

# Teamlease Services

## Resilient business model

Teamlease delivered inline revenue performance but the margin was below estimate. The impact of Covid-19 is on the Core staffing segment (~90% of rev) while the Specialised staffing segment (~8% of rev) is relatively stable. The impact of lockdown will be visible in 1QFY21E with ~16-18% QoQ decline in core associate headcount. Teamlease has ~40% exposure to high impacted verticals like Infra, Manufacturing, ENU, Auto, and Retail. The exposure to less impacted verticals like BFSI, Agri, Chemicals, Essential Retail, Pharma, Hospitality, and Telecom is at ~60%.

We expect strong recovery 2HFY21, as demand recovers. Margin expansion will happen with growth, improved productivity, cost-cutting, and better revenue mix. Factors such as (1) Formalisation of jobs, (2) Vendor consolidation, (3) Focus on collect & pay (4) Cost-cutting by Enterprises, and (4) Client diversification will benefit market leaders like Teamlease. The company shifted to the new tax regime and will continue to avail the 80JJAA tax benefit. The cash generation will improve in FY21, as the company will not have to pay MAT and will also receive the first tranche of income tax refund (Rs 0.4bn) soon. We cut FY22E Rev/EPS estimate by 11.2/15.2% to factor in COVID impact. Our TP Rs 1,980 is based on 30x (5Y average 1-y forward P/E of ~35x) FY22E EPS. Maintain BUY.

- Revenue stood at Rs 13.30bn down 1.6% QoQ, in-line with our est. of Rs 13.14bn. Revenue fall was led by Core staffing (-1.7% QoQ) and HR services (-7.3% QoQ) off-set by growth in Specialised Staffing (+1.8% QoQ).
- EBITDA margin contracted 53bps QoQ to 1.5% due to higher provisions in general staffing and HR business. The adjusted EBITDA margin was 2.0%, still below our est. of 2.2%. The core staffing margin was up 60bps QoQ to 2.2%, while specialized segment margin declined 116bps QoQ to 6.1%. Mark-up was stable at Rs 748 (-0.4% QoQ). Salary funding exposure at 14% is the lowest in the industry. Improvement in associate/core ratio, better mark-up, and cost-cutting will improve margins in 2H.
- Valuation and view.** We like the company's low-risk business model (non-outcome based) and diversified exposure across sectors. There is scope for margin expansion through productivity benefits and a better business mix. Teamlease's ability to grow ~15-20% organically, focus on driving productivity through automation, lower funding exposure, domestic focus, and high management pedigree commands premium valuations vs. peers. We expect revenue/EBITDA/PAT to grow at 6/19/16% CAGR over FY20-22E. The company trades at a P/E of 37.2/26.1x FY21/22E, which is at a discount to its 5Y average multiples.

### Financial Summary

YE Mar (Rs bn)	4Q FY20	4Q FY19	YoY (%)	3Q FY20	QoQ (%)	FY18	FY19	FY20	FY21E	FY22E
Net Revenue	13.30	11.63	14.3	13.51	-1.6	36.24	44.48	52.01	49.20	58.76
EBIT	0.12	0.23	-49.9	0.20	-41.4	0.60	0.84	0.67	0.71	1.02
APAT	0.20	0.26	-23.1	0.26	-22.1	0.73	0.98	0.85	0.79	1.13
Diluted EPS (Rs)	11.8	15.3	-23.1	15.1	-22.1	43.0	57.3	49.5	46.4	66.1
P/E (x)						40.2	30.1	34.9	37.2	26.1
EV / EBITDA (x)						40.5	29.9	30.8	28.4	20.8
RoE (%)						18.2	20.0	15.2	12.9	15.9

Source: Company, HSIE Research

## BUY

CMP (as on 10 Jun 2020)	Rs 1,726
Target Price	Rs 1,980
NIFTY	10,116

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 2,340	Rs 1,980
EPS %	FY21E	FY22E
	-17.7%	-15.2%

### KEY STOCK DATA

Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (Rs bn) / (\$ mn)	30/391
6m avg traded value (Rs mn)	54
52 Week high / low	Rs 3,200/1,415

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(26.0)	(25.8)	(39.6)
Relative (%)	(22.1)	(10.9)	(25.7)

### SHAREHOLDING PATTERN (%)

	Dec-19	Mar-19
Promoters	40.03	40.02
FIs & Local MFs	8.26	9.48
FPIs	42.90	40.78
Public & Others	8.81	9.72
Pledged Shares	0.49	0.49

Source : BSE

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**Teamlease Services: Results Review 4QFY20**

Core staffing/HR services de-grew 1.7/7.3% QoQ while Specialised staffing grew 1.8% QoQ

