

SEPTEMBER 30, 2022

IPO Note

ELECTRONICS MART INDIA LTD (EMIL)**NOT RATED**

(Note: All the information in this note is taken from RHP)

(For private circulation only)

Offer Details

The offer consists of Fresh issue of Rs500 cr. The price band is in the range of Rs.56-59/share.

Offer details

Particulars	Details
Price Band	Rs.56 to Rs.59 per equity share
Face Value	Rs10/share
Opening Date [^]	4-Oct-22
Closing Date	7-Oct-22
No. of shares pre-issue (nos. crs)	30.0
Fresh Issue (nos. crs)*	8.5
Offer for sale (nos. crs)	0.0
No. of shares pre/post-issue (nos. crs)	38.47
Issue size (Rs Cr)*	500.0
Bid Lot size	254 Equity share & in multiple of 254 equity share thereafter.
Book building	
QIB: (including Anchor)	50%
Non-Institutional	15%
Retail	35%
Listing	BSE & NSE
BRLM	Anand Rathi Advisors Limited / IIFL Securities Limited/ JM Financial Limited.
Registrar to the issue	KFin Technologies Private Limited

Source: Company RHP; [^]The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date Tuesday 3rd October 2022, *At upper price band

Objects of the offer

The Issue is being undertaken to meet the objects thereof, as set forth herein, and to realize the benefits of listing of its Equity Shares on the Stock Exchanges, including the enhancement of the Company's brand name and creation of a public market for its Equity Shares in India. The company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects.

Objects of the offer

Particulars	Amount (Rs cr)
Funding of capital expenditure for expansion and opening of stores and warehouses	111.4
Funding incremental working capital requirements	220.0
Repayment / prepayment, in full or part, of all or certain borrowings availed by the company	55.0
General corporate purposes*	NA
Total	NA

Source: Company RHP, *To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the gross proceeds of the Fresh Issue.

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Share Holding Pattern

Particulars	Pre-offer	Post-offer*
Promoter & Promoter Group	100%	78%
Public	0%	22%
Total	100%	100%

Source: Company RHP, * At upper price band & Subject to finalisation of basis of allotment

Business Overview

Electronics Mart India Ltd (EMIL) is the 4th largest and one of the fastest growing consumer durables and electronics retailers in India and as of Financial Year 2021, It is the largest regional organised player in the southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh commenced its business operations in 1980 and since then there has been a steady rise in its revenue from operations. EMIL has been one of the fastest growing consumer durable & electronics retailers in India with a revenue CAGR of 17.90% from Financial Year 2016 to Financial Year 2021 (Source: Company Commissioned (CRISIL Report)

EMIL has consistently demonstrated profitability with a robust operating performance. EMIL had the second highest operating margin amongst its peers in Fiscal Year 2021. (Source: Company Commissioned CRISIL Report). As on August 31, 2022, the company had 112 stores across 36 cities / urban agglomerates with a retail business area of 11.2 lakh sq. ft.

EMIL converted the erstwhile sole proprietorship into a partnership firm under the name of 'M/s Bajaj Electronics' pursuant to a partnership deed dated March 25, 2011 and subsequently converted the partnership firm into a public limited company under the Companies Act, 2013 with the name 'Electronics Mart India Limited'.

The company offers a diversified range of products with focus on large appliances (air conditioners, televisions, washing machines and refrigerators), mobiles and small appliances, IT and others. Its offering includes more than 6,000 SKUs across product categories from more than 70 consumer durable and electronic brands. As of August 31, 2022, out of the total 112 stores it operates, 11 stores are owned, 93 stores are under long-term lease rental model and eight stores are partly owned and partly leased.

The company has been steadily increasing its market reach to cover 14 cities in Andhra Pradesh, 20 cities in Telangana and two cities in the NCR region, as on August 31, 2022. It has consistently increased its retail business area over the last three Financial Years from 7.6 lakh sq. ft in FY20, to 11.2 lakh sq. ft. as on August 31, 2022.

The company operates its business activities across three channels of retail, wholesale and e-commerce.

