July, 2025

DANANG RUBBER JSC (HSX: DRC)

Positioned for a favorable tariff scenario

Unit: VND bn	Q1-FY25	Q4-FY24	+/- qoq	Q1-FY24	+/- yoy
Net sales	1,180	1,118	5.5%	973	21.2%
NPAT-MI	9	59	-84.0%	49	-80.8%
EBIT	30	50	-38.9%	56	-46.2%
EBIT margin	2.6%	4.4%	-187	5.8%	-322

Source: DRC, RongViet Securities

Q1-FY25: Earnings significantly below expectations due to sharp margin contraction

- Net revenue was a bright spot, reaching VND 1,180 bn (+21.2% YoY), driven by a regained share of the domestic tire market as Chinese imports slowed and DRC offered more attractive dealer discounts. Export markets remain a key medium-term growth driver, led by strong performance in the U.S. (+108.3% YoY) and a rebound in Brazil (+156.0% YoY) after a weak Q4.
- However, NPAT-MI fell sharply to just VND 9.5 bn (-81% YoY), pressured by unfavorable input costs (natural/synthetic rubber and chemicals) and export price cuts for Radial tires (-4.0% YoY). Additionally, this was the first year that the phase-2 Radial plant operated at full capacity, raising depreciation cost in Radial tire's COGS.

FY25 Outlook: A gradual QoQ recovery is expected towards year-end as input costs ease and U.S. tariff clarity improves from Q3-2025.

- Q2-FY25 earnings are expected to rebound QoQ, supported by cooling rubber prices and pre-tariff implementation stocking in the U.S.NPAT-MI is projected at VND 43 bn (+359% QoQ, -44% YoY). The domestic market should also contribute positively, benefiting from sector-wide recovery tied to industrial production growth, seasonal demand, and DRC's sustained market share gains against Chinese imports.
- We continue to expect a "no further disadvantage" tariff scenario for DRC's products in the U.S., relative to peers from Thailand and Cambodia. Combined with easing raw material prices (rubber, chemicals), this should support a gradual quarterly recovery in earnings. However, 2025 remains a challenging year due to short-term input/output pressures. We anticipate more stable operations from 2026 onwards as temporary headwinds subside.
- We forecast DRC's FY25 net revenue at VND 5,094 bn (+9.0% YoY), with NPAT-MI at VND 170 bn (-30.6% YoY), equivalent to EPS of VND 1,428.

Outlook & Recommendation

Given limited domestic growth potential, DRC is shifting its strategic focus to export markets, particularly countries like the US that are imposing anti-dumping/import tariffs on Chinese TBR tires. The company is also transitioning its core product mix from bias to radial tires to better match consumer demand in these markets. However, DRC has been gradually sacrificing net profit margin , in exchange for higher volumes, with margins declining towards the industry average of 5–6% due to lower selling prices and higher logistics/discount costs.

*We apply a long-term discounted cash flow (DCF) valuation for DRC, arriving at a 12-month target price of **VND 23,200 per share**, implying a 2025F P/E of 15.7x. Based on the closing price as of July 4th, 2025, we assign a **NEUTRAL** rating for DRC.*

NEUTRAL

Market price (VND)	21,600
Target price (VND)	23,200

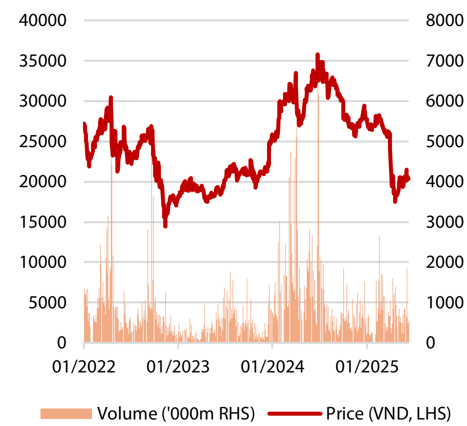
1-year expected cash dividend (VND/share): 800

Stock Info

Sector	Tire and tube
Market Cap (VND Bn)	2,394
Share O/S (Mn)	119
Average trading volume (20 sessions) ('000 shares)	580
Free Float (%)	41.7
52 weeks high	35,800
52 weeks low	17,600
Beta	1.0

