

August 12, 2024

## Q1FY25 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,305		1,130	
Sales (Rs. m)	2,28,302	2,43,309	2,18,127	2,31,845
% Chng.	4.7	4.9		
EBITDA (Rs. m)	71,038	70,810	60,654	61,918
% Chng.	17.1	14.4		
EPS (Rs.)	51.9	52.2	43.8	45.1
% Chng.	18.4	15.7		

### Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. m)	1,72,374	1,95,474	2,28,302	2,43,309
EBITDA (Rs. m)	35,755	53,033	71,038	70,810
Margin (%)	20.7	27.1	31.1	29.1
PAT (Rs. m)	19,649	38,365	52,182	52,518
EPS (Rs.)	19.4	38.1	51.9	52.2
Gr. (%)	(11.3)	96.4	36.0	0.6
DPS (Rs.)	4.0	4.5	5.0	5.0
Yield (%)	0.3	0.3	0.4	0.4
RoE (%)	11.4	20.5	23.6	19.6
RoCE (%)	14.3	23.1	27.7	23.0
EV/Sales (x)	7.7	6.7	5.6	5.1
EV/EBITDA (x)	37.0	24.6	18.0	17.6
PE (x)	67.0	34.1	25.1	24.9
P/BV (x)	7.5	6.6	5.4	4.5

### Key Data ZYDU.BO | ZYDUSLIF IN

52-W High / Low		Rs.1,324 / Rs.568
Sensex / Nifty		79,706 / 24,368
Market Cap		Rs.1,309bn/ \$ 15,592m
Shares Outstanding		1,006m
3M Avg. Daily Value		Rs.1944.1m

### Shareholding Pattern (%)

Promoter's	74.98
Foreign	5.59
Domestic Institution	12.56
Public & Others	6.87
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	11.6	61.6	96.6
Relative	12.5	45.1	62.8

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## Strong quarter; sustainability of US sales is key

### Quick Pointers:

- Guided for 100-150bps margin improvement and double-digit growth in the US
- Contribution from gRevlimid increased QoQ.

**Zydu Lifesciences (ZYDUSLIF) Q1 EBITDA of Rs21.1bn (up 37% YoY) was 17% above our estimate aided by higher US sales. We believe the company's steady domestic franchise, strong balance sheet and potential new launches in the US will help negate pricing pressure and likely competition in some key products like gAsacol. Moreover, ZYDUSLIF is working on a robust pipeline of complex products, including injectables, transdermals, NCE, biosimilars and vaccines, which are expected to materialize over the next 2-3 years. Our FY25/26E EPS stands increased by 18.4%/15.7% for FY25E/26E as we factor in higher US sales and margins. We maintain our 'Accumulate' rating with revised TP of Rs1,305, valuing at 25x FY26E.**

- Strong revenue growth across key segments:** ZYDUSLIF showed revenue growth of 20% YoY to Rs60.5bn, above our estimates. Domestic formulation delivered growth of 12% YoY vs our estimate of 8% growth. Consumer business also grew strong by 21% YoY. US sales came in at \$371mn (our est. of \$330mn) vs USD 304mn in Q4FY24. The QoQ growth was aided by new launches like Mirabegron and gRevlimid. Emerging markets were up by 9% YoY. API markets remained flat YoY.
- Improved GM's, EBITDA beat est:** EBITDA, including other operating income, came in at Rs21bn vs our estimate of Rs18bn. GMs increased sharply by 360bps QoQ to 74.4% aided by high-value niche launches in the US. However, other expenses were sharply up by 35% YoY and 11% QoQ at Rs16.3bn as it included one-off legal expenses to the tune of Rs1.3bn. R&D expenses stood at Rs3.9bn (6.5% of revenue), up 21% YoY. Reported PAT at Rs14.2bn vs our est of Rs12.2bn.
- Key concall takeaways: India formulation:** Key therapies cardiology, gynecology, derma, respiratory, anti-infectives, and super specialty therapies oncology and nephrology performed better than IPM. Retained its leadership position in nephrology. Chronic portfolio share increased to 41.3%. Focus remains on participating in vaccines public tenders in CY27. Launched 10 new products, including line extensions with 3 first in India launches. Consumer health business delivered double-digit growth driven by 17% volume growth in key brands like Nycil and Everyuth. **US business:** Healthy performance both YoY and QoQ was on account of volume expansion and new product launches in the base portfolio. Contribution from gRevlimid increased QoQ. Launched 7 new products, including 505(b)(2) product Zituvimet<sup>TM</sup> and Mirabegron ER tablets. Received 6 ANDA approvals (2 tentative) and filed for 5 ANDAs. Guided for 25 new launches in FY25. Focus remains on scaling up of specialty business in the US. **Other highlights:** Guided for 100-150bps margin improvement and healthy double-digit growth in the US for FY25. Saroglitazar PBC filling to happen next year with expected launch in FY27. Competition to kick in for gAsacol HD by end-of FY25. Submitted response to USFDA in terms of remediation of Jarod facility in Q1FY25. R&D spend to remain at 8% levels. Capex stood at Rs 3bn. Repaid entire debt during Q1FY25. Net cash at Rs19bn.