Retail: As of August 31, 2022, out of 112 stores, 100 stores are Multi Brand Outlets ("MBOs") and 12 stores are Exclusive Brand Outlets ("EBOs"). The company operates 89 MBOs under the name "Bajaj Electronics" in Andhra and Telangana, eight MBO under the name of "Electronics Mart" in the NCR region, two specialized stores under the name "Kitchen Stories" which caters to the kitchen specific demands and one specialised store format under the name "Audio&Beyond" focusing on high end home audio and home automation solutions.

The revenue from its retail channel was which represented 90.65%, 91.01%, 91.55% and 91.38%, of the revenue from operations for the three month period ended June 30, 2022, FY22, FY21 and FY20, respectively.

Wholesale: It is also engaged in the wholesale business of consumer durables, where it supplies products to single shop retailers in Andhra Pradesh and Telangana regions. The revenue from its wholesale channel was 1.44%, 1.48%, 1.66% and 1.59% of the revenue from operations for the three month period ended June 30, 2022, FY22, FY21 and FY20, respectively.

E-Commerce: In 2017, EMIL diversified its operations by venturing into the e-commerce space through its website. The company further expanded its e-commerce operations in 2019 by associating with the largest domestic and international players of the e-commerce market thereby expanding its business reach from brick-and-mortar retail stores to e-commerce platforms. The revenue from its e-commerce channel was 1.10%, 0.92%, 1.39% and 0.88%, of the revenue from operations, respectively for the three month period ended June 30, 2022, FY22, FY21 and FY20, respectively.

The company classifies the products offered by its consumer durable and electronic retail stores under the following categories:

Large appliances: This category includes refrigerators, televisions, air conditioners and washing machines. In FYs 2020, 2021, 2022 and the three month period ended June 30, 2022, this category constituted 55.91%, 54.50%, 50.42% and 53.81%, respectively, of its sale of products – consumer electronics and durables.

Mobiles: This category includes mobile phones, tablets, smart watches and fitness trackers. In FYs 2020, 2021, 2022 and the three month period ended June 30, 2022, this category constituted 34.18%, 34.04%, 34.35% and 30.76%, respectively, of its sale of products – consumer electronics and durables.

Small appliances, IT and others: This category includes items that typically compliment the above-mentioned products, laptops, personal computers, printers, cables, screen guards, headphones, bluetooth speakers, coolers, geysers, ceiling fans, personal care devices and kitchen appliances. In FYs 2020, 2021, 2022 and the three months period ended June 30, 2022, this category constituted 9.91%, 11.46%, 15.23% and 15.43% respectively, of its sale of products – consumer electronics and durables.

Financial performance indicators

Parameter	FY20	FY21	FY22	Q1FY23
Total income (in Rs cr)	31,790	32,074	43,531	14,102
Total revenue from operations (in Rs cr)	31,725	32,019	43,493	14,084
Net retail sales (in Rs cr)	28,991	29,313	39,581	12,767
Net retail sales per store (in Rs cr)	408.33	315.19	384.28	118.21*
CAGR Revenue from Operations	NA	NA	17.09%	NA
Growth rate of Revenue from Operations	NA	0.93%	35.84%	NA
Profit after tax (in Rs cr)	82	59	104	41
Inventory days	54	63	60	36#
Fixed asset turnover ratio	14.85	12.15	14.64	3.69*
EBITDA (in Rs cr)	228	204	292	97
EBITDA Margins (in %)	7.18	6.37	6.71	6.89
Return on Equity (in %)	18.84	11.92	17.42	6.37*
Return on Capital Employed (in %)	20.28	14.35	18.87	6.95*

Source: Company RHP, Notes: *Calculations based on financial performance for the three month period ended June 30, 2022 and is not comparable to historical information provided alongside, # Inventory Days calculated based on quarter convention - 91 days (365/4 days).