	FY24	Current
EPS	2,259	1,532
EPS growth (%)	21	-32
P/E	12.1	13.0
P/B	1.7	1.3
EV/EBITDA	9.0	10.5
ROE (%)	14.2	10.1

Stock price movement



Major shareholders (%)

Vietnam National Chemical Group	50.51
Edmond de Rothschild Group	1.95
Nhut, Le Hoang Khanh	0.5
Others	47.04
Remaining Foreign Room (%)	0

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Q1-2025's earnings miss on margin pressure

Net revenue reached VND 1,180 bn (+21.2% YoY), exceeding our expectations by 18%, thanks to stronger-than-expected TBR tire sales in Brazil. Key breakdowns include:

- Bias truck tires (mainly domestic): Revenue reached VND 209 bn (+18.6% YoY), supported by the recovery in industrial production (Vietnam's industrial value-added rose 7.32% YoY in Q1-2025, per GSO) and more attractive dealer discount policies.
- Radial truck tires (mainly exports): Revenue hit VND 745 bn (+28.4% YoY)
  - U.S market: Revenue reached USD 12.5 mn (+108% YoY, flat QoQ), in line with our expectation. Growth has yet to accelerate meaningfully, as dealers had stocked up on Thai-made tires ahead of anti-dumping tariffs being imposed, while Cambodia—heavily backed by China—has emerged as a potential low-cost export base to the U.S, effectively replacing Thailand.
  - Brazil market: Revenue reached USD 12.8 mn (+7.0% YoY), supported by more effective pricing strategies (-4.0% YoY), a shift to CIF shipping terms, and successful new customer acquisition. However, this volume growth came at the expense of margin compression, which we analyze further below.
- PCR (passenger car radial) tires: Revenue was VND 53 billion (+40% YoY), meeting expectations. Average monthly volume reached 33,000 tires, which is still well below the breakeven level of 50,000–60,000 tires/month, resulting in continued negative gross profit for this product line.

NPAT-MI reached VND 9.5 bn (-81% YoY), missing our estimation by 77% and 89% below DRC's business plan, specifically:

- Gross margin stood at 11.1% (-154 bps QoQ, -555 bps YoY), remaining low as in Q4-2024, primarily due to unfavorable raw material cost movements. Natural rubber surged by +41.6% YoY amid supply shortages in Thailand caused by adverse weather. Synthetic rubber rose by +21.4% YoY, following the same trend as a substitute of natural rubber, and chemicals such as sulfur and silica increased by +28.2% YoY. These cost pressures were further compounded by a 4.0% YoY reduction in radial tire export prices. In addition, 2025 marks the first full-capacity year for the phase-2 Radial plant. In our view, this has led to a higher share of depreciation in Radial tire's COGS.
- Selling exp/Net sales remained elevated at 7.9% (+345 bps QoQ, -109 bps YoY), reflecting the company's strategic pivot towards export markets, which naturally incur higher costs (discounting, logistics). Domestically, DRC also raised dealer discounts to remain competitive against a surge in Chinese tire imports in recent years.

(*) One example of DRC's export adaptation: the company shifted from FOB to CIF shipping terms—now bearing full transport and insurance costs to the destination port.

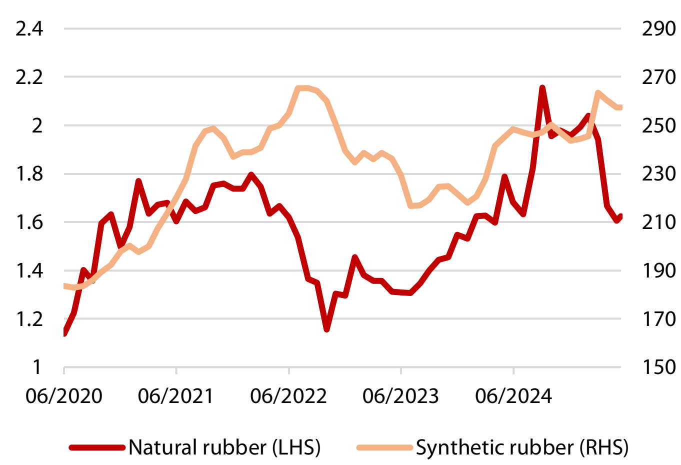
Table 1: DRC's Q1-2025 results (VND bn)

