

## A warehouse of value creators

- Stronger and more sustainable earnings post-merger
- Key catalysts are rising utilization rates for warehouses and no of trips for transportation & distribution
- Maintain BUY and a TP of THB10.0

### Thailand's leading logistics and warehouse & yard

As one of Thailand's largest operators in logistics industry with business network covering from warehouse & yard, transportation & distribution, other logistics, both in Thailand and overseas market, SJWD now is at the turning point for growth, premised on three key drivers of 1) rising utilization rates of its most lucrative business of warehouse & yard; 2) the cost reduction for transportation & distribution, and 3) the growing demands for other logistics and overseas market expansions.

### Merger for synergy and growth roadmap

Since the merger of SCG Logistics (SGL) and JWD to become SJWD in Oct-22, SJWD's quarterly net profits have grown from THB154m in 2Q22 to THB258m in 3Q25 with the peak quarterly net profit of THB515m in 2Q24. The strong and sustained net profit growth momentum is driven by the 1) well-diversified logistics business portfolio; 2) the solid portfolio of high-margin assets warehouse and yard (1/3 of gross profit) and, 30% gross profit margin); and 3) synergy with SCG group in logistics business.

### Warehouse & yard is the growth crown jewel

Warehouse & yard (WY) is undoubtedly SJWD's business crown jewel, commanding the highest gross profit margin (GPM) at 30% in 9M25, far higher than 13.9% SJWD's companywide GPM with transportation & distribution business coming second in term of gross profit contribution (gross profit contribution 33%, GPM 9%) and other logistics in term of GPM (gross profit contribution 5%, GPM 22%).

### Growth on rising utilization rate for warehouses & yard

We project net profit to decline marginally from THB1.119b in 2024 to THB1.114b, mainly due to the absence of non-recurring gain, but expect core net profit to grow from THB812m in 2024 to THB1.14b in 2025, rising further to THB1.3b in 2026 and THB1.36b in 2027 on the net profit growths from WY and TD.

### Maintain BUY and TP at THB10

Our TP remains at THB10, reflecting 13.9x 2026E P/E, led by 20x P/E for WY, 15x for other logistics, both with commanding high GPM at 30% for WY and 22% for other logistics. For the low-margin business, we apply low forward P/E at 7-8x on TD, overseas, and other businesses to reflect their low growth outlook and low margins. We derived our TP using SoTP method to reflect the different risk-reward outlook for SJWD's each business segment, reflecting by individual GPM and growth potentials in the next three years.

#### Analyst

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ESG Rating : AAA

CG Rating : 

### BUY

<b>Target Price 12M (THB)</b>	<b>10.00</b>
VS. BB Consensus TP (%)	-22.1%
Share Price (THB)	7.15
Upside/Downside	+39.9%

#### Share Data

Market Cap (THB m)	12,948.80
Par (THB)	0.50
Free Float (%)	26.37
Issued shares (m shares)	1,811

#### Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	24,504	25,430	26,462	27,492
Net profit	1,119	1,138	1,301	1,359
Core net profit	812	1,138	1,301	1,359
vs Consensus (%)	-	1.8	5.1	1.4
Net profit growth (%)	47.0	1.7	14.2	4.5
Core net profit growth (%)	2.8	40.2	14.2	4.5
EPS (THB)	0.62	0.63	0.72	0.75
Core EPS (THB)	0.45	0.63	0.72	0.75
Chg in core EPS (%)	-	15.48	19.01	13.13
DPS (THB)	0.28	0.31	0.36	0.38
P/E (x)	26.54	11.37	9.96	9.53
P/BV (x)	1.30	0.55	0.53	0.52
ROE (%)	3.59	4.91	5.45	5.53
Dividend yield (%)	1.71	4.40	5.02	5.25

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	5.15	(13.86)	(9.49)	(3.38)
Market	(0.07)	(15.61)	(17.01)	(7.62)
12M High/Low (THB)				10.80 / 5.75



#### Major Shareholders (%) as of 29 Aug 2025

SCG CEMENT-BUILDING MATERIALS	29.70
SCG DISTRIBUTION CO., LTD	13.20
MR. CHARVANIN BUNDITKITSADA	11.32

#### Company Profile

The Company is one of ASEAN top specialized logistics and supply chain solutions service provider which can be classified into 2 core business units: 1. Logistics and Supply Chain Services such as warehouse and automotive yard management, goods transportation and distribution (B2B, D2C, Cross Border, Multimodal Transport 2. Other businesses.