**Exhibit 1: 1QFY25 Result Overview: Strong revenues, higher US sales aided beat**

Y/e March (Rs mn)	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
<b>Net Sales</b>	<b>62,075</b>	<b>51,396</b>	<b>20.8</b>	<b>55,338</b>	<b>12.2</b>	<b>195,474</b>	<b>173,459</b>	<b>12.7</b>
Raw Material	15,861	16,744	(5.3)	16,115	(1.6)	62,282	63,101	(1.3)
<i>% of Net Sales</i>	<i>25.6</i>	<i>32.6</i>		<i>29.1</i>		<i>31.9</i>	<i>36.4</i>	
Personnel Cost	8,835	7,304	21.0	8,370	5.6	31,376	27,656	13.5
<i>% of Net Sales</i>	<i>14.2</i>	<i>14.2</i>		<i>15.1</i>	<i>(5.9)</i>	<i>16.1</i>	<i>15.9</i>	
Others	16,287	12,024	35.5	14,601	11.5	48,783	45,862	6.4
<i>% of Net Sales</i>	<i>26.2</i>	<i>23.4</i>		<i>26.4</i>		<i>25.0</i>	<i>26.4</i>	
Total Expenditure	40,983	36,072	13.6	39,086	4.9	142,441	136,619	4.3
<b>EBITDA</b>	<b>21,092</b>	<b>15,324</b>	<b>37.6</b>	<b>16,252</b>	<b>29.8</b>	<b>53,033</b>	<b>36,840</b>	<b>44.0</b>
<i>Margin (%)</i>	<i>34.0</i>	<i>29.8</i>		<i>29.4</i>		<i>27.1</i>	<i>21.2</i>	
Depreciation	2,153	1,798	19.7	2,053	4.9	7,641	7,227	5.7
<b>EBIT</b>	<b>18,939</b>	<b>13,526</b>	<b>40.0</b>	<b>14,199</b>	<b>33.4</b>	<b>45,392</b>	<b>29,613</b>	<b>53.3</b>
Other Income	380	89	327.0	1,617	(76.5)	3,651	3,625	0.7
Interest	322	181	77.9	346	(6.9)	812	1,299	(37.5)
<b>PBT</b>	<b>18,997</b>	<b>13,434</b>	<b>41.4</b>	<b>15,470</b>	<b>22.8</b>	<b>48,231</b>	<b>31,939</b>	<b>51.0</b>
Extra-Ord. Inc./Exps.	-	142	(100.0)	-	#DIV/0!	142	6,042	(97.6)
Total Taxes	4,361	2,161	101.8	3,212	35.8	9,775	5,878	66.3
<i>ETR (%)</i>	<i>23.0</i>	<i>16.1</i>		<i>20.8</i>		<i>20.3</i>	<i>18.4</i>	
Minority interest	(437)	(252)		(467)		51	(370)	
<b>Reported PAT</b>	<b>14,199</b>	<b>10,879</b>	<b>30.5</b>	<b>11,791</b>	<b>20.4</b>	<b>38,365</b>	<b>19,649</b>	<b>95.3</b>