Unit: VND bn	Q1-2025	Q4-2024	+/- (qoq)	Q1-2024	+/- (yoy)
Net sales	**1,180**	**1,118**	**5.5%**	**973**	**21.2%**
Bias TB tire	209	269	-22.6%	176	18.6%
Radial TB tire (TBR)	744	618	20.5%	580	28.4%
Radial Passenger car tire (PCR)	53	23	131.4%	38	40.5%
Others	173	208	-16.5%	180	-3.6%
Gross profit	**141**	**162**	**-12.9%**	**131**	**7.9%**
Selling exp	**-93**	**-87**	**6.6%**	**-49**	**88.0%**
GA exp	**-18**	**-18**	**-2.7%**	**-32**	**-43.7%**
Net finance income	**-9**	**3**	**-432.4%**	**13**	**-165.2%**
NPAT-MI	**9**	**49**	**-80.8%**	**59**	**-84.0%**
Gross margin	*12.0%*	*14.5%*	-253	*13.4%*	-148
Selling exp/Net sales	*7.9%*	*7.8%*	7	*5.1%*	279
GA exp/Net sales	*1.5%*	*1.6%*	-13	*3.3%*	-175
Net margin	*0.8%*	*4.4%*	-360	*6.1%*	-527

Export sales (USD mn)	Q1-2025	Q4-2024	+/- (qoq)	Q1-2024	+/- (yoy)
US	13	13	-3.8%	6	108.3%
Brazil	13	5	156.0%	12	6.7%
Others	8	7	16.6%	9	-5.8%
Sales volume ('000 tires)	**Q1-2025**	**Q4-2024**	**+/- (qoq)**	**Q1-2024**	**+/- (yoy)**
Radial TB tire (TBR)	**207**	**162**	**28.0%**	**152**	**36.3%**
Domestic	24	31	-21.2%	22	10.5%
Export	183	131	39.5%	130	40.6%
Bias TB tire	**96**	**125**	**-23.0%**	**90**	**6.6%**
Domestic	61	90	-31.8%	54	13.3%
Export	35	36	-0.9%	37	-3.2%

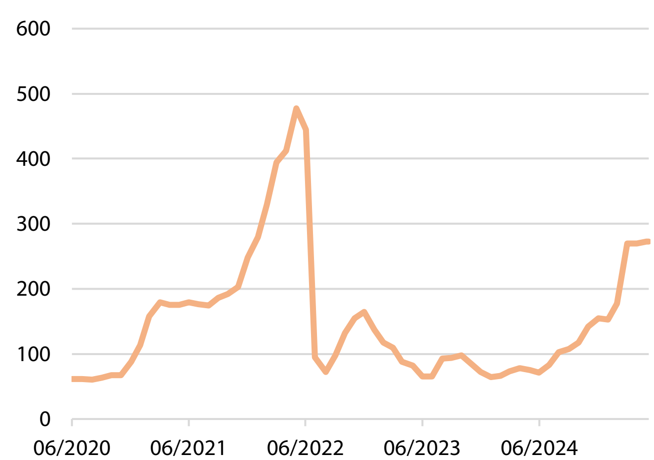
Source: DRC, RongViet Securities

Figure 1: Natural and Synthetic Rubber Price Trends (USD/MT)



Source: Bloomberg, RongViet Securities

Figure 2: Sulfur price trend (USD/MT)



Source: Bloomberg, RongViet Securities

Table 2: Import value of Truck & Bus tires into the U.S and Vietnam (USD mn)

Vietnam's tire import value	2020	2021	2022	2023	2024	4T-2025
China	160	200	225	211	225	72
YoY growth (%)	5.5%	25.1%	12.3%	-6.4%	6.7%	-2.8%
US's tire import value	**2020**	**2021**	**2022**	**2023**	**2024**	**4T-2025**
Thailand	1,287	1,685	2,326	1,692	1,706	569
YoY growth (%)		30.9%	38.0%	-27.2%	0.8%	-15.8%
Canada	709	866	859	928	988	348
YoY growth (%)		22.1%	-0.8%	8.1%	6.5%	3.6%
Vietnam	343	516	831	564	716	255
YoY growth (%)		50.5%	61.0%	-32.1%	26.9%	7.8%
Japan	433	557	952	823	602	284
YoY growth (%)		28.7%	70.9%	-13.5%	-26.8%	21.6%
Cambodia	0	0	35	142	421	220
YoY growth (%)				306.8%	196.4%	78.5%