Within Specialised staffing IT/Telecom revenue was down 4/5% QoQ

IT/Telecom staffing EBITDA margin stood at 7.6/2.8% in the quarter

IMSI revenue stood at Rs 133mn and EBITDA margin was 10.6%

EBITDA margin for Core staffing/Specialised stood at 2.2/6.1% +60/-116bps respectively

Adjusted for MAT credit write-off of Rs 496mn, APAT stood at Rs 0.20bn, lower than our est. of Rs 0.23bn

**Quarterly consolidated Financial Snapshot**

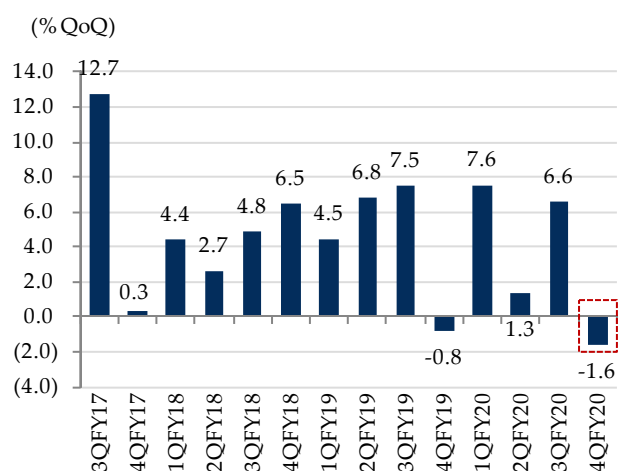
Particulars (Rs mn)	4QFY20	4QFY19	YoY (%)	3QFY20	QoQ (%)
<b>Total Revenues</b>	<b>13,303</b>	<b>11,634</b>	<b>14.3</b>	<b>13,514</b>	<b>-1.6</b>
Employee cost (Associate + Core)	12,615	10,961	15.1	12,818	-1.6
Other Expenses	488	415	17.6	421	16.0
<b>EBITDA</b>	<b>199</b>	<b>257</b>	<b>-22.5</b>	<b>275</b>	<b>-27.4</b>
Depreciation	83	25	235.4	76	8.9
<b>EBIT</b>	<b>116</b>	<b>232</b>	<b>-49.9</b>	<b>199</b>	<b>-41.4</b>
Other Income	147	52	182.8	73	102.0
Interest Cost	37	14	155.8	29	27.6
<b>PBT</b>	<b>227</b>	<b>270</b>	<b>-16.1</b>	<b>243</b>	<b>-6.6</b>
Tax	22	8	NM	-16	NM
Share of Profit from Associate	-3	-2	NM	-4	NM
<b>RPAT</b>	<b>-294</b>	<b>262</b>	<b>NM</b>	<b>259</b>	<b>NM</b>
EO Items (Adj For Tax)	-496	0	NM	0	NM
<b>APAT</b>	<b>202</b>	<b>262</b>	<b>-23.1</b>	<b>259</b>	<b>-22.1</b>

Source: Company, HSIE Research

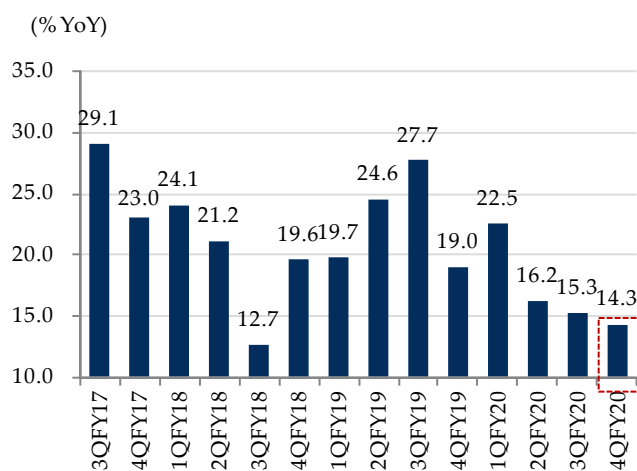
**Margin Analysis**

Particulars (% of Revenue)	4QFY20	4QFY19	YoY (bps)	3QFY20	QoQ (bps)
Employee cost %	94.8	94.2	61	94.8	-2
SG&A Expenses %	3.7	3.6	10	3.1	56
Gross Margin (%)	5.2	5.8	-61	5.2	2
<b>EBITDA Margin (%)</b>	<b>1.5</b>	<b>2.2</b>	<b>-71</b>	<b>2.0</b>	<b>-53</b>
EBIT Margin (%)	0.9	2.0	-112	1.5	-60
Tax Rate (%)	9.7	2.9	680	-6.7	NM
<b>APAT Margin (%)</b>	<b>1.5</b>	<b>2.3</b>	<b>-74</b>	<b>1.9</b>	<b>-40</b>