Comparative parameters of some key organised electronic retailers in India (FY22)

Parameter	Reliance Retail (1)	Croma	EMIL	Aditya Vision
No. of stores (3)	300+ (2)	195	105	70
Revenue (Rs cr, approx)	169400	8210	4350	900
Employee cost (% of sales)	0.90%	4.20%	1.80%	3.20%
Operating margin # (%)	6.10%	-1.40%	6.70%	7.40%
PAT margin (%)	2.90%	-5.40%	2.40%	4.10%
Inventory days	46	70	55	92
Working capital days	7	-29	-15	NA
ROCE	23.5	-17.4	19.1	31
ROE	31.6	94.1	17.4	NA

Note: #: Operating margin: Operating profit before depreciation, interest, and taxes (OPBDIT) ROCE: 3 year moving average ROCE used, (1) Refers to Reliance Retail; Reliance Digital- the consumer durable and electronics retailing business is a one segment of overall Reliance Retail operations (2) Refers to number of stores under Reliance Digital- the consumer durable and electronics retailing business. (3) No of stores as reported on company website as on Sep 2, 2022. Source: Company RHP Company websites, MCA fillings, CRISIL Research

Details of EMIL's Board

Name	Background
Pavan Kumar Bajaj	He is the founder Promoter, Chairman and Managing Director of the Company. He has basic education and has appeared for the first and second year examinations of bachelor's degree in commerce held in Osmania University. He founded the erstwhile sole proprietorship 'M/s. Bajaj Electronics' in 1980 and has over 40 years of experience in retail business management.
Karan Bajaj	He is the Chief Executive Officer and Whole-time Director of the Company. He holds a bachelor's degree in commerce from Osmania University and holds a post graduate diploma in international management from University of Strathclyde. He has over 10 years of experience in retail business management.
Astha Bajaj	She is a Whole-time Director designated as the Executive Director of the Company. She holds a bachelor's degree in science from Gujarat University and a master's degree in biochemistry from Nirma University. She has over four years of experience in business management.
Anil Rajendra Nath	He is an Independent Director of the Company. He holds an experience in banking and finance and was associated with HSBC Bank, HDFC Bank and State Bank of India in various capacities. He is also a certified associate of the Indian Institute of Bankers.
Mirza Ghulam Muhammad Baig	He is an Independent Director of the Company. He has over 31 years of experience in tax administration and has served as a Deputy Commissioner. He was also associated with Deloitte Touch Tohmatsu India Private Limited in the capacity of a support consultant – revenue and tax administration from 2013 to 2015 for a project funded by Department of International Development. He has also worked with the World Bank in the capacity of a short-term consultant in 2015.
Jyotsna Angara	She is an Independent Director of the Company. She currently serves on the boards of Flo Industrial Park Federation Hyderabad and Aksha Social Impact Foundation. She has also been acting as the governing council member since 2015 and correspondent since 2016 at Shradha Vidyalaya, Hyderabad. She has over eight years of experience in the non-profit sector

Source: Company RHP

Strengths

EMIL is the 4th largest consumer durable and electronics retailer in India with a leadership position in South India. Its scale of operations along with its long-standing relationship with leading consumer brands enables the company to procure products at competitive rates

As of August 31, 2022, EMIL operates and manages 112 stores with a retail business area of 11.2 lakh sq. ft., located across 36 cities/urban agglomerates. The company was able to achieve revenue from operations of Rs1408.4 cr and Rs 4349.32 cr for three month period ended June 30, 2022 and for the FY22, respectively. As of FY21, it is the largest player in the Southern region in revenue terms with dominance in the states of Telangana and Andhra Pradesh. EMIL is the 4th largest and one of the fastest growing consumer durable and electronics retailer in India. (Source: Company Commissioned CRISIL Report).