Source: Trademap, RongViet Securities

Q2-2025's projected results: QoQ recovery expected, driven by cooling rubber prices and pre-tariff stocking ahead of U.S. countervailing duties

Table 3: DRC's projected Q2-2025 results by VDS

	Q2-2025	+/-YoY	+/-QoQ	Assumptions
Net sales	**1,351**	**-0.9%**	**14.5%**	
Bias TB tire	286	12.8%	37.2%	Similar to Q1, YoY growth is expected to remain solid, supported by the recovery in industrial production (value-added of the industrial sector estimated to grow 8.9% and 9.4% YoY in April and May 2025, respectively, according to GSO Vietnam) and more attractive discount policies for domestic dealers.
Radial TB tire (TBR)	803	-4.5%	7.9%	While the US market maintained solid growth (+26.0% YoY), supported by dealer stocking ahead of expected countervailing duties in early Q3-2025 and gradual benefits from anti-dumping tariffs on Thai truck tires, the Brazil market became a drag on overall YoY growth. Revenue in Brazil stabilized at USD 12–13 million after DRC lost a long-standing key customer in H2-2024.
Radial Passenger car tire (PCR)	53	21.5%	0.0%	DRC is expected to maintain output at 100,000 tires per quarter. Overall, this segment has yet to reach breakeven as the company has not secured a stable, large-scale customer base.
Others	209	-7.4%	20.4%	We expect a seasonal pickup in Q2 for automotive, motorcycle, and bicycle tires in the domestic market.
Gross profit	**193**	**-29.6%**	**36.9%**	Gross margin is expected to recover from the record low in Q1, supported by a rubber price correction (-19.6% from the March 2025 peak).
Selling expenses	**-111**	**-30.1%**	**19.4%**	As ocean freight rates are no longer spiking as they did in Q2-2024, DRC faces less pressure from selling expenses. However, selling expenses as a percentage of revenue remain elevated above 8%, as the company has shifted its strategic focus from the domestic market to exports since 2024.
GA expenses	**-18**	**-22.9%**	**0.0%**	
EBIT	**64**	**-30.6%**	**112.3%**	
Income from affiliates	-			
Net finance income	-9			
Other profit	-1			
EBT	**54**	**-44%**	**399%**	
Corporate income tax	-11			
Minority of interest (MI)	-			
NPAT-MI	**43**	**-44%**	**359%**	
Gross margin	14.3%	-583bps	+234bps	
Selling exp/Net sales	8.2%	-342bps	+33bps	
GA exp/Net sales	1.3%	-38bps	-19bps	
EBIT margin	4.8%	-203bps	+219bps	
Net margin	3.2%	-246bps	+242bps	

Export sales (USD mn)	**32.8**	**-5.7%**	**-2.1%**
US	12.6	26.0%	0.8%
Brazil	12.0	-33.3%	-6.3%
Others	8.2	21.2%	0.0%
Sales volume ('000 tires)			
Radial TB tire (TBR)	**219**	**2.1%**	**5.5%**
Domestic	38	11.0%	58.5%
Export	180	0.4%	-1.5%
Bias TB tire	**139**	7.8%	44.5%
Domestic	103	8.5%	68.9%
Export	36	5.8%	2.4%

Source: DRC, RongViet Securities

Valuation

In the short term, DRC is expected to face a challenging 2025, with headwinds on both fronts:

+ Output pressure in key export markets:

- **U.S market:** Tariff uncertainty may limit growth in the TBR tire segment, as industrial activity slows and dealers take a more cautious approach to inventory management. As a result, DRC's performance in the U.S. may fall short of earlier expectations.
  A key positive is that DRC is likely to maintain its competitive edge over major rival, Thailand, under the base-case scenario of a 10.0% reciprocal tariff level, applied uniformly across countries (excluding China). However, if Vietnam faces higher tariffs than Thailand or Cambodia, DRC could be at a significant disadvantage—this remains a key variable to monitor.
- **Brazil market:** DRC lost a major long-standing customer to Chinese and Thai competitors, disrupting the previously stable TBR tire revenue base of USD 16–21 mn per quarter prior to Q3-2024. While the company is actively acquiring new customers, revenue has averaged only USD 12–13 mn per quarter so far.