Source: SETSMART, SET

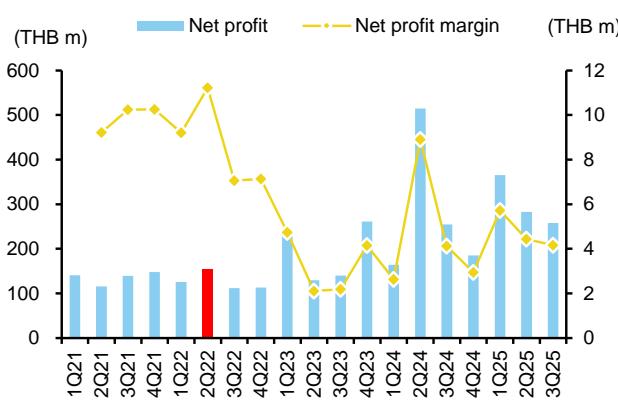
## A warehouse of value creators

### Merger for synergy and growth roadmap

Since the merger of SCG Logistics (SGL) and JWD to become SJWD in Oct-22, SJWD's quarterly net profits have grown from THB154m in 2Q22 to THB258m in 3Q25 with the peak quarterly net profit of THB515m in 2Q24. The strong and sustained net profit growth momentum is driven by the 1) well-diversified logistics business portfolio; 2) the solid portfolio of high-margin assets warehouse and yard (1/3 of gross profit) and, 30% gross profit margin); and 3) synergy with SCG group in logistics business.

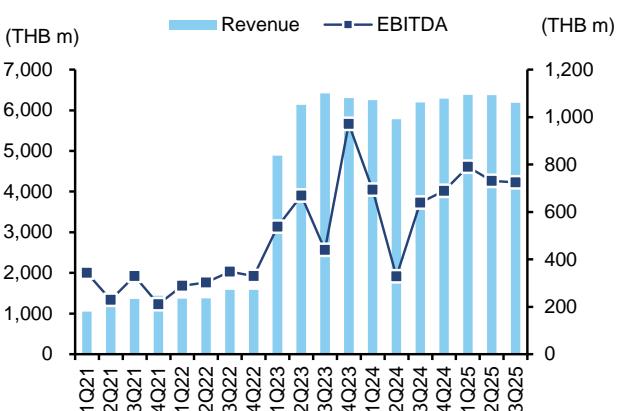
As one of Thailand's largest operators in logistics industry with business network covering from warehouse & yard, transportation & distribution, other logistics, both in Thailand and overseas market, SJWD now is at the turning point for growth, premised on three key drivers of 1) rising utilization rates of its most lucrative business of warehouse & yard; 2) the cost reduction for transportation & distribution, and 3) the growing demands for other logistics and overseas market expansions.

**Exhibit 1: Quarterly net profit vs net profit margin**



Sources: SJWD; Globlex Research

**Exhibit 2: Quarterly net profit vs EBITDA**

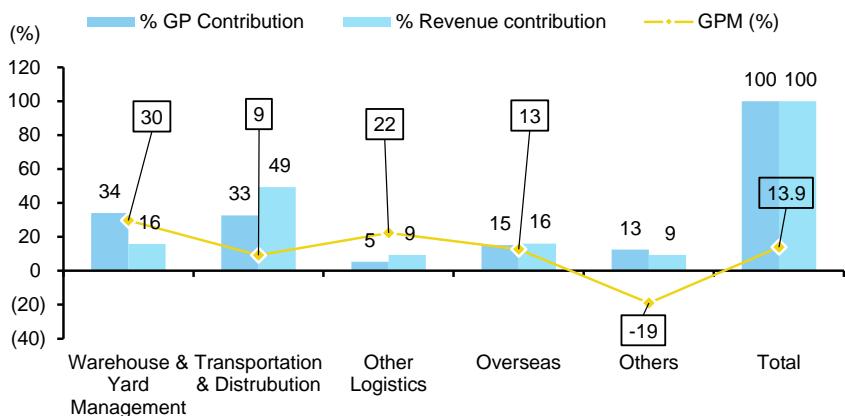


Sources: SJWD; Globlex Research

### Warehouse & yard: the crown jewel for growth

Warehouse & yard (WY) is undoubtedly SJWD's business crown jewel, commanding the highest gross profit margin (GPM) at 30% in 9M25, far higher than 13.9% SJWD's companywide GPM with transportation & distribution business coming second in term of gross profit contribution (gross profit contribution 33%, GPM 9%) and other logistics in term of GPM (gross profit contribution 5%, GPM 22%).