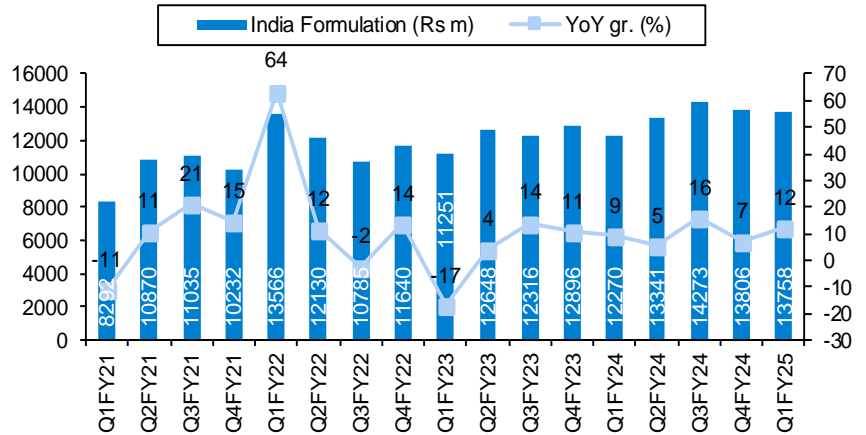
Source: Company, PL

**Exhibit 2: Growth performance driven by increased US and India biz**

Major Sources of Revenues	Q1FY25	Q1FY24	YoY gr. (%)	Q4FY24	QoQ gr. (%)	FY24	FY23	YoY gr. (%)
<b>Domestic</b>	<b>22,124</b>	<b>19,206</b>	<b>15.2</b>	<b>21,561</b>	<b>2.6</b>	<b>76,707</b>	<b>71,449</b>	<b>7.4</b>
<i>% of Net Sales</i>	<i>36.6</i>	<i>38.0</i>		<i>40.2</i>		<i>44.2</i>	<i>45.9</i>	
Formulation	13,758	12,270	12.1	13,806	(0.3)	53,690	49,111	9.3
<i>% of Net Sales</i>	<i>22.8</i>	<i>24.3</i>		<i>25.7</i>		<i>30.9</i>	<i>31.6</i>	
Consumer HC & Others	8,366	6,936	20.6	7,755	7.9	23,017	22,338	3.0
<i>% of Net Sales</i>	<i>13.8</i>	<i>13.7</i>		<i>14.5</i>		<i>13.2</i>	<i>14.4</i>	
<b>Exports</b>	<b>38,341</b>	<b>31,322</b>	<b>22.4</b>	<b>32,103</b>	<b>19.4</b>	<b>97,014</b>	<b>84,096</b>	<b>15.4</b>
<i>% of Net Sales</i>	<i>63.4</i>	<i>62.0</i>		<i>59.8</i>		<i>55.8</i>	<i>54.1</i>	
<b>Formulation</b>	<b>36,238</b>	<b>29,434</b>	<b>23.1</b>	<b>30,195</b>	<b>20.0</b>	<b>89,651</b>	<b>77,011</b>	<b>16.4</b>
<i>% of Net Sales</i>	<i>59.9</i>	<i>58.3</i>		<i>56.3</i>		<i>51.6</i>	<i>49.5</i>	
North America	30,929	24,541	26.0	25,235	22.6	86,851	74,451	16.7
EU & LatAM	5,309	4,893	8.5	4,960	7.0	2,800	2,560	9.4
API	1,415	1,389	1.9	1,436	(1.5)	5,658	5,473	3.4
JV	688	499	37.9	472	45.8	1,705	1,612	5.8