Source: Company, HSIE Research

**QoQ Revenue Growth (Core+Specialised+HR)**


Source: Company, HSIE Research

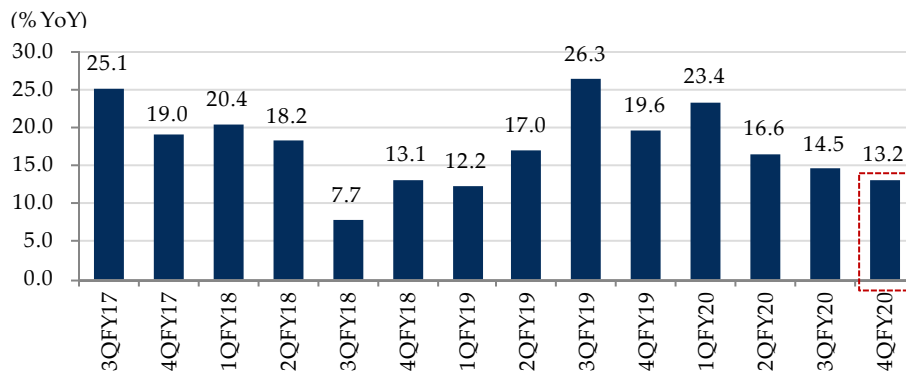
**YoY Revenue Growth (Core+Specialised+HR)**


Source: Company, HSIE Research

YoY revenue growth has slow down in the last four quarters

Core staffing headcount will drop by ~15-18% QoQ in 1Q followed by recovery in subsequent quarters

### YoY Core Staffing Revenue Growth

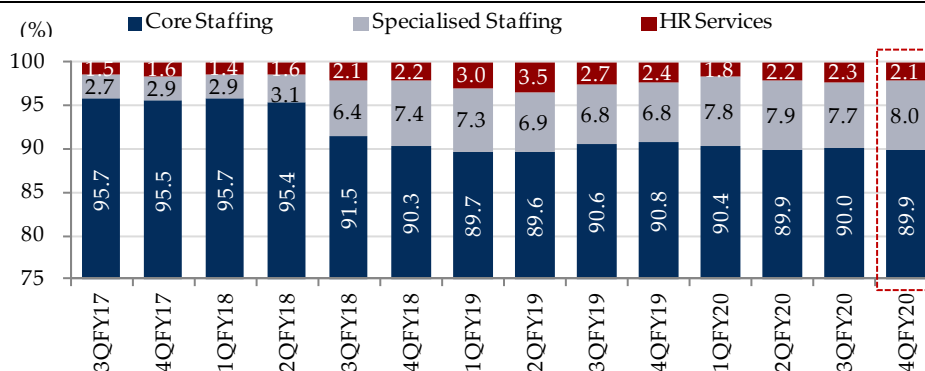


Source: Company, HSIE Research

NETAP trainees' declined 3.4/9.9% QoQ/YoY in the quarter

Increased revenue contribution from higher margin Specialised staffing will boost consolidated margins

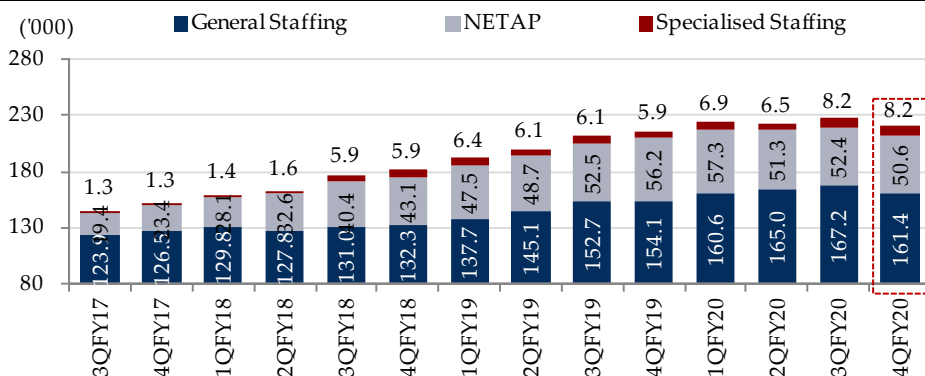
### Total Revenue Mix



Source: Company, HSIE Research

Total no of associates was down 3.4% QoQ to 220K. General staffing/NETAP/Specialised staffing associates stood at 161.4/50.6/8.2K respectively