**Exhibit 3: % contributions to revenue and GP by segment vs GPM (9M25)**



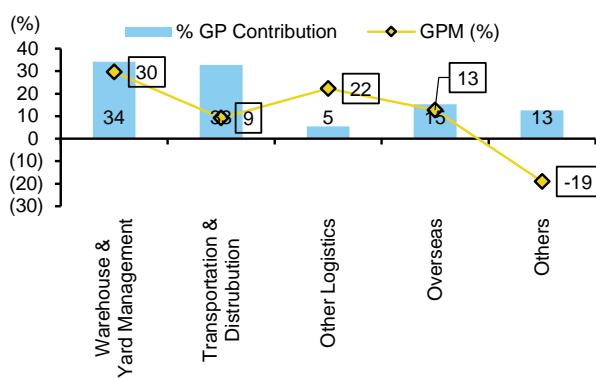
Sources: SJWD; Globlex Research

Thanks to WY's unique business model, which comprises four high-entry barrier segments if cold chain warehouse, automotive yard, dangerous goods, and general goods, the GPM at 30% is the blended of

**Cold storages (gross profit contribution 32% of WY, GPM 34%):** The key drivers from the frozen food is its high demand due to the price fluctuations that require poultry and seafood exporters to store their inventory at higher levels ahead of the growing export demands.

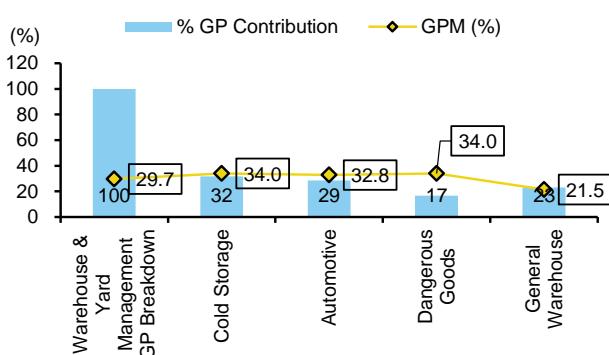
The cold storage business commands high GPM at 34% is made possible by the advanced technology of the innovative plastics material called "Chillox", the temperature stabilizer using technology created by "i2P" R&D unit of SCG group. Given electricity cost accounting for over 45% of cold storage's total cost, the Chillox technology has proven to save electricity cost for SJWD by 3-5%.

**Exhibit 4: SJWD's GP breakdown and GPM by segment in 9M25**



Sources: SJWD; Globlex Research

**Exhibit 5: Warehouse & Yard Management GP Breakdown in 9M25**



Sources: SJWD; Globlex Research

**Automotive warehouse & yard (gross profit contribution 29%, GPM 33%):**

With 33% GPM and high utilization rate of 93%, the automotive warehouse and yard unit has continued to generate high gross profit contribution to SJWD at 29% of WY segment, second only to cold storage. The key competitive advantage of this high-margin business is its “first-mover” advantage to secure the license and land for the warehouse and operations with proximity to the deep-sea port.

**Dangerous goods warehouse (gross profit contribution 17%, GPM 34%):** This unit is a unique business with the high entry barrier requiring proven expertise and hard-to-secure license for such dangerous products to handle for logistics and storage in the proper safety practices. Yet the growth in this business is limited.

**General warehouse (gross profit contribution 23%, GPM 22%):** Operating in a JV structure, the general warehouse business has continued to grow to serve demand growths in many sectors. Such a high demand is best reflected in SJWD's high utilization rate of 94.5% in 3Q25, up from 92.8% in 2Q25 and 91.3% in 3Q24.

**Exhibit 6: WY business breakdown**

Warehouse & Yard Management (9M25)	Revenue (THB m)	Utilization rate (%)	GPM (%)
Cold Storage	840	66	34
Automotive	784	93	33
Dangerous Goods	445	na	34
General Warehouse	968	95	22
<b>Total WY</b>	<b>3,036</b>		<b>30</b>

Sources: SJWD; Globlex Research

**Transportation & distribution: SCG synergy is key**

The main reason for the merger of SCGL and JWD in Oct-22 is the synergy potential in the Transportation & Distribution (TD) segment as JWD could swiftly access the large pool of demands for construction material logistics under SCG group, mainly cement, under the B2B transportation, which contributes 60% of TD's gross profit contribution but at a low GPM 8.2%. Hence, the key driver for the net profit growth in TD will come mainly from the synergy for cost reductions via the improving operational efficiency and cost optimization.