+ Input cost dynamics: Supply-demand imbalances in 2025 are driving up the prices of key raw materials for DRC, such as natural rubber (due to weather-related supply shortages in Thailand), synthetic rubber (tracking natural rubber as a substitute), and chemicals like sulfur and silica. DRC is unable to pass these rising costs onto customers through higher prices, due to intense competition in the domestic market, Brazil, and in newly entered markets like the US and Middle East.

+ Commercial policies: Measures such as increased sales discounts (reflected in selling expenses) and extended payment terms (reflected in days sales outstanding) to attract new customers in early-stage export markets have also added pressure to margins and cash flow performance this year.

Table 4: Overview of US Tariffs on Vietnamese Truck & Bus Tires

Tariff type	Heavy truck (HS 4011.20)	Light truck (HS 4011.10)	Time of application
MFN	4%	4%	2001 until now
AD	0%	0% (DRC, CSM) 22.3% (FDI enterpsises with Chinese factor)	May-21 until now
CVD	0%	0% (DRC, CSM) 7.89% (FDI enterpsises with Chinese factor)	May-21 until now
Recipocal tariff in two scenario (10% and 46% for Vietnam)	10%-46%	10%-46%	From Apr-25
Total DRC	**14%-50%**	**14%-50%**	

Source: RongViet Securities

Table 5: Summary of tariffs imposed on Vietnamese/Thai transport tires from the US

Countries	Tire type	Current taxes	10% tax for 90 days suspension	46% Reciprocal Tax Scenario
Vietnam (only focus DRC)	Heavy truck	4%	14%	50%
	Light truck	4%	14%	50%
Thailand	Heavy truck	16.33% (remainder) – 52.39% (Bridgestone Thailand)	26.33% (remainder) – 62.39% (Bridgestone Thailand)	53.33% (remainder) – 89.39% (Bridgestone Thailand)
	Light truck	5.24% - 10.16%	15.24% - 20.16%	51.24% - 56.16%

Source: RongViet Securities

Over the long term, we expect a more favorable business environment for DRC, allowing net margin to gradually recover toward the industry average of 5–6%. Specifically:

+ **DRC has secured new customers** in Russia (shipments began in Apr-2025), the Middle East, and Europe (shipments to start from Q3-2025), which are expected to contribute meaningfully from 2026, partially offsetting the lost volume in Brazil. That said, geopolitical risks in the Middle East and weak currency conditions in Russia may limit revenue stability in these markets this year. We will closely monitor DRC's earnings from Q3-2025 for further developments.

+ **In the U.S, the business environment is expected to normalize** as the Trump administration finalizes countervailing duty levels across countries in 2026. We continue to assume a "no further disadvantage" scenario for DRC's products relative to competitors such as Thailand and Cambodia, based on the following rationale:

- Tires are not considered high-value products and are unlikely to be prioritized for reshoring to the U.S. under Trump's industrial policy. (The industry's average net margin is relatively low, around 5–10%).
- The U.S is heavily reliant on imported tires (the world's largest importer), making it difficult to significantly reduce this dependence in the medium term.
- DRC is a 100% Vietnamese-owned company with only a 1.3% market share in U.S. tire imports. With no Chinese ties and limited market impact, we believe that DRC is not a key target in the U.S tariff agenda. Notably, the only past instance of U.S. tire tariffs on Vietnam focused solely on Chinese-linked FDI firms. (*)
- Its biggest rival, Thailand, has officially been hit with anti-dumping duties by the U.S. starting Q2-2025, similar to China's case in 2019. This suggests Thai tires are more directly in the crosshairs of U.S. trade policy. We view this as a significant mid- to long-term opportunity for DRC as capacity utilization at the GD2 Radial plant ramps up.

+ **Input costs such as natural rubber, synthetic rubber, and chemicals are gradually cooling as supply shocks ease, while high depreciation expenses from the phase-2 radial plant are expected to decline.** These factors should support a gradual recovery in DRC's gross margin in the coming years.