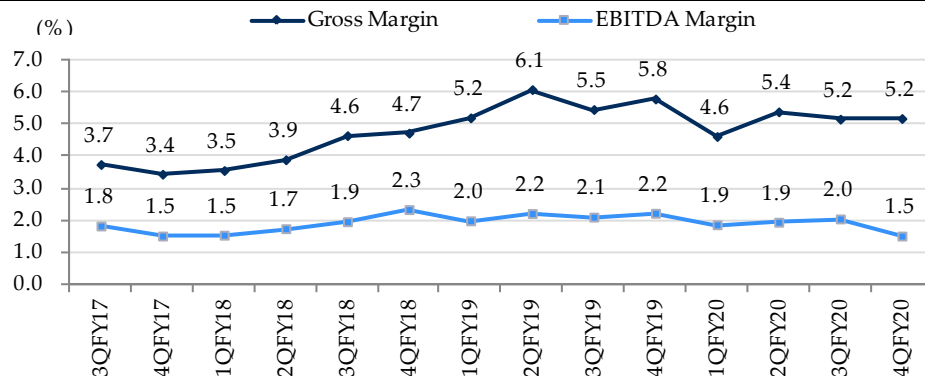
### Associate Strength Across Business Lines



Source: Company, HSIE Research

EBITDA margin was down 53bps QoQ to 1.5% due to additional provisioning of Rs 62mn for COVID-19. Adjusted for this, EBITDA margin stood at 2.0% still below our est. of 2.2%

### Gross Margin And EBITDA Margin



Source: Company, HSIE Research

*Core staffing margins have recovered strongly led by cost control and productivity benefits*

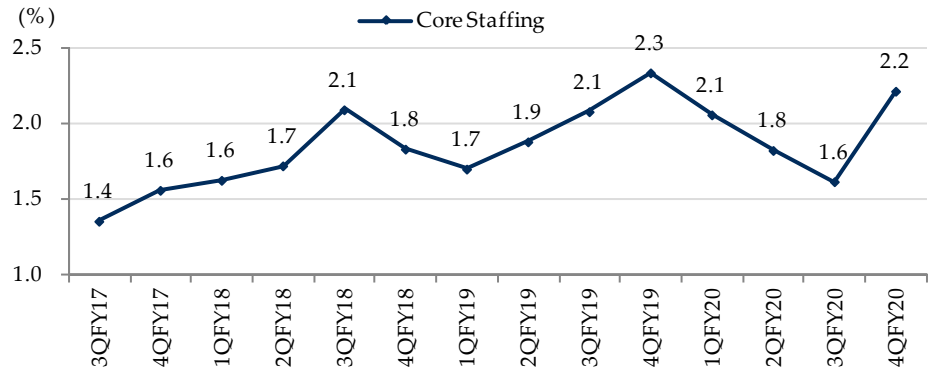
*Specialised staffing EBITDA margin has been under pressure due to margin drop in Telecom staffing business*

*Integration of IMSE and margin recovery in Telecom will aid margin recovery in specialised staffing*

*Associate/core ratio will improve further leading to margin expansion*

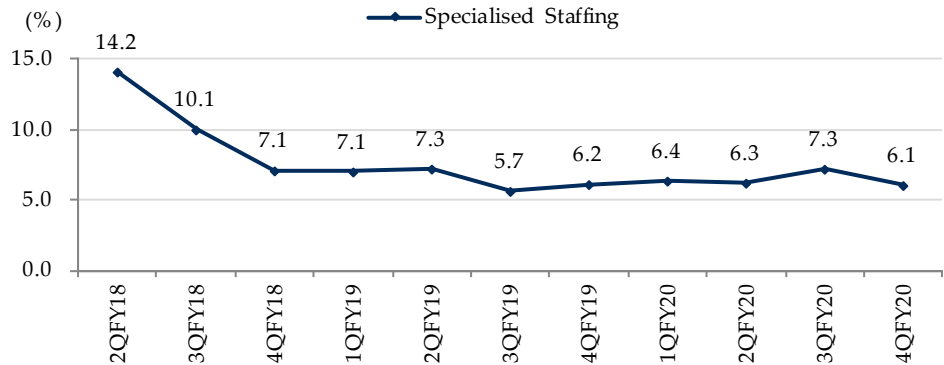
*Higher realisation is driving growth over the last five quarters*