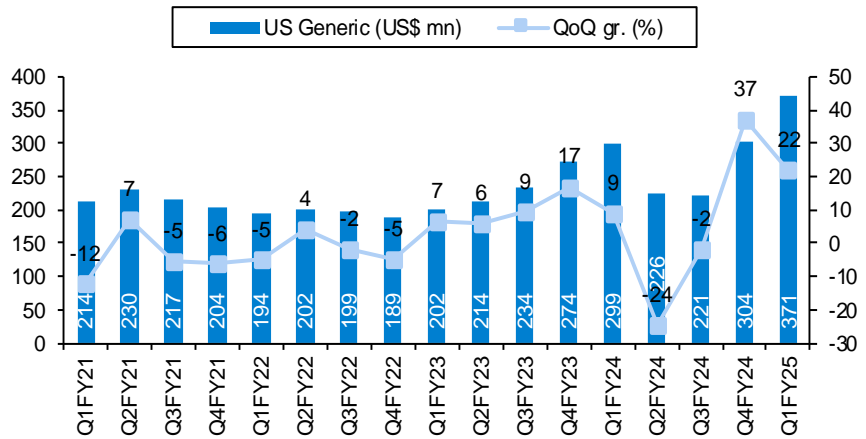
Source: Company, PL

**Exhibit 3: Momentum continues supported by chronic portfolio**



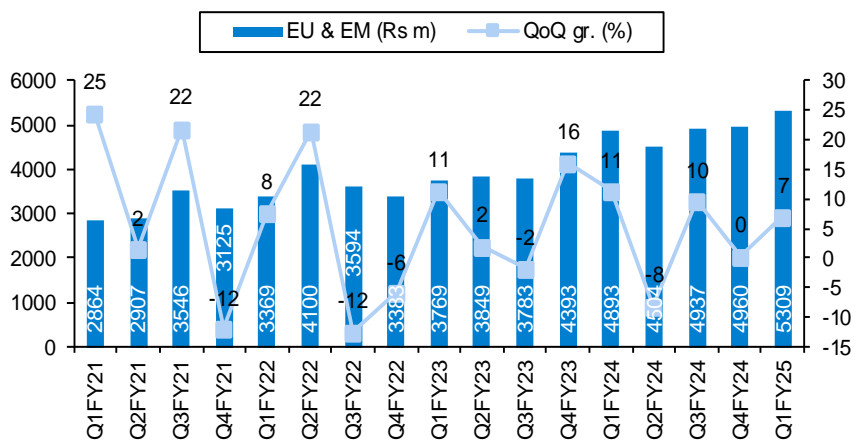
Source: Company, PL

**Exhibit 4: New launches as well as base biz aided growth**



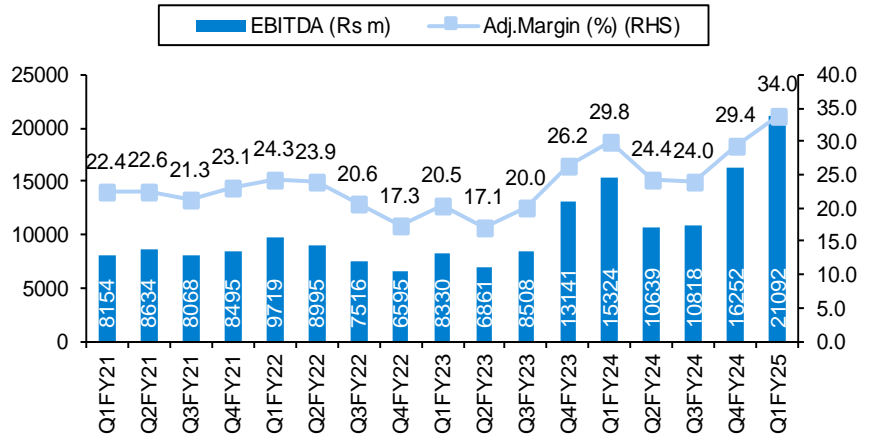
Source: Company, PL

**Exhibit 5: Strong demand scenario across geographies**



Source: Company, PL

Exhibit 6: Better product mix with higher gRevlimid & Mirabegron sales



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>1,72,374</b>	<b>1,95,474</b>	<b>2,28,302</b>	<b>2,43,309</b>
YoY gr. (%)	14.1	13.4	16.8	6.6
Cost of Goods Sold	63,101	62,282	68,243	76,728
Gross Profit	1,09,273	1,33,192	1,60,059	1,66,581
Margin (%)	63.4	68.1	70.1	68.5
Employee Cost	27,656	31,376	36,082	39,691
Other Expenses	8,937	8,895	9,587	10,320
<b>EBITDA</b>	<b>35,755</b>	<b>53,033</b>	<b>71,038</b>	<b>70,810</b>
YoY gr. (%)	12.2	48.3	34.0	(0.3)
Margin (%)	20.7	27.1	31.1	29.1
Depreciation and Amortization	7,227	7,641	8,023	8,424
<b>EBIT</b>	<b>28,528</b>	<b>45,392</b>	<b>63,015</b>	<b>62,385</b>
Margin (%)	16.6	23.2	27.6	25.6
Net Interest	1,299	812	600	300
Other Income	4,710	3,651	2,750	3,500
<b>Profit Before Tax</b>	<b>25,897</b>	<b>48,089</b>	<b>65,165</b>	<b>65,585</b>
Margin (%)	15.0	24.6	28.5	27.0
Total Tax	5,878	9,775	13,033	13,117
Effective tax rate (%)	22.7	20.3	20.0	20.0
<b>Profit after tax</b>	<b>20,019</b>	<b>38,314</b>	<b>52,132</b>	<b>52,468</b>
Minority interest	1,316	1,133	1,150	1,150
Share Profit from Associate	946	1,184	1,200	1,200
<b>Adjusted PAT</b>	<b>19,649</b>	<b>38,365</b>	<b>52,182</b>	<b>52,518</b>
YoY gr. (%)	(12.4)	95.3	36.0	0.6
Margin (%)	11.4	19.6	22.9	21.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>19,649</b>	<b>38,365</b>	<b>52,182</b>	<b>52,518</b>
YoY gr. (%)	(12.4)	95.3	36.0	0.6
Margin (%)	11.4	19.6	22.9	21.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	19,649	38,365	52,182	52,518
<b>Equity Shares O/s (m)</b>	<b>1,012</b>	<b>1,006</b>	<b>1,006</b>	<b>1,006</b>
<b>EPS (Rs)</b>	<b>19.4</b>	<b>38.1</b>	<b>51.9</b>	<b>52.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>1,81,922</b>	<b>2,10,452</b>	<b>2,22,452</b>	<b>2,37,452</b>
Tangibles	93,299	1,07,931	1,14,085	1,21,778
Intangibles	88,623	1,02,521	1,08,367	1,15,674
<b>Acc: Dep / Amortization</b>	<b>66,008</b>	<b>73,649</b>	<b>81,672</b>	<b>90,096</b>
