AXIS DIRECT

Result Update
7th November, 2025

Praj Industries Ltd
Capital Goods

HOLD
Target Price
340

Worst Factored In; Recovery Awaited

Est. Vs. Actual for Q2FY26: Revenue: BEAT; EBITDA: BEAT; PAT: BEAT

Changes in Estimates post Q2FY26

FY26E/FY27E: Revenue: -1%/-5%; **EBITDA:** -30%/-24%; **PAT:** -46%/-31%

Recommendation Rationale

- **Bio-energy Segment Waiting For The Next Push**: Praj's performance remained subdued, impacted by cautious sentiment in the domestic ethanol market. With the company having achieved the 20% ethanol blending target, further growth now hinges on the development of new avenues. The management continues to focus on diversifying into alternative opportunities and remains optimistic about regaining growth momentum once clarity emerges on future blending targets, including those related to diesel.
- **Fixed Costs Hurting Margins:** EBITDA margins remained under pressure during the quarter as fixed costs continued to rise amid muted revenue growth. Fixed expenses in the GenX business (~Rs 8.5–9 Cr per month) without corresponding revenue contribution have significantly impacted profitability, prompting the management to explore alternate revenue streams.
- **Traction in International Business**: The management remained optimistic about potential growth opportunities in the international business. The company indicated a healthy inquiry pipeline in the U.S., supported by the potential benefits of IRA 45Z tax credits. Additionally, management highlighted favourable policy developments in regions such as Latam, Indonesia, and Africa, which could serve as key growth catalysts going forward.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: The company continues to face execution delays in the domestic bio-energy business, while projects expected from the new GenX facility have been stalled or put on hold. In H2FY26, management expects progress on the delayed projects, with execution activity likely to improve as liquidity conditions ease for customers. Although the recovery timeline for the domestic bio-energy business remains uncertain, the company is actively working on developing new growth avenues to achieve its FY30 targets.

Valuation: 20x Sept'27E (Earlier Valuation: 20x FY27E)

Current TP: Rs. 340/share; (Earlier TP: Rs 350/share)

Recommendation: We **upgrade our rating on the stock from SELL to HOLD** as the stock has corrected significantly since our last report, reflecting right valuations.

Financial Performance: The company reported revenue of Rs 842 Cr, up 3% YoY and 31% QoQ, surpassing estimates by 19%. EBITDA stood at Rs 56 Cr, down 41% YoY and 57% QoQ, in line with expectations. EBITDA margin declined to 6.6% from 11.5% in Q2FY25. PAT came in at Rs 19 Cr, down 64% YoY but up 261% QoQ, reflecting an overall performance ahead of estimates. Order intake during the quarter stood at Rs 813 Cr, compared to Rs 795 Cr in the preceding quarter.

Outlook: Although Praj is expanding its portfolio and strengthening its existing capabilities, near-term growth momentum is expected to remain subdued. The company has invested in the Mangalore GenX facilities, which are yet to achieve the anticipated utilization levels. Momentum is likely to pick up in the second half of FY27 as demand in the bioenergy segment normalizes and the Engineering and other businesses gain traction.

Valuation & Recommendation: Our revised estimates indicate a materially slower growth trajectory over the next few quarters, with recovery expected once customers gain clarity on their sustainable investment plans. We have rolled forward our estimates and now value the stock at 20x Sept'27E (earlier 20x FY27E), translating into a TP of Rs 340/share (revised down from Rs 350/share), implying an upside of 1% from the CMP. **We upgrade our rating on the stock from SELL to HOLD** as the key headwinds appear to be largely factored in.