**Core Staffing EBITDA Margin (Strong Recovery)**



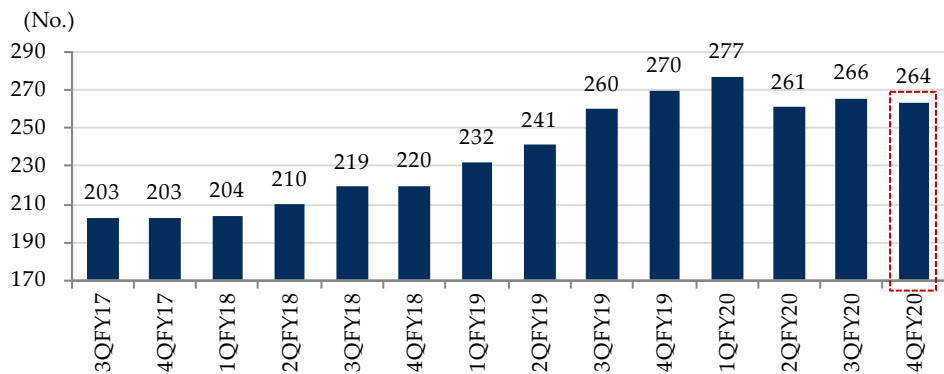
Source: Company, HSIE Research

**Specialised (IT/Telecom) Staffing EBITDA Margin**



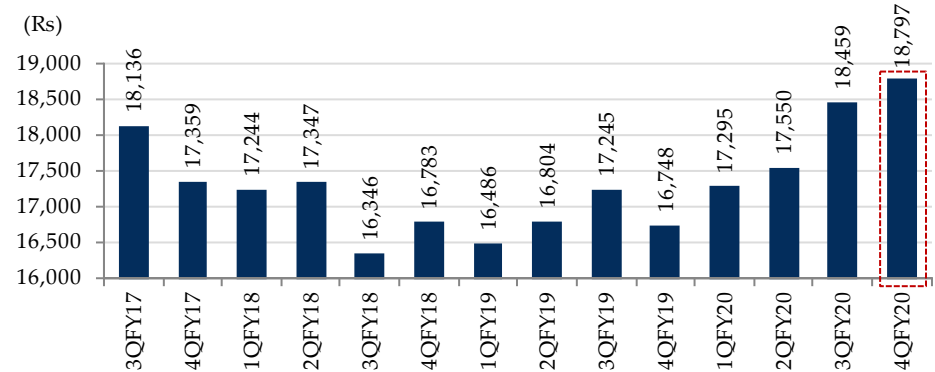
Source: Company, HSIE Research

**Associate / Core Ratio (Margin Lever)**



Source: Company, HSIE Research

**Core Staffing Realisation (Including NETAP)**



Source: Company, HSIE Research

### Key Assumptions

Rs mn	FY18	FY19	FY20	FY21E	FY22E
<b>Core Staffing</b>	<b>33,749</b>	<b>40,115</b>	<b>46,813</b>	<b>43,823</b>	<b>53,040</b>
YoY %	14.6%	18.9%	16.7%	-6.4%	21.0%
<b>Specialised Staffing</b>	<b>1,829</b>	<b>3,092</b>	<b>4,098</b>	<b>4,354</b>	<b>4,614</b>
YoY %	NM	69.0%	32.5%	6.3%	6.0%
<b>HR Services</b>	<b>663</b>	<b>1,269</b>	<b>1,097</b>	<b>1,026</b>	<b>1,102</b>
YoY %	44.9%	91.5%	-13.6%	-6.4%	7.4%
<b>Total Revenue</b>	<b>36,241</b>	<b>44,476</b>	<b>52,007</b>	<b>49,203</b>	<b>58,756</b>
YoY %	19.1%	22.7%	16.9%	-5.4%	19.4%
Core Staffing Associates (General + NETAPP Trainees)	1,75,375	2,10,264	2,11,985	1,99,985	2,27,985
Core Staffing Associates (General + NETAPP Trainees) Growth %	17.0%	19.9%	0.8%	-5.7%	14.0%
General Staffing Volume Growth %	4.6%	16.5%	4.7%	-7.4%	12.1%
NETAP Volume Growth %	83.7%	30.5%	-9.9%	0.0%	19.8%
Specialised Staffing Associates (IT+Telecom+IMSI)	5,948	5,947	8,225	8,225	8,425
Specialised Staffing Volume Growth %	375.5%	0.0%	38.3%	0.0%	2.4%
EBIT Margin %	1.6%	1.9%	1.3%	1.5%	1.7%

Source: Company, HSIE Research

### Change in Estimates

(Rs Mn)	FY21E			FY22E		
	Earlier	New	% Change	Earlier	New	% Change
Revenue	56,203	49,203	-12.5	66,198	58,756	-11.2
EBIT	897	715	-20.3	1,235	1,023	-17.2
EBIT Margin (%)	1.6	1.5	(14) bps	1.9	1.7	(12) bps
EPS (Rs)	56.4	46.4	-17.7	77.9	66.1	-15.2