EMIL is one of the fastest growing consumer durable and electronics retailer with consistent track record of growth and industry leading profitability

EMIL has been one of the fastest growing consumer durable and electronics retailer in India with Revenue CAGR of 17.90% from FY16 to FY21 (Source: Company Commissioned CRISIL Report). The company's core competency lies in understanding the aspirations and demands of its customers and meeting their demand with its concept of value retailing. With more than three decades of experience and successful growth, the company has grown steadily in the recent years and expanded its store network from 71 in Financial Year 2020 to 112 stores as of August 31, 2022, The company has registered same store growth rate of (0.70)%, (9.80)% and 23.37% for FYs 2020, 2021 and 2022, respectively. As on August 31, 2022, 49 stores from a total of 112 stores are less than three years old. EMIL has a consistent track record of revenue growth and profitability. It had the second highest operating margin amongst its peers in Fiscal Year 2021. (Source: Company Commissioned CRISIL Report). Its EBITDA margins stood at, 7.18%, 6.37%, 6.71% and 6.89% for FY20, FY21, FY22 and the three-month period ended June 30, 2022, respectively.

Increasing market presence and geographic reach with cluster-based expansion

The company's business has grown steadily in the recent years, primarily through expansion of its store network. As of August 31, 2022, it operates 112 stores in 36 cities/urban agglomerates of which 104 stores are concentrated in Andhra Pradesh and Telangana and eight stores in NCR. Its expansion and increased market presence is based on cluster-based approach, wherein it expands network in a particular market, till it reaches substantial depth & scale. Such clusters lead to effective penetration in underserved markets and concentrated brand visibility due to focused implementation of marketing and advertising initiatives.

Increasing stores count

Parameters	FY20	FY21	FY22	Q1FY23
New stores opened	12	22	11	5
Cumulative number of stores	71	93	103	108
Retail Business Area (in lakh sq.ft.)	7.6	9.4	10.4	10.9
Revenue from Sales per Retail Business Area sq.ft. (in Rs)	37,912	31,167	38,010	11,734

Source: Company RHP

Cluster based expansion

Cluster	FY20	FY21	FY22	Q1FY23
Andhra Pradesh (Rs cr)	243	336	473	162
Telangana (Rs cr)	2,656	2,595	3,485	1,109
NCR (Rs cr)	-	-	-	6
Net Retail Sales (Rs cr)	2,899	2,931	3,958	1,277

Source: Company RHP

EMIL's business model provides operational flexibility to create long term sustainable footprint

The company operates with a mix of ownership and lease rental model. In order to optimise its profitability, maintain its operational flexibility and ensure that its stores continue to be located in densely populated neighbourhoods and residential locations, the company has a flexible strategy of owning or leasing its premises according to availability, cost and other considerations.

Its ability to find suitable locations on high-street areas and shopping hubs at low lease rentals per sq. ft., has resulted in reduced operational costs, which enables it to achieve higher profitability, which in turn allows the company to offer products at attractive pricing. As of August 31, 2022, out of its total 112 consumer durable and electronic retail stores, 93 retail stores have been taken on lease by the Company and 11 retail stores are owned by them and eight retail stores are partly owned and partly leased.

Diversified product offering & optimal product assortment leveraging its deep knowledge and understanding of regional markets

The company offers its customers a wide product range across multiple categories, brands, price points to ensure that its customers have range of product options to choose from and is able to make the value buy decision. The company focuses on providing a competitive product range for the leading brands at its store. The company classifies its products internally into three broad categories viz., large appliances, mobiles, and small appliances, IT and others. This internal Concept Classification is very critical and helpful from the supply chain perspective and ensures the right product reaches the right store and targeted group of customers. The company provides a complete and unique shopping experience to its customers, by either showcasing a wide range of electronic products under one roof in its MBO model or providing a specialized brand experience with EBOs.

Diversified product offering

Product category (Nos.)	FY20	FY21	FY22	Q1FY23
Large appliances	1,665	1,651	2,048	706
Mobiles	1,018	1,031	1,395	404
Small appliances, IT and others	295	347	619	202
Sale of Products – Consumer Electronics & Durables	2,978	3,029	4,062	1,312

Source: Company RHP

Strategically located logistics and warehousing facilities backed by stringent inventory management using IT systems

EMIL's strategically located warehousing facilities enables to fulfil its promise of timely delivery at cost competitive prices. The company operates through a combination of large centrally located warehousing facilities which are backed by individual storage areas at store level. The company operates nine large warehouses with an average area of 28,114 sq ft. It has six large warehouses in Hyderabad to cater to the Telangana region, one central warehouse in Vijayawada to cater for the Andhra Pradesh region and two warehouses in NCR to cater to the NCR region. Further, the company also has several individual storage areas of varying sizes to cater to individual stores or a group of stores.