Key Financials (Consolidated)

(Rs Cr)	Q2FY26	YoY (%)	QoQ (%)	Axis Est.	Variance
Net Sales	842	3%	31%	706	19%
EBITDA	56	-41%	57%	42	32%
EBITDA Margin	6.63%	-490bps	107bps	5.98%	65bps
Net Profit	19	-64%	261%	14	39%
EPS (Rs)	1.0	-64%	261%	0.8	39%

Source: Company, Axis Securities Research

(CMP as of 6th November, 2025)

CMP (Rs)	335
Upside /Downside (%)	1%
High/Low (Rs)	875/328
Market cap (Cr)	6,149
Avg. daily vol. (1m) Shrs.	7,32,380
No. of shares (Cr)	18.4

Shareholding (%)

	Mar-25	Jun-25	Sep-25
Promoter	32.81	32.81	32.81
FIIs	17.16	16.86	17.53
DIIs	19.51	17.43	14.83
Retail	30.52	32.89	34.82

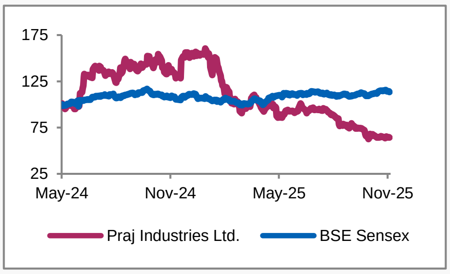
Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	3,228	3,260	3,825
EBITDA	315	241	368
Net Profit	219	106	221
EPS (Rs)	11.9	5.8	12.1
PER (x)	28.1	58.2	27.7
EV/EBITDA (x)	19.1	25.0	16.4
ROE (%)	16%	7%	14%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	-1%	-5%
EBITDA	-30%	-24%
PAT	-46%	-31%

Relative Performance



Source: ACE Equity, Axis Securities Research

Results Gallery

Q1FY26
Q4FY25
Q3FY25
Q2FY25

Sani Vishe
Research Analyst
Sani.vishe@axissecurities.in

Shivani More
Research Associate
Shivani.more@axissecurities.in

Key Highlights

- **Financial Performance**: Praj Industries Ltd. delivered growth on a sequential basis in Q2FY26 despite continued external headwinds, particularly in the domestic ethanol segment and international markets affected by U.S. tariff-related challenges. The international business contributed ~35% to the Q2FY26 order book. Material costs declined YoY due to a favorable sales mix, while other expenses rose owing to higher execution activity during the quarter. Lower absorption of fixed costs at Praj GenX weighed on profitability.
- **Effective Tax Rate (ETR)**: The consolidated effective tax rate stood at 35% for Q2FY26 and 37% for H1FY26, reflecting the recognition of deferred tax assets on Praj GenX losses at a reduced rate.
- **Bio-energy Business**: Domestically, the industry has achieved the EBP20 blending target and is awaiting fresh policy guidance for the next phase. Customer-side funding constraints and civil readiness issues continued to cause project execution delays. Nonetheless, Praj is witnessing rising demand for Distillers' Corn Oil modules, indicating ongoing traction within the ethanol value chain. The company is also hopeful of traction in Diesel blending in the medium-to long-term.
- **1G International**: Execution is underway for the first low-carbon ethanol project availing the U.S. IRA 45Z tax credits, reinforcing Praj's international order pipeline in the low-carbon ethanol segment. Further policy support is anticipated in countries such as Panama and Argentina, which should bolster growth prospects.
- **1G Service**: The service business continues its steady growth trajectory, supported by a healthy enquiry pipeline for biogenic CO_2 capture solutions. The company secured multiple international orders in this segment, highlighting its expanding global footprint.
- **CBG**: Momentum in CBG projects remains positive, particularly for Napier grass-based feedstock. The company is currently executing its first Napier grass-based CBG project, with rising interest in Napier grass and press mud-based plants across Andhra Pradesh, Telangana, West Bengal, and Maharashtra. Management emphasized a steadily improving ecosystem and a sustained enquiry pipeline in this segment.
- **SAF:** The SAF demo plant at Praj Matrix R&D Center has become the world's first integrated Alcohol-to-Jet fuel facility, marking a significant technological milestone. This pioneering project is expected to enhance customer confidence in Praj's SAF technology and accelerate commercial-scale adoption globally.
- **Other Developments**: The company continues to explore new opportunities in Zero Liquid Discharge (ZLD) systems, PHS for ultra-pure water and insulin applications, and Brewery (green field). In the bioplastics segment, Praj is witnessing strong international interest, along with early traction in the domestic market.
- **Praj Genx**: Earlier announced energy transition-related projects that were announced in the past are either stalled or currently on hold, leading to margin pressures. The GenX facility has ~9 Cr of fixed costs per month. Strategic initiatives and structural realignments are underway to diversify its customer base and expand into new verticals, including Oil & Gas, piping, structural fabrication, and conventional industrial markets.
- **Guidance**: The management expressed optimism in improving the growth trajectory in the second half of FY26. While the management alluded that it may have to rethink its strategy, the company continues to work towards Vision 2030 (target of tripling top line by 2030). The company believes the domestic ethanol blending business will need further policy push, while it views potential diesel blending mandates as a significant growth opportunity, given that diesel consumption in India is ~2.5–3x higher than petrol. Praj is also positive on gaining traction in newer avenues and international business.

