*Stocks:*

Stock recommendations are based on absolute valuation upside (downside), which is defined as (Fair Value - Current Price)/Current Price, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow or Multiple analysis etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

- A "**Strong buy**" recommendation indicates that upside is more than 20%.
- A "**Buy**" recommendation indicates that upside is between 10% and 20%.
- A "**Neutral**" recommendation indicates that upside or downside is less than 10%.
- A "**Reduce**" recommendation indicates that downside is between 10% and 20%.
- A "**Sell**" recommendation indicates that downside is more than 20%.

*Sectors:*

A "**Bullish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.
A "**Neutral**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.
A "**Bearish**" rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

## Price targets

Price targets, if discussed, reflect in part the analyst's estimates for the company's earnings. The achievement of any price target may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

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