Robust customer service support, timely delivery & installation support

The company has well trained in-house floor managers and section managers' sales teams who they are assigned to and also speak the regional language which helps in establishing connect with the customers. It also strives to achieve customer satisfaction by providing after sales support with the help of its dedicated store-wise customer support team with trained and experienced team members. Its customer support team are operational on all seven days of the week. Its widespread vendor/ supplier network and robust tracking systems, ensure timely delivery of products with limited procurement costs. For the brand specific products sold by its stores, the sales invoices contain customer support number for all brands which enables efficient and timely redressal of complaints.

Strategies

Expand reach across select geographies and deepen the footprint in its existing markets.

The company aims to continue to deepen its store network in its existing clusters to increase its market share in the Hyderabad, Telangana, and Andhra Pradesh markets. Its aim is to follow a peripheral and concentric expansion approach pursuant to which, it will look to target contiguous states, to avail new opportunities. The company also intends to open stores and build its store network in the NCR region by opening 26 MBOs with the proceeds of the IPO. The company intends to continue to identify properties that may be viable retail property spaces at strategic locations and enter into arrangements to lock such properties for its stores.

Enhancing sales volumes by continuing to prioritise customer satisfaction through optimal product assortment and offering value for money

- **Right mix of product assortments at competitive pricing:** EMIL's strategy is to provide its customers with a comprehensive range of products at value for money prices and maintain optimal customer service standards.
- **Leveraging consumer finance to provide convenience and enhance purchasing ability:** It intends to further expand its financing options to make its products accessible to all its customers and consequently widen its customer base and outreach.
- **Focus on differentiated customer experience and engagement:** EMIL intends to continue to invest in advertisement and branding and continuously improve its customer relationship management, or strategies, and campaigns to analyse and manage customer interactions throughout the customer lifecycle, with the goal of creating a long-term relationship with customers.

Technology led effective inventory management & lean operating structure to maintain & improve operating efficiencies

The company's business model requires to maintain high levels of operational efficiency on a regular basis. Further, it believes that supply chain management is critical to its business. The company intends to further strengthen its internal systems and controls regarding its inventory management to monitor and reduce shrinkage and pilferage. To provide a seamless shopping experience to its customers as they become more digital in their lifestyle, the company plans to be equipped for an omni-channel business model as well. The company is currently leveraging and shall continue to leverage, technology and analytics to drive its business operations.

Maintaining & forging new relationships with leading brands across existing and new format stores thereby ensuring wider product range

The company intends to expand its relationship with existing business partners as well as forge new relations with renowned brands in order to set up and operate increased number of stores including EBOs. The company also intends to increase the product range presently available across its MBOs. The company intends to expand its network and presence among the renowned electronic brands to further diversify its product portfolio and increase the categories of its products to establish its brand as a comprehensive and complete dealer and distributor of major electronic brands.

Continuous training of manpower

The company aims at identifying fresh talent, training, grooming them and providing opportunities for growth. It has been successful in building a team of talented professionals and intend to continue placing special emphasis on managing attrition and attracting and retaining its employees.

Financials

Restated Consolidated Statement of Asset and Liabilities (Rs cr)