Key Risks to Our Estimates and TP

- Changes in the pace of order execution or cancellation of orders.
- Changes in government policies and/or international policies and regulations.
- Advent of newer technologies leading to changes in business models/prospects.

Change in Estimates

	Revised		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	3,260	3,825	3,282	4,015	-1%	-5%
EBITDA	241	368	344	483	-30%	-24%
PAT	106	221	195	322	-46%	-31%

Source: Company, Axis Securities Research

Q2FY26 Results Review

(Rs Cr)	Q2FY25	Q1FY26	Q2FY26 Axis Est	Q2FY26	YoY Growth (%)	QoQ Growth (%)	Axis Variance
Revenue	816	640	706	842	3%	31%	19%
Net Raw Material consumed	429	298	346	384	-11%	29%	
Gross Profit	387	342	360	458	18%	34%	
Gross Margin %	47.4%	53.4%	51.0%	54.4%	698bps	100bps	340bps
Employee	85	82	78	87	2%	6%	
Other Expenses	208	224	240	315	51%	41%	
Total Expenditure	722	605	664	786	9%	30%	
EBIDTA	94	36	42	56	-41%	57%	32%
EBITDA Margin	11.5%	5.6%	6.0%	6.6%	-490bps	107bps	65bps
Less: Depreciation	21	25	26	27	30%	6%	
EBIT	79	15	24	35	-56%	134%	
Less: Net Interest	5	5	5	5	5%	-4%	
Add: Other income	6	4	7	5	-2%	24%	
Profit Before Extraordinary Items and Tax	74	10	19	30	-60%	208%	
Less: Extraordinary Expense (net)	-	-	-	-			
Profit Before Tax	74	10	19	30	-60%	208%	
Less: Total Tax	21	4	5	10	-50%	142%	
Profit After Tax	54	5	14	19	-64%	261%	39%
Reported EPS (Rs)	2.9	0.3	0.8	1.0	-64%	261%	39%

Source: Company, Axis Securities Research

Financials (consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Net sales	**3,466**	**3,228**	**3,260**	**3,825**	**5,025**
Raw Material	1,962	1,655	1,482	1,913	2,513
Employee benefit expenses	319	349	355	406	527
Other Expenses	814	910	1,182	1,139	1,407
EBITDA	**372**	**315**	**241**	**368**	**579**
Other income	59	61	31	56	82
PBIDT	431	376	272	424	661
Depreciation	44	86	104	108	110
Pre-tax profit	377	270	148	296	531
Tax provision	94	80	42	75	134
RPAT	**283**	**219**	**106**	**221**	**397**