Source: HSIE Research

### Peer Comparison

Peer Valuation	CMP	Mcap (Rs Bn)	Revenue (Rs bn)				20-22E CAGR %	EBITDA Margin (%)				P/E (x)				RoE (%)			
			FY19	FY20	FY21E	FY22E		FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E	FY19	FY20	FY21E	FY22E
Quess	268	39.67	84.97	109.92	108.19	121.58	5%	5.6%	6.0%	5.4%	5.9%	15.2	16.6	18.4	12.1	9.9%	9.3%	8.2%	11.7%
SIS	373	54.99	69.69	84.85	98.13	114.30	16%	5.0%	6.8%	6.2%	6.4%	12.7	24.3	17.1	15.0	18.8%	17.1%	16.7%	19.5%
Teamlease	1726	29.53	44.48	52.01	49.20	58.76	6%	2.1%	1.8%	2.1%	2.3%	30.1	34.9	37.2	26.1	20.0%	15.2%	12.9%	15.9%

Source: Bloomberg, HSIE Research

# Financials

## Consolidated Income Statement

YE March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Net Revenues</b>	<b>25,049</b>	<b>30,418</b>	<b>36,241</b>	<b>44,476</b>	<b>52,007</b>	<b>49,203</b>	<b>58,756</b>
<i>Growth (%)</i>	<i>24.8</i>	<i>21.4</i>	<i>19.1</i>	<i>22.7</i>	<i>16.9</i>	<i>-5.4</i>	<i>19.4</i>
Employee benefits	24,391	29,413	34,712	41,972	49,365	46,540	55,696
Other expenses	400	629	841	1,560	1,692	1,653	1,716
<b>EBITDA</b>	<b>258</b>	<b>376</b>	<b>688</b>	<b>944</b>	<b>951</b>	<b>1,010</b>	<b>1,344</b>
<i>EBITDA Margin (%)</i>	<i>1.0</i>	<i>1.2</i>	<i>1.9</i>	<i>2.1</i>	<i>1.8</i>	<i>2.1</i>	<i>2.3</i>
<i>EBITDA Growth (%)</i>	<i>7.2</i>	<i>45.7</i>	<i>83.1</i>	<i>37.3</i>	<i>0.7</i>	<i>6.2</i>	<i>33.1</i>
Depreciation	30	61	92	105	286	295	321
<b>EBIT</b>	<b>228</b>	<b>315</b>	<b>596</b>	<b>839</b>	<b>665</b>	<b>715</b>	<b>1,023</b>
<i>EBIT Margin %</i>	<i>0.9</i>	<i>1.0</i>	<i>1.6</i>	<i>1.9</i>	<i>1.3</i>	<i>1.5</i>	<i>1.7</i>
Other Income (Including EO Items)	154	217	156	181	308	221	256
Interest	4	11	25	52	123	122	129
<b>PBT</b>	<b>378</b>	<b>520</b>	<b>728</b>	<b>968</b>	<b>851</b>	<b>813</b>	<b>1,149</b>
Tax (Incl Deferred)	130	-61	-9	-16	-16	0	0
<b>RPAT</b>	<b>248</b>	<b>581</b>	<b>735</b>	<b>980</b>	<b>350</b>	<b>793</b>	<b>1,129</b>
Minority Interest/Share of profit from Associate	0	0	-3	-4	-21	-20	-20
EO (Loss) / Profit (Net Of Tax)	0	0	0	0	-496	0	0
<b>APAT</b>	<b>248</b>	<b>581</b>	<b>735</b>	<b>980</b>	<b>846</b>	<b>793</b>	<b>1,129</b>
<i>APAT Growth (%)</i>	<i>-19.4</i>	<i>134.2</i>	<i>26.5</i>	<i>33.5</i>	<i>-13.7</i>	<i>-6.2</i>	<i>42.4</i>
<b>Adjusted EPS (Rs)</b>	<b>14.5</b>	<b>34.0</b>	<b>43.0</b>	<b>57.3</b>	<b>49.5</b>	<b>46.4</b>	<b>66.1</b>
<i>EPS Growth (%)</i>	<i>-19.4</i>	<i>134.2</i>	<i>26.5</i>	<i>33.5</i>	<i>-13.7</i>	<i>-6.2</i>	<i>42.4</i>