Table 6: DRC's valuation summary

DRC'S VALUATION SUMMARY (VND/SHARE)		
Methods	**Contribution**	**Target price**
DCF (5 years, WACC: 11.4%, Exit EVEBITDA 8.9x)	100%	22,400
Total DGW	**100%**	22,400
Expected cash dividend next year (VND/share)		*800*
2025F targeted PE		*15.7*

Source: DRC, RongViet Securities

Table 7: Sensitivity analysis of DRC's target price based on exit EV/EBITDA in DCF Method (VND/share)

		Exit EVEBITDA						
		5.9	6.9	7.9	8.9	9.9	10.9	11.9
WACC	8.4%	17,577	20,458	23,338	26,219	29,100	31,981	34,861
	9.4%	16,597	19,348	22,100	24,851	27,603	30,354	33,106
	10.4%	15,667	18,296	20,925	23,554	26,183	28,813	31,442
	11.4%	14,784	17,297	19,811	22,324	24,837	27,351	29,864
	12.4%	13,946	16,350	18,753	21,157	23,560	25,964	28,367
	13.4%	13,150	15,449	17,749	20,048	22,347	24,647	26,946
	14.4%	12,393	14,594	16,794	18,995	21,196	23,396	25,597

Source: RongViet Securities

Appendix

Table 8: DRC's Q1-2025 results

Đơn vị: Tỷ đồng	Q1-2025	Q4-2024	+/-QoQ	Q1-2024	+/-YoY	%Plan 2025	%VDS's forecast 2025
Net sales	**1,180**	**1,118**	**5.5%**	**973**	**21.2%**	**24.2%**	**23.2%**
Bias TB tire	209	269	-22.6%	176	18.6%		22.1%
Radial TB tire (TBR)	744	618	20.5%	580	28.4%		24.5%
Radial Passenger car tire (PCR)	53	23	131.4%	38	40.5%		15.3%
Others	173	208	-16.5%	180	-3.6%		22.6%
Gross profit	**141**	**131**	**7.9%**	**162**	**-12.9%**		
SG&A expenses	**-111**	**-81**	**36.5%**	**-105**	**4.9%**		
EBIT	**30**	**50**	**-38.9%**	**56**	**-46.2%**		
Income from affiliates	0	0		0			
Net finance income	-9	13		3			
Other profit	-1	0		-1			
EBT	**11**	**73**	**-85.1%**	**58**	**-81.3%**		
Corporate income tax	-1	-14		-9			
Minority of interest (MI)	0	0		0			
NPAT-MI	**9**	**59**	**-84.0%**	**49**	**-80.8%**	**4.2%**	**5.6%**

Source: DRC, RongViet Securities

Table 9: DRC's Q1-2025 Business analysis

Criteria	Q1-2025	Q4-2024	+/-QoQ	Q1-2024	+/-YoY
Profitability ratio					
Gross margin	12.0%	11.7%	+26bps	16.6%	-468bps
EBIT/Net sales	2.6%	4.4%	-187bps	5.8%	-322bps
Net margin	0.8%	5.3%	-449bps	5.1%	-426bps
Efficiency ratio (days)					
- Days AR on hand	120	137		125	
- Day Inventory on hand	73	56		49	
- Day AP	86	95		66	
Solvency ratio					
Total liabilities/Total equity	117%	119%		79%	

Source: RongViet Securities

VND bn

INCOME STATEMENT	2023A	2024A	2025F	2026F
Net revenue	**4,495**	**4,673**	**5,094**	**5,425**
COGS	3,847	3,944	4,404	4,638
Gross profit	**649**	**729**	**691**	**787**
SG&A expense	340	430	461	490
Finance income	55	70	51	42
Finance expense	57	66	67	55
Other profit	0	-2	-2	-2
EBT	**307**	**302**	**212**	**282**
Corporate income tax	61	57	42	56
Minority of interest	0	0	0	0
NPAT-MI	**246**	**245**	**170**	**226**
EBIT	273	255	186	256

%

FINANCIAL RATIOS	2023A	2024A	2025F	2026F
YoY growth (%)				
Net sales	-8.2	4.0	9.0	6.5
EBIT	-20.3	-6.6	-27.0	37.5
NPAT-MI	-20.1	-0.7	-30.6	33.1
Total assets	-1.0	24.1	4.0	2.6
Total equity	-3.1	3.5	4.6	6.4
Profitability ratios (%)				
Gross margin	14.4	15.6	13.6	14.5
EBIT margin	6.1	5.5	3.7	4.7
Net margin	5.5	5.2	3.3	4.2
ROA	7.3	5.8	3.9	5.0
ROE	13.3	12.8	8.5	10.6
Efficiency ratios (days)				
Days AR on hands	37	54	70	65
Day Invenroty on hands	112	138	120	120
Day AP	51	88	87	87
Liquidity ratios (x)				
Current	1.5	1.3	1.3	1.3
Quick	0.6	0.5	0.5	0.5
Solvency ratios				
Total liabilities/total equity	82.8	119.3	118.1	110.4
Total debt/Total equity	31.9	50.1	44.9	37.6
(%) Short-term debt/Total equity	30.5	43.1	38.3	37.6