	FY20	FY21	FY22	Q1FY23
ASSETS				
Non-current assets				
Property, plant and equipment	222.9	275.5	279.5	432.5
Right-of-use assets	348.2	397.5	504.9	504.1
Capital work-in-progress	2.4	2.0	23.8	16.6
Other intangible assets	0.3	0.6	0.6	0.6
Financial assets				
- Loans	0.4	-	-	-
- Others	19.0	25.0	29.2	32.0
Deferred tax assets (net)	6.8	11.6	17.6	18.8
Non-current tax assets	8.6	4.8	5.7	5.6
Other non-current assets	17.2	3.2	14.1	3.4
	625.9	720.2	875.4	1013.5
Current assets				
Inventories	401.8	481.4	613.8	473.3
Financial assets				
- Trade receivables	84.6	95.4	107.9	101.1
- Cash and Cash equivalents	87.1	35.0	34.4	19.7
- Loans	0.9	1.0	1.3	1.4
- Others	0.2	0.2	0.2	3.7
Other current assets	147.1	190.4	191.7	142.9
	721.7	803.3	949.3	742.1
Total assets	1347.6	1523.5	1824.7	1755.6
EQUITY AND LIABILITIES				
Equity				
Equity share capital	300.0	300.0	300.0	300.0
Other equity	133.1	191.9	296.5	338.0
Equity attributable to equity holders of the Company	433.1	491.9	596.5	638.0
Non-current liabilities				
Financial liabilities				
- Borrowings	63.0	62.1	55.2	143.9
- Lease liabilities	336.6	401.7	523.9	526.7
Provisions	1.3	2.1	0.7	0.2
	400.8	465.9	579.7	670.7
Current liabilities				
Financial liabilities				
- Borrowings	457.6	485.8	538.5	332.1
- Lease liabilities	14.6	18.2	25.9	27.7
- Trade payables				
- total outstanding dues of micro enterprises and small enterprises	-	-	0.6	1.2
- total outstanding dues of creditors enterprises and small enterprises	6.7	7.6	24.2	23.3
- Other financial liabilities	23.961	35.8	32.5	36.8
Other current liabilities	11.0	16.4	19.8	12.2
Current tax liabilities	-	1.8	7.1	13.6
	513.7	565.7	648.5	446.9
Total equity and liabilities	1347.6	1523.5	1824.7	1755.6

Source: Company RHP

Restated Consolidated Statement of Profit and Loss (Rs cr)

	FY20	FY21	FY22	Q1FY23
Revenue from operations	3172.5	3201.9	4349.3	1408.4
Other income	6.5	5.5	3.8	1.8
Total income	3179.0	3207.4	4353.1	1410.2
Expenses				
Purchases of stock-in-trade	2776.2	2846.9	3887.8	1071.0
Changes in inventories of stock-in-trade	-74.0	-79.6	-	140.5
Employee benefits expense	58.6	61.4	78.8	21.7
Finance costs	63.4	71.7	84.6	23.8
Depreciation and amortization expense	50.8	58.1	71.3	19.9
Other expenses	184.0	169.2	223.2	78.2
Total expenses	3059.0	3127.8	4213.3	1355.1
Profit before tax and exceptional item	120.0	79.6	139.8	55.1
Exceptional item	-7.9	-	-	-
Profit before tax	112.2	79.6	139.8	55.1
Tax expense	34.9	25.8	41.9	15.6
(a) Current tax expense	-4.4	-4.8	-6.1	-1.2
(b) Deferred tax benefit	81.6	58.6	103.9	40.7
Profit for the period/year attributable to the Shareholders of the Company	-0.5	0.2	0.7	0.8
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss				
(a) Remeasurement gain/(loss) on the defined benefit plans	-0.5	0.2	0.7	0.8
Total other comprehensive income/(loss), net of tax	81.1	58.8	104.6	41.5
Basic and Diluted EPES (in absolute Rs terms)	2.7	2.0	3.5	1.4

Source: Company RHP

Restated Consolidated Cash Flow Statement (Rs cr)

	FY20	FY21	FY22	Q1FY23
Net cash flow from / (used in) operating activities	36.0	64.0	121.6	283.0
Net cash flow from / (used in) investing activities	-70.3	-59.9	-67.9	-150.3
Net cash flow (used in) financing activities	70.6	-56.1	-54.4	-147.4
Net increase / (decrease) in cash and cash equivalents	36.3	-52.1	-0.6	-14.7
Cash and cash equivalents at the beginning of the year	50.8	87.1	35.0	34.4
Cash and cash equivalents at the end of the year	87.1	35.0	34.4	19.7

Source: Company RHP

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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