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	37	37	37	37	37
Reserves & Surplus	1,238	1,345	1,451	1,672	2,069
Total Equity	**1,275**	**1,382**	**1,488**	**1,709**	**2,106**
Total Non-Current Liabilities	162	174	174	174	174
Trades Payable	497	482	426	534	688
Other Current Liabilities	793	990	990	990	990
Total Current Liabilities	1,459	1,605	1,549	1,657	1,811
Total Capital Employed	**2,895**	**3,160**	**3,210**	**3,540**	**4,090**
Net Block	407	446	521	518	563
Goodwill	63	63	63	63	63
Total Non-Current Assets	**671**	**730**	**805**	**802**	**847**
Cash	168	126	20	206	406
Inventory	221	253	203	252	310
Receivables	836	556	688	786	1,033
Investments	402	358	358	358	358
Total Current Assets	**2,224**	**2,430**	**2,405**	**2,738**	**3,243**
Total Assets	**2,895**	**3,160**	**3,210**	**3,540**	**4,090**

Source: Company, Axis Securities Research

Cash Flow

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Net Profit Before Tax	377	299	148	296	531
Depreciation	44	86	104	108	110
Working Capital Changes	-97	-200	-137	-39	-151
Tax Paid	-104	-103	-42	-75	-134
Cash From Operating Activities	199	43	92	310	376
Cash From Investing Act	-10	71	-179	-104	-155
Cash Flow from Financing	-124	-161	-20	-20	-20
Change in Cash	65	-47	-106	186	200
Opening Cash	99	168	126	20	206
Closing Cash	168	126	20	206	406

Source: Company, Axis Securities Research

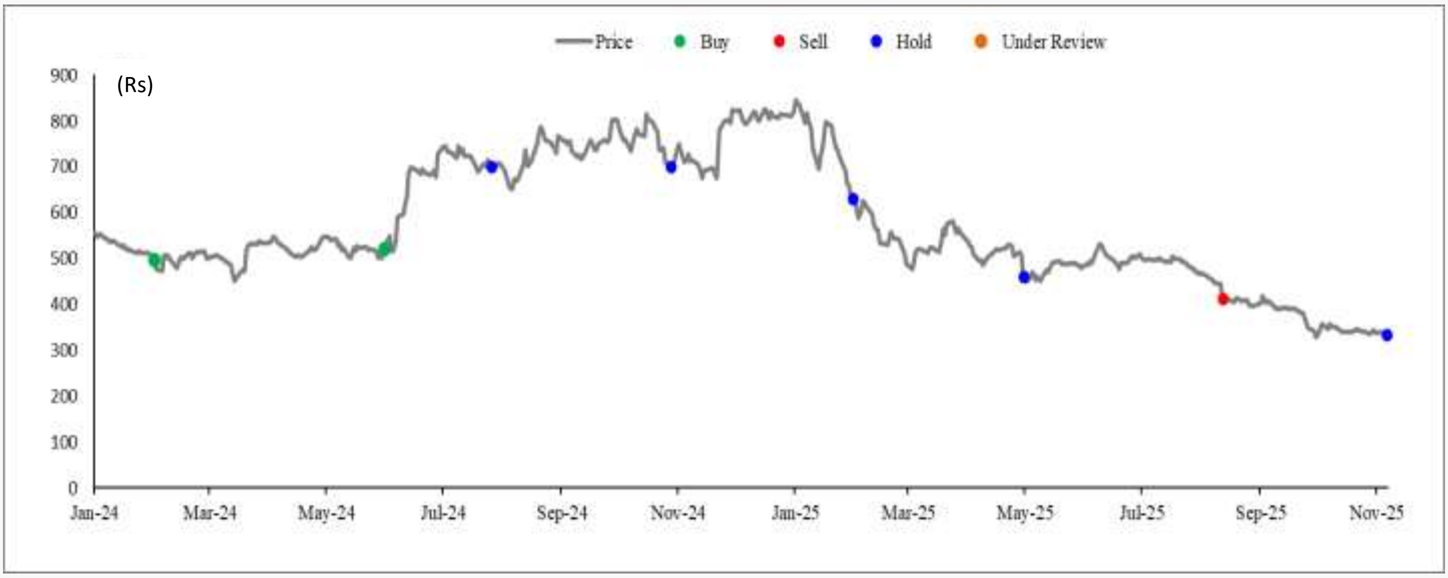
Ratio Analysis

(%)