VND bn

BALANCE SHEET	2023A	2024A	2025F	2026F
Cash & Equivalents	321	221	51	163
Short-term investment	134	45	45	45
Receivables	457	697	977	966
Inventories	1,184	1,491	1,448	1,525
Other current assets	196	341	371	395
Tangible fixed assets	1,044	1,344	1,410	1,317
Intangible fixed assets	1	1	1	1
Long-term investment	0	0	0	0
Other non-current assets	42	56	61	65
Total assets	**3,384**	**4,200**	**4,370**	**4,483**
Trade payables	537	946	1,053	1,110
Short-term debt	565	826	766	802
Short-term debt	25	133	133	0
Other liabilities	352	298	332	359
Bonus & welfare funds	54	69	69	69
Science and technology fund	0	13	13	13
Total liabilities	**1,533**	**2,285**	**2,367**	**2,352**
Paid-in capital	1,188	1,188	1,188	1,188
Treasury shares	0	0	0	0
Retained earnings	199	189	217	345
Other funds	21	21	81	81
Investment & development funds	443	517	517	517
Total equity	**1,851**	**1,915**	**2,003**	**2,131**
Minority of interest	0	0	0	0

VALUATION RATIOS	2023A	2024A	2025F	2026F
EPS (VND)	2,074	2,059	1,428	1,901
P/E (x)	12.0	13.5	15.8	11.8
BV (VND)	15,582	16,122	16,864	17,939
P/B (x)	1.6	1.7	1.3	1.3
DPS (VND)	2,300	1,200	1,200	800
Dividend yield (%)	10.7	4.3	5.3	3.6

VALUATION MODEL	Price	Contribution	Average
DCF	22,400	100%	22,400
Target price (VND/share)		**100%**	**22,400**

VALUATION HISTORY	PRICE	RECOMMENDATION	TIME
06/2025	23,200	NEUTRAL	1 year

Company Report

This report is created to provide investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information, with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedback and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation.

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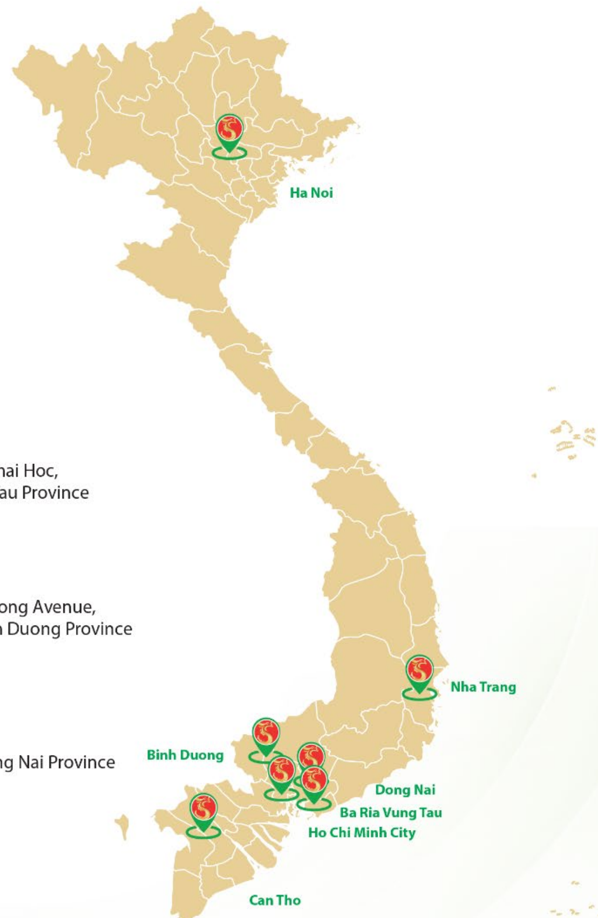

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