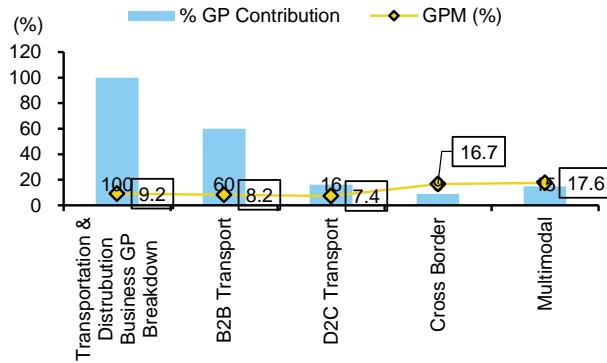
The other businesses under TD (D2C transport, cross border, multimodal), which contribute 40% of gross profit in TD, will be driven by the number of trips (D2C, cross border) and the volume in mt for multimodal business, which has seen high growth in the past few quarters. Yet TD is a business with high volume and sales but low margins and hence we see TD as a cash cow, limited organic growth segment, not a strong growth engine for SJWD.

**Exhibit 7: TD business breakdown**

Transportation & Distribution Business (9M25)	Revenue (THB m)	GPM (%)	Key operational metrics (3Q25)	
B2B Transport	6,335	34	No. of trip	264,655
D2C Transport	1,890	33	No. of trip	152,465
Cross Border	467	34	No. of trip	8,348
Multimodal	729	22	mt	2.82
<b>Total TD</b>	<b>9,422</b>	<b>8</b>		

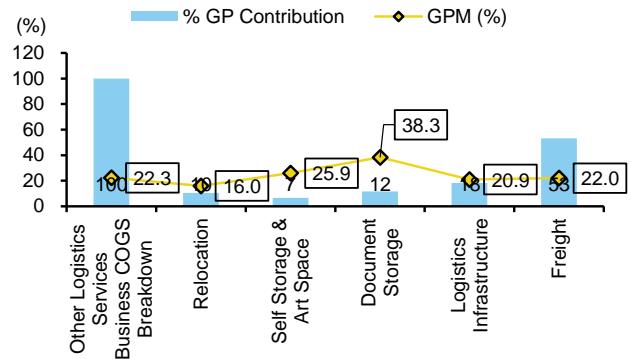
Sources: SJWD; Globlex Research

**Exhibit 8: Transportation & Distribution Business GP Breakdown**



Sources: SJWD; Globlex Research

**Exhibit 9: Other Logistics Services Business GP breakdown**



Sources: SJWD; Globlex Research

## EPS lifts on superior margins and sustainability

With stronger-than-expected 9M25 net profit of THB906m and the strong net profit outlook, we revised up our EPS forecasts in 2025E-27E by 13%-16% to incorporate higher GPM assumptions for warehouse & yard (higher utilization rates), for transportation & distribution (higher number of trips and lower cost structure on synergy with SCG and improving operating leverage), and higher revenue streams from M&Ps in overseas markets, all more than timely offsetting the weaker revenues from cross border business.

**Exhibit 10: Key changes in assumptions and EPS forecasts**

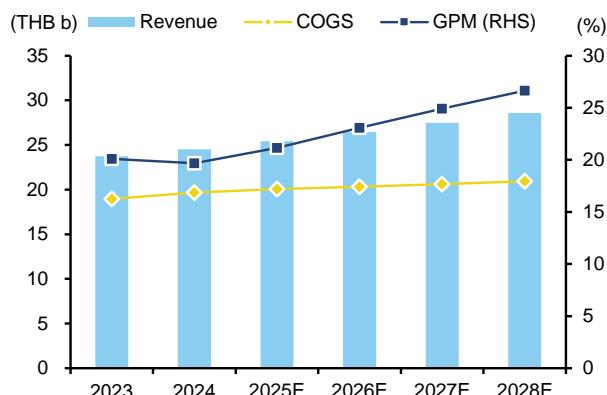
THB m	Current			Previous			Change (%)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenue	25,430	26,462	27,492	25,430	26,419	27,476	0.0	0.2	0.1
Gross profit	5,544	6,322	7,012	5,381	6,099	6,849	3.0	3.6	2.4
Operating profit	1,074	1,307	1,409	911	1,089	1,248	17.9	20.1	12.9
Net profit	1,138	1,301	1,362	986	1,093	1,204	15.5	19.0	13.1
EPS (THB/share)	0.63	0.72	0.75	0.54	0.60	0.67	15.5	19.0	13.1