Tangibles	45,897	51,209	56,788	62,646
Intangibles	20,111	22,440	24,884	27,451
<b>Net fixed assets</b>	<b>1,15,914</b>	<b>1,36,803</b>	<b>1,40,780</b>	<b>1,47,356</b>
Tangibles	47,403	56,722	57,297	59,133
Intangibles	68,511	80,081	83,483	88,223
Capital Work In Progress	11,302	11,115	11,115	11,115
Goodwill	-	-	-	-
Non-Current Investments	15,466	12,205	12,205	12,205
Net Deferred tax assets	10,680	11,977	11,977	11,977
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	34,133	34,419	43,186	46,104
Trade receivables	44,168	52,202	58,610	62,570
Cash & Bank Balance	5,731	11,051	37,449	67,132
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>2,44,940</b>	<b>2,76,366</b>	<b>3,23,773</b>	<b>3,68,954</b>
<b>Equity</b>				
Equity Share Capital	1,012	1,006	1,006	1,006
Other Equity	1,74,146	1,97,289	2,43,406	2,89,860
<b>Total Networkth</b>	<b>1,75,158</b>	<b>1,98,295</b>	<b>2,44,412</b>	<b>2,90,866</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	6,372	7,045	7,045	7,045
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	11,632	7,686	4,686	1,686
Trade payables	21,250	21,267	25,557	27,284
Other current liabilities	19,483	31,329	31,329	31,329
<b>Total Equity &amp; Liabilities</b>	<b>2,44,940</b>	<b>2,76,366</b>	<b>3,23,773</b>	<b>3,68,954</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	37,621	55,874	74,038	74,310
Add. Depreciation	7,227	7,641	8,023	8,424
Add. Interest	1,299	812	600	300
Less Financial Other Income	4,710	3,651	2,750	3,500
Add. Other	(10,981)	(8,553)	(8,873)	(8,724)
Op. profit before WC changes	35,166	55,774	73,788	74,310
Net Changes-WC	(2,358)	(8,711)	(10,886)	(5,151)
Direct tax	(5,920)	(12,858)	(13,033)	(13,117)
<b>Net cash from Op. activities</b>	<b>26,888</b>	<b>34,205</b>	<b>49,870</b>	<b>56,041</b>
Capital expenditures	(10,309)	(9,066)	(12,000)	(15,000)
Interest / Dividend Income	-	-	-	-
Others	11,822	(3,173)	-	-
<b>Net Cash from Inv. activities</b>	<b>1,513</b>	<b>(12,239)</b>	<b>(12,000)</b>	<b>(15,000)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	(27,944)	(4,274)	(4,857)	(5,043)
Dividend paid	(2,671)	(6,210)	(6,015)	(6,015)
Interest paid	(1,299)	(812)	(600)	(300)
Others	(1,825)	(5,350)	-	-
<b>Net cash from Fin. activities</b>	<b>(33,739)</b>	<b>(16,646)</b>	<b>(11,472)</b>	<b>(11,358)</b>
<b>Net change in cash</b>	<b>(5,338)</b>	<b>5,320</b>	<b>26,398</b>	<b>29,683</b>
Free Cash Flow	16,579	25,139	37,870	41,041