Source: Company, HSIE Research

## Consolidated Balance Sheet

YE March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>SOURCES OF FUNDS</b>							
Share Capital - Equity	171	171	171	171	171	171	171
Reserves	2,884	3,493	4,246	5,220	5,550	6,363	7,513
<b>Total Shareholders Funds</b>	<b>3,055</b>	<b>3,663</b>	<b>4,417</b>	<b>5,391</b>	<b>5,721</b>	<b>6,534</b>	<b>7,684</b>
Minority Interest	-	-	-	-	-	-	-
<b>Total Debt</b>	<b>194</b>	<b>11</b>	<b>73</b>	<b>106</b>	<b>762</b>	<b>762</b>	<b>762</b>
Net Deferred Taxes	-109	-248	-399	-653	-144	-144	-144
Long Term Provisions & Others	332	424	486	661	1,244	1,255	1,410
<b>TOTAL SOURCES OF FUNDS</b>	<b>3,473</b>	<b>3,850</b>	<b>4,576</b>	<b>5,505</b>	<b>7,583</b>	<b>8,407</b>	<b>9,712</b>
<b>APPLICATION OF FUNDS</b>							
Net Block	94	232	248	261	998	998	1,089
CWIP	0	0	2	60	114	114	114
Goodwill	24	837	1,128	1,257	1,648	1,648	1,648
Investments	0	0	270	254	253	253	253
LT Loans & Advances & Others	956	1,277	1,951	2,824	3,721	3,838	4,201
<b>Total Non-current Assets</b>	<b>1,074</b>	<b>2,346</b>	<b>3,599</b>	<b>4,655</b>	<b>6,734</b>	<b>6,852</b>	<b>7,306</b>
Debtors	1,199	1,729	2,235	2,643	2,959	3,100	3,220
Other Current Assets	768	748	880	1,553	1,745	1,726	2,003
Cash & Equivalents	2,590	1,705	1,747	1,390	970	1,561	2,309
<b>Total Current Assets</b>	<b>4,557</b>	<b>4,182</b>	<b>4,863</b>	<b>5,587</b>	<b>5,674</b>	<b>6,388</b>	<b>7,531</b>
Creditors	91	98	176	280	378	404	483
Other Current Liabilities & Provns	2,068	2,580	3,709	4,458	4,447	4,428	4,642
<b>Total Current Liabilities</b>	<b>2,158</b>	<b>2,678</b>	<b>3,885</b>	<b>4,737</b>	<b>4,825</b>	<b>4,833</b>	<b>5,125</b>
<b>Net Current Assets</b>	<b>2,399</b>	<b>1,504</b>	<b>978</b>	<b>849</b>	<b>849</b>	<b>1,555</b>	<b>2,406</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>3,473</b>	<b>3,850</b>	<b>4,576</b>	<b>5,505</b>	<b>7,583</b>	<b>8,407</b>	<b>9,712</b>

Source: Company, HSIE Research

## Consolidated Cash Flow

YE March (Rs mn)	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Reported PBT	378	515	728	968	851	813	1149
Non-operating & EO Items	(102)	(39)	(53)	(101)	(0)	(221)	(256)
Interest Expenses	4	11	25	52	123	122	129
Depreciation	30	61	92	105	286	295	321
Working Capital Change	(211)	(74)	552	(402)	(307)	(222)	(311)
Tax Paid	(265)	(250)	(655)	(862)	(855)	0	0
<b>OPERATING CASH FLOW ( a )</b>	<b>(166)</b>	<b>224</b>	<b>689</b>	<b>(240)</b>	<b>97</b>	<b>788</b>	<b>1032</b>
Capex	(47)	(897)	(371)	(204)	(1047)	(295)	(411)
Free Cash Flow (FCF)	(212)	(673)	317	(445)	(950)	492	621
Investments	(58)	(237)	(324)	46	181	0	0
Non-operating Income	52	47	(10)	26	122	221	256
<b>INVESTING CASH FLOW ( b )</b>	<b>(53)</b>	<b>(1087)</b>	<b>(705)</b>	<b>(132)</b>	<b>(744)</b>	<b>(75)</b>	<b>(155)</b>
Debt Issuance/(Repaid)	73	(218)	(109)	(12)	117	0	0
Interest Expenses	(4)	(11)	(25)	(49)	(118)	(122)	(129)
FCFE	(143)	(903)	184	(506)	(951)	371	492
Share Capital Issuance/IPO	1500	0	0	0	0	0	0
Dividend	0	0	0	0	0	0	0
<b>FINANCING CASH FLOW ( c )</b>	<b>1569</b>	<b>(229)</b>	<b>(133)</b>	<b>(61)</b>	<b>(1)</b>	<b>(122)</b>	<b>(129)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>1351</b>	<b>(1092)</b>	<b>(149)</b>	<b>(434)</b>	<b>(648)</b>	<b>591</b>	<b>748</b>
EO Items, Others	92	207	192	77	227	0	0
Closing Cash & Equivalents	2590	1705	1747	1390	970	1561	2309