Sources: SJWD; Globlex Research

We project net profit to decline marginally from THB1.119b in 2024 to THB1.114b, mainly due to the absence of non-recurring gain, but expect core net profit to grow from THB812m in 2024 to THB1.14b in 2025, rising further to THB1.3b in 2026 and THB1.36b in 2027 on the net profit growths from WY and TD.

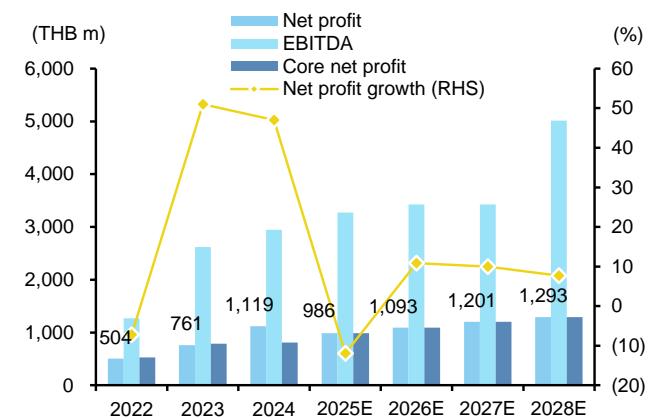
We highlight that the net profit growth of 3-year 19% CAGR in 2024-27E will accelerate in 2025 (+40.2% y-y), before slowing down in 2026 (+14.2% y-y), and 2027 (+4.5% y-y) as we conservatively project the rises in utilization rates of WY and the number of trips and the cost savings to be normalized in 2026-27 after jumping in 2025.

### Exhibit 11: Revenue, COGS, GPM



Sources: SJWD; Globlex Research

### Exhibit 12: Net profit, core net profit, EBITDA vs net profit growth



Sources: SJWD; Globlex Research

It is worth noting that after the merger of JWD (low volume and high margin business) and SCGL (high volume and low margin) in Oct-22, SJWD has successfully improved its financial performance in all metrics. After bottoming in 2024 with asset turnover at 0.56x, NPM at 3.3%, and financial leverage at 1.9x to create ROE at 3.6%, SJWD has succeeded in improving ROE to 4.9% in 2025 and is projected to rise further to 5.4% in 2026 and 5.5% in 2027 on improving asset turnover from 0.56x in 2024 to 0.59x in 2027, NPM from 3.3% in 2024 to 4.9% in 2027, with flat leverage at 1.9x in 2024-27.

### Exhibit 13: Dupont analysis

	2023 (THB m)	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)
Sales	23,732	24,504	25,430	26,462	27,492
Total assets	39,198	44,036	44,829	45,743	46,636
Asset Turnover (x)	0.61	0.56	0.57	0.58	0.59
Operating profit	1,024	827	1,074	1,307	1,408
OPM (%)	4.3	3.4	4.2	4.9	5.1
Net profit	790	812	1,138	1,301	1,359
NPM (%)	3.3	3.3	4.5	4.9	4.9
Shareholders' equity	12,724	22,603	23,191	23,872	24,592
Leverage	3.1	1.9	1.9	1.9	1.9
ROE (%)	6.2	3.6	4.9	5.4	5.5

Sources: SJWD; Globlex Research

## Main BUY and a TP of THB10

We derived our TP using SoTP method to reflect the different risk-reward outlook for SJWD's each business segment, reflecting by individual GPM and growth potentials in the next three years.

Our TP remains at THB10, reflecting 13.9x 2026E P/E, led by 20x P/E for WY, 15x for other logistics, both with commanding high GPM at 30% for WY and 22% for other logistics. For the low-margin business, we apply low forward P/E at 7-8x on TD, overseas, and other businesses to reflect their low growth outlook and low margins.