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25
<b>Net Revenue</b>	<b>43,688</b>	<b>45,052</b>	<b>55,338</b>	<b>62,075</b>
YoY gr. (%)	9.1	5.8	10.4	20.8
Raw Material Expenses	14,738	14,685	16,115	15,861
Gross Profit	28,950	30,367	39,223	46,214
Margin (%)	66.3	67.4	70.9	74.4
<b>EBITDA</b>	<b>10,639</b>	<b>10,818</b>	<b>16,252</b>	<b>21,092</b>
YoY gr. (%)	55.1	27.2	23.7	37.6
Margin (%)	24.4	24.0	29.4	34.0
Depreciation / Depletion	1,842	1,948	2,053	2,153
<b>EBIT</b>	<b>8,797</b>	<b>8,870</b>	<b>14,199</b>	<b>18,939</b>
Margin (%)	20.1	19.7	25.7	30.5
Net Interest	87	198	346	322
Other Income	540	377	1,564	632
<b>Profit before Tax</b>	<b>9,250</b>	<b>9,049</b>	<b>15,417</b>	<b>19,249</b>
Margin (%)	21.2	20.1	27.9	31.0
Total Tax	2,264	2,138	3,212	4,361
Effective tax rate (%)	24.5	23.6	20.8	22.7
<b>Profit after Tax</b>	<b>6,986</b>	<b>6,911</b>	<b>12,205</b>	<b>14,888</b>
Minority interest	(209)	(561)	467	437
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>7,195</b>	<b>7,472</b>	<b>11,738</b>	<b>14,451</b>
YoY gr. (%)	85.5	44.4	228.5	29.6
Margin (%)	16.5	16.6	21.2	23.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>7,195</b>	<b>7,472</b>	<b>11,738</b>	<b>14,451</b>
YoY gr. (%)	85.5	44.4	228.5	29.6
Margin (%)	16.5	16.6	21.2	23.3
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>7,195</b>	<b>7,472</b>	<b>11,738</b>	<b>14,451</b>
Avg. Shares O/s (m)	1,024	1,025	1,025	1,025
<b>EPS (Rs)</b>	<b>7.8</b>	<b>7.5</b>	<b>11.5</b>	<b>13.9</b>