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
Operational Ratios					
Gross profit margin	43%	49%	55%	50%	50%
EBITDA margin	11%	10%	7%	10%	12%
PAT margin	8%	7%	3%	6%	8%
Growth Indicators					
Sales growth	-2%	-7%	1%	17%	31%
EBITDA growth	21%	-15%	-24%	53%	57%
PAT growth	18%	-23%	-52%	110%	79%
Efficiency Ratios					
Total Asset Turnover (x)	1.3	1.1	1.0	1.1	1.3
Inventory turnover (x)	7.1	7.0	6.5	8.4	9.0
Sales/Working Capital	6.2	10.2	7.0	7.0	6.8
Liquidity Ratios					
Total Debt/Equity(x)	0.00	0.00	0.00	0.00	0.00
Total Asset/Equity(x)	2.28	2.22	2.11	2.00	1.94
Current Ratio(x)	1.52	1.51	1.55	1.65	1.79
Quick Ratio(x)	1.37	1.36	1.42	1.50	1.62
Interest Cover(x)	37.99	16.72	11.98	18.50	29.12
Per Share Data					
Earnings Per Share (Rs)	15.43	11.92	5.75	12.06	21.60
Valuation Ratios					
Adjusted PE (x)	21.7	28.1	58.2	27.7	15.5
Price / Book Value(x)	4.8	4.4	4.1	3.6	2.9
EV/Net Sales(x)	1.7	1.9	1.8	1.6	1.2
EV/EBITDA(x)	16.2	19.1	25.0	16.4	10.4
EV/EBIT(x)	15.5	20.8	35.9	19.0	10.9
Return Ratios					
ROA	10%	7%	3%	7%	10%
ROE	24%	16%	7%	14%	21%
ROCE	30%	19%	10%	18%	26%

Source: Company, Axis Securities Research

Praj Industries Price Chart and Recommendation History



Date	Reco	TP	Research
02-Feb-24	BUY	635	Result Update
03-Jun-24	BUY	618	Result Update
29-Jul-24	HOLD	760	Result Update
29-Oct-24	HOLD	765	Result Update
01-Feb-25	HOLD	690	Result Update
02-May-25	HOLD	500	Result Update
13-Aug-25	SELL	350	Result Update
07-Nov-25	HOLD	340	Result Update

Source: Axis Securities Research

AXIS DIRECT

Disclosures:

Axis Direct is the brand under Axis Securities Limited, which is a 100% subsidiary of Axis Bank Limited. Axis Bank Ltd. is a listed public company and one of India's largest private sector banks, and has its various subsidiaries engaged in businesses of Asset management, NBFC, Merchant Banking, Trusteeship, Venture Capital, Stock Broking, the details in respect of which are available on www.axisbank.com.

Axis Securities Limited is registered as a

- Stock Broker, Depository Participant, Portfolio Manager, Investment Adviser and Research Analyst with the Securities and Exchange Board of India
- Corporate Agent with Insurance Regulatory and Development Authority of India
- Point of Presence with Pension Fund Regulatory and Development Authority
- Distributor for Mutual Funds with AMFI

Registration Details:

SEBI Single Reg. No.- NSE, BSE, MSEI, MCX & NCDEX – INZ000161633 | SEBI Depository Participant Reg. No. IN-DP-403-2019 | Portfolio Manager Reg. No.- INP000000654 | Investment Advisor Reg No. INA000000615 | SEBI-Research Analyst Reg. No. INH000000297 | IRDA Corporate Agent (Composite) Reg. No. CA0073| PFRDA – POP Reg. No. POP387122023 | Mutual Fund Distributor ARN- 64610.

Compliance Officer Details: Name – Mr Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

In case of any grievances, please call us at 022-40508080 or write to us at helpdesk@axisdirect.in.