### Exhibit 14: SoTP valuation

	Gross profit (THB m)	% GP (%)	Net profit (THB m)	EPS (THB/share)	P/E (x)	Value (THB/share)
Warehouse & Yard Management Business	1,541	40	524	0.29	20.0	5.8
Transportation & Distribution Business	1,182	31	402	0.22	8.0	1.8
Other Logistics Business	586	15	199	0.11	15.0	1.7
Overseas Business	474	12	161	0.09	8.0	0.7
Other Businesses	38	1	13	0.01	7.0	0.1
Headquarter and shared SG&A expenses	(204)	0	0	0	0.0	0.0
Interest, tax, and other expenses	0	0	(622)	0	0.0	0.0
<b>Total</b>	<b>3,821</b>	<b>100</b>	<b>1,301</b>	<b>0.72</b>	<b>13.9</b>	<b>10.0</b>

Sources: SJWD; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Current assets</b>					
Cash & ST investment	1,492	2,414	458	(821)	(1,563)
Account receivable	2,976	3,332	3,701	4,084	4,483
Inventories	134	84	85	86	88
Others	1,381	772	802	834	867
<b>Non-current assets</b>					
Net fixed assets	8,183	8,898	11,247	13,023	14,225
Others	25,032	28,536	28,536	28,536	28,536
<b>Total Assets</b>	<b>39,198</b>	<b>44,036</b>	<b>44,829</b>	<b>45,743</b>	<b>46,636</b>
<b>Current liabilities</b>					
Account payable	3,083	3,176	3,209	3,258	3,307
ST borrowing	1,532	1,935	1,935	1,935	1,935
Others	186	1,323	1,373	1,428	1,484
<b>Long-term liabilities</b>					
Long-term debts	10,360	10,480	10,480	10,480	10,480
Others	732	3,211	3,211	3,211	3,211
<b>Total liabilities</b>	<b>15,893</b>	<b>20,124</b>	<b>20,208</b>	<b>20,312</b>	<b>20,417</b>
Paid-up capital	905	905	905	905	905
Retained earnings	976	1,702	2,333	3,064	3,773
Others	20,448	20,268	20,268	20,268	20,268
Minority interest	975	1,037	1,115	1,193	1,271
<b>Shareholders' equity</b>	<b>23,305</b>	<b>23,912</b>	<b>24,622</b>	<b>25,431</b>	<b>26,218</b>
<b>Key ratios</b>					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Growth (y-y%)</b>					
Sales	302.1	3.3	3.8	4.1	3.9
Operating profit	106.4	(10.2)	27.7	26.9	17.7
EBITDA	106.4	(10.2)	27.7	26.9	17.7
Net profit	51.0	47.0	1.7	14.2	4.5
Core net profit	49.5	2.8	40.2	14.2	4.5
EPS	(15.0)	47.0	1.7	14.2	4.5
Core EPS	(15.8)	2.8	40.2	14.2	4.5
<b>Profitability (%)</b>					
Gross margin	20.1	19.7	21.8	23.9	25.5
Operation margin	11.0	9.6	11.8	14.4	16.3
EBITDA margin	11.0	9.6	11.8	14.4	16.3
Net margin	3.2	4.6	4.5	4.9	4.9
ROE	6.2	3.6	4.9	5.4	5.5
ROA	3.0	2.0	2.6	2.9	2.9
<b>Stability</b>					
Interest bearing debt/equity (x)	0.5	0.5	0.5	0.5	0.5
Net debt/equity (x)	0.4	0.4	0.5	0.5	0.5
Interest coverage (x)	2.2	1.3	1.6	1.9	2.0
Interest & ST debt coverage (x)	0.5	0.3	0.4	0.5	0.5
Cash flow interest coverage (x)	0.0	0.2	0.1	0.2	0.2
Current ratio (x)	1.2	1.0	0.8	0.6	0.6
Quick ratio (x)	0.9	0.9	0.6	0.5	0.4
Net debt (THB m)	10,401	10,001	11,957	13,236	13,978
<b>Activity</b>					
Asset turnover (X)	0.9	0.6	0.6	0.6	0.6
Days receivables	30.6	47.0	50.5	53.7	56.9
Days inventory	2.9	2.0	1.6	1.6	1.5
Days payable	46.0	58.0	58.6	58.6	58.5
Cash cycle days	(12.6)	(9.0)	(6.6)	(3.4)	(0.1)