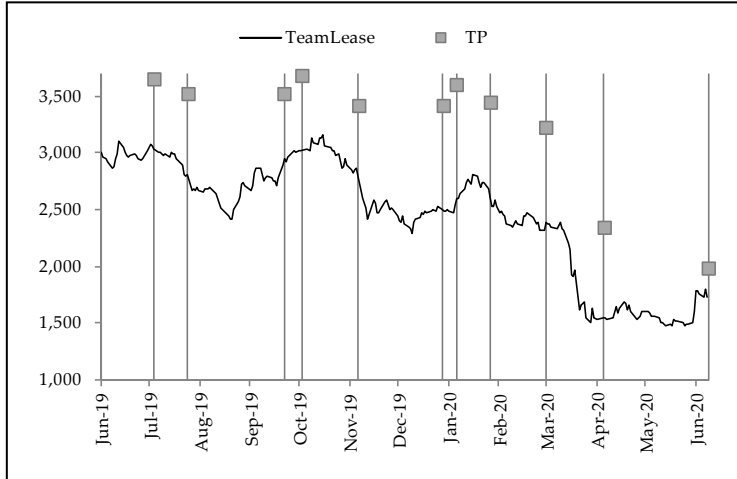
Source: Company, HSIE Research

## Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>PROFITABILITY (%)</b>							
GPM	2.6	3.3	4.2	5.6	5.1	5.4	5.2
EBITDA Margin	1.0	1.2	1.9	2.1	1.8	2.1	2.3
APAT Margin	1.0	1.9	2.0	2.2	1.6	1.6	1.9
RoE	10.9	17.3	18.2	20.0	15.2	12.9	15.9
RoIC (or Core RoCE)	24.3	15.5	18.9	19.5	9.7	8.2	11.1
RoCE	9.8	16.1	17.9	20.2	14.3	11.1	13.5
<b>EFFICIENCY</b>							
Tax Rate (%)	34.4	-11.6	-1.3	-1.7	-1.9	0.0	0.0
<b>Fixed Asset Turnover (x)</b>							
Inventory (days)	0	0	0	0	0	0	0
Debtors (days)	17	21	23	22	21	23	20
Other Current Assets (days)	11	9	9	13	12	13	12
Payables (days)	1	1	2	2	3	3	3
Other Current Liab & Provns (days)	30	31	37	37	31	33	29
Cash Conversion Cycle (days)	-2.8	-2.4	-7.8	-4.4	-0.9	0.0	0.6
Net D/E (x)	-0.8	-0.5	-0.4	-0.2	0.0	-0.1	-0.2
Interest Coverage (x)	58.1	28.7	24.2	16.1	5.4	5.9	7.9
<b>PER SHARE DATA (Rs)</b>							
EPS	14.5	34.0	43.0	57.3	49.5	46.4	66.1
CEPS	16.3	37.5	48.3	63.5	66.2	63.7	84.8
Dividend	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Value	179.0	214.0	258.0	315.0	335.0	382.0	449.0
<b>VALUATION</b>							
P/E (x)	119.0	50.8	40.2	30.1	34.9	37.2	26.1
P/BV (x)	9.7	8.1	6.7	5.5	5.2	4.5	3.8
EV/EBITDA (x)	105.2	74.1	40.5	29.9	30.8	28.4	20.8
EV/Revenues (x)	1.1	0.9	0.8	0.6	0.6	0.6	0.5
OCF/EV (%)	-0.6	0.8	2.5	-0.9	0.3	2.7	3.7
FCF/EV (%)	-0.8	-2.4	1.1	-1.6	-3.2	1.7	2.2
FCFE/Mkt Cap (%)	-0.5	-3.1	0.6	-1.7	-3.2	1.3	1.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company, HSIE Research

**RECOMMENDATION HISTORY**



Date	CMP	Reco	Target
5-Jul-19	3,036	BUY	3,650
29-Jul-19	2,813	BUY	3,520
22-Sep-19	2,784	BUY	3,520
4-Oct-19	2,965	BUY	3,680
9-Nov-19	2,791	BUY	3,415
30-Dec-19	2,524	BUY	3,415
7-Jan-20	2,475	BUY	3,600
29-Jan-20	2,598	BUY	3,444
2-Mar-20	2,322	BUY	3,222
6-Apr-20	1,535	BUY	2,340
11-Jun-20	1,726	BUY	1,980

From 2<sup>nd</sup> March 2020, we have moved to new rating system

**Rating Criteria**

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential



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