We hereby declare that our activities have neither been suspended nor have we defaulted with any stock exchange authority with whom we are registered in the last five years. However, SEBI, Exchanges, Clearing Corporations and Depositories, etc. have conducted the routine inspection and based on their observations have issued advice/warning/show cause notices/deficiency letters/ or levied penalty or imposed charges for certain deviations observed in inspections or in the normal course of business, as a Stock Broker/Depository Participant/Portfolio Manager. We have not been debarred from doing business by any Stock Exchange/SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point in time.

Investments in the securities market are subject to market risks. Read all the related documents carefully before investing.
By referring to any particular sector, Axis Securities does not provide any promise or assurance of a favourable view for a particular industry or sector or business group in any manner.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors. Our research should not be considered as an advertisement or advice, professional or otherwise. This research report and its respective content by Axis Securities made available on this page or otherwise do not constitute an offer to sell or purchase or subscribe for any securities or solicitation of any investments or investment services for the residents of Canada and/or the USA or any jurisdiction where such an offer or solicitation would be illegal.

Subject company(ies) may have been clients during the twelve months preceding the date of distribution of the research report. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by ASL and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments.

The information and opinions in this report have been prepared by Axis Securities and are subject to change without notice. The report and information contained herein are strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Axis Securities. The report must not be used as a singular basis for any investment decision. The views herein are of a general nature and do not consider the risk appetite, investment objective or the particular circumstances of an individual investor. The investor is requested to take into consideration all the risk factors, including their financial condition, suitability to risk return profile and the like and take professional advice before investing.

While we would endeavour to update the information herein on a reasonable basis, Axis Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Axis Securities from doing so. Non-rated securities indicate that the rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or Axis Securities policies, in circumstances where Axis Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained in good faith from public sources and sources believed to be reliable, but no independent verification has been made, nor is its accuracy or completeness guaranteed. This report and information herein are solely for informational purposes and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Axis Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and/or tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and the needs of the specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Axis Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see the Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Axis Securities or its associates might have managed or co-managed a public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months. Axis Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. Axis Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking, or brokerage services from the companies mentioned in the report in the past twelve months. Axis Securities encourages independence in research report preparation and strives to minimise conflict in the preparation of research reports. Axis Securities or its associates, or its analysts, did not receive any compensation or other benefits from the companies mentioned in the report or a third party in connection with the preparation of the research report. Accordingly, neither Axis Securities nor Research Analysts and/or their relatives have any material conflict of interest at the time of publication of this report. Please note that Axis Securities has a proprietary trading desk. This desk maintains an arm’s length distance from the Research team, and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Research Analyst may have served as an officer, director or employee of the subject company(ies). Axis Securities or Research Analysts, or their relatives, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report. Since associates of Axis Securities and Axis Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one per cent or more or other material conflicts of interest in various companies, including the subject company/companies mentioned in this report. Axis Securities may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report. Certain transactions-including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centre on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender/borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Axis Securities may have proprietary long/short positions in the above-mentioned scrip(s) and therefore may be considered as interested. This should not be construed as an invitation or solicitation to do business with Axis Securities. Axis Securities is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independently of the PCG research, and accordingly, PMS may have positions contrary to the PCG research recommendation.

This research report is issued in India by Axis Securities Limited in accordance with the Securities and Exchange Board of India (Research Analysts) Regulations, 2014. It is intended solely for persons residing in India. The report is not directed at or intended for distribution to, or use by, any person or entity resident in the United States of America, Canada, or in any jurisdiction where such distribution, publication, availability, or use would be contrary to applicable securities laws, including the U.S. Securities Exchange Act of 1934, regulations of the U.S. Securities and Exchange Commission (SEC), and regulations of the Canadian Securities Administrators (CSA).

RATING SCALE: Definitions of ratings

Ratings	**Expected absolute returns over 12 – 18 months**
BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward-looking estimates for the stock, but we refrain from assigning a valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events.
NO STANCE	We do not have any forward-looking estimates, valuations or recommendations for the stock.

Note: Returns stated in the rating scale are our internal benchmark.