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	23,732	24,504	25,430	26,462	27,492
Cost of goods sold	(18,966)	(19,679)	(19,886)	(20,140)	(20,480)
<b>Gross profit</b>	<b>4,766</b>	<b>4,825</b>	<b>5,544</b>	<b>6,322</b>	<b>7,012</b>
Operating expenses	(2,149)	(2,474)	(2,543)	(2,514)	(2,529)
<b>Operating profit</b>	<b>2,617</b>	<b>2,350</b>	<b>3,001</b>	<b>3,808</b>	<b>4,482</b>
<b>EBIT</b>	<b>1,024</b>	<b>827</b>	<b>1,074</b>	<b>1,307</b>	<b>1,408</b>
Depreciation	(1,593)	(1,523)	(1,927)	(2,501)	(3,075)
<b>EBITDA</b>	<b>2,617</b>	<b>2,350</b>	<b>3,001</b>	<b>3,808</b>	<b>4,482</b>
<b>Non-operating income</b>	<b>213</b>	<b>192</b>	<b>222</b>	<b>163</b>	<b>125</b>
Other incomes	150	142	145	148	151
Other non-op income	63	49	77	15	(26)
<b>Non-operating expense</b>	<b>(471)</b>	<b>(660)</b>	<b>(673)</b>	<b>(687)</b>	<b>(701)</b>
Interest expense	(471)	(660)	(673)	(687)	(701)
Other non-op expense	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>212</b>	<b>923</b>	<b>680</b>	<b>694</b>	<b>707</b>
<b>Pre-tax Profit</b>	<b>977</b>	<b>1,282</b>	<b>1,303</b>	<b>1,476</b>	<b>1,539</b>
Extraordinary items					
Current taxation	(150)	(85)	(86)	(98)	(102)
Minorities	(66)	(78)	(78)	(78)	(78)
<b>Net Profit</b>	<b>761</b>	<b>1,119</b>	<b>1,138</b>	<b>1,301</b>	<b>1,359</b>
Core net profit	790	812	1,138	1,301	1,359
EPS (THB)	0.42	0.62	0.63	0.72	0.75
Core EPS (THB)	0.44	0.45	0.63	0.72	0.75
Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
<b>Operating cash flow</b>	<b>669</b>	<b>3,959</b>	<b>2,534</b>	<b>3,249</b>	<b>3,854</b>
Net profit	761	1,119	1,138	1,301	1,359
Depre.& amortization	1,593	1,523	1,927	2,501	3,075
Change in working capital	(1,448)	1,533	(316)	(313)	(327)
Others	(238)	(216)	(216)	(240)	(253)
<b>Investment cash flow</b>	<b>(22,896)</b>	<b>(993)</b>	<b>(4,743)</b>	<b>(4,807)</b>	<b>(4,853)</b>
Net CAPEX	(5,498)	(2,238)	(4,277)	(4,277)	(4,277)
Change in LT investment	(17,472)	1,612	0	0	0
Change in other assets	74	(367)	(466)	(530)	(576)
<b>Free cash flow</b>	<b>(22,227)</b>	<b>2,966</b>	<b>(2,209)</b>	<b>(1,558)</b>	<b>(999)</b>
<b>Financing cash flow</b>	<b>22,795</b>	<b>(2,044)</b>	<b>254</b>	<b>279</b>	<b>257</b>
Change in share capital	19,204	61	78	78	78
Net change in debt	(36)	(179)	0	0	0
Dividend paid	(453)	(507)	(507)	(569)	(650)
Others	4,080	(1,419)	682	770	829
<b>Net cash flow</b>	<b>568</b>	<b>922</b>	<b>(1,956)</b>	<b>(1,279)</b>	<b>(742)</b>
Per share (THB)					
EPS	0.42	0.62	0.63	0.72	0.75
Core EPS	0.44	0.45	0.63	0.72	0.75
CFPS	1.34	1.50	1.74	2.14	2.49
BVPS	12.33	12.63	12.98	13.38	13.78
Sales/share	13.10	13.53	14.04	14.61	15.18
EBITDA/share	1.45	1.30	1.66	2.10	2.48
DPS	0.25	0.28	0.31	0.36	0.38
Valuation					
P/E (x)	36.6	26.5	11.4	10.0	9.5
P/BV (x)	1.25	1.30	0.55	0.53	0.52
Dividend yield (%)	1.62	1.71	4.40	5.02	5.25
Dividend payout ratio (%)	59.47	45.31	50.00	50.00	50.00

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY:** Expected return of 10% or more over the next 12 months.

**HOLD:** Expected return between -10% and 10% over the next 12 months.

**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

**Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.

**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.

**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.