Source: Company Data, PL Research

**Key Financial Metrics**

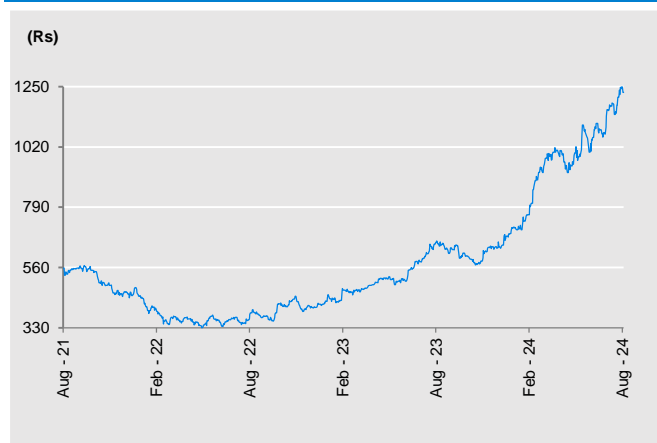
Y/e Mar	FY23	FY24	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	19.4	38.1	51.9	52.2
CEPS	26.6	45.7	59.8	60.6
BVPS	173.1	197.1	243.0	289.1
FCF	16.4	25.0	37.6	40.8
DPS	4.0	4.5	5.0	5.0
<b>Return Ratio(%)</b>				
RoCE	14.3	23.1	27.7	23.0
ROIC	11.9	17.1	22.0	20.7
RoE	11.4	20.5	23.6	19.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	0.0	(0.1)	(0.2)
Net Working Capital (Days)	121	122	122	122
<b>Valuation(x)</b>				
PER	67.0	34.1	25.1	24.9
P/B	7.5	6.6	5.4	4.5
P/CEPS	49.0	28.4	21.7	21.5
EV/EBITDA	37.0	24.6	18.0	17.6
EV/Sales	7.7	6.7	5.6	5.1
Dividend Yield (%)	0.3	0.3	0.4	0.4

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY23	FY24	FY25E	FY26E
US Formulations	74,451	86,851	1,06,588	1,08,525
Domestic Formulations	49,110	53,690	59,596	66,151
Consumer Healthcare	22,338	23,017	26,239	29,388
Export Formulations (ex-US)	15,794	19,294	21,579	24,135
API	5,473	5,658	6,224	6,846
Income from JVs	1,612	1,705	1,876	2,063

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jul-24	Accumulate	1,130	1,162
2	20-May-24	Accumulate	1,130	1,104
3	08-Apr-24	Accumulate	855	1,007
4	11-Feb-24	Accumulate	855	804
5	08-Jan-24	Accumulate	670	714
6	08-Nov-23	Accumulate	670	599
7	07-Oct-23	Accumulate	650	604

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Apollo Hospitals Enterprise	BUY	7,050	6,335
2	Aster DM Healthcare	BUY	400	368
3	Aurobindo Pharma	Accumulate	1,300	1,304
4	Cipla	Accumulate	1,680	1,575
5	Divi's Laboratories	Accumulate	5,000	4,991
6	Dr. Reddy's Laboratories	Reduce	6,000	6,879
7	Eris Lifesciences	BUY	1,250	1,128
8	Fortis Healthcare	BUY	515	460
9	Glenmark Pharmaceuticals	Reduce	570	1,017
10	HealthCare Global Enterprises	BUY	420	377
11	Indoco Remedies	Accumulate	320	322
12	Ipca Laboratories	Reduce	1,150	1,193
13	J.B. Chemicals & Pharmaceuticals	BUY	1,920	1,743
14	Jupiter Life Line Hospitals	BUY	1,360	1,330
15	Krishna Institute of Medical Sciences	BUY	2,200	2,135
16	Lupin	Hold	1,675	1,770
17	Max Healthcare Institute	BUY	975	916
18	Narayana Hrudayalaya	BUY	1,350	1,218
19	Sun Pharmaceutical Industries	BUY	1,885	1,715
20	Sunteck Realty	BUY	600	471
21	Torrent Pharmaceuticals	Accumulate	3,300	3,162
22	Zydus Lifesciences	Accumulate	1,130	1,162

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly





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