

# NHN KCP (060250 KS)

## Steady uptrend in earnings, bright outlook for growth

**BUY** (Maintain)

CP (Jun. 24) KRW18,750  
TP (6 months) KRW22,000  
Upside 17.3%

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KOSPI	2,126.33p
KOSDAQ	717.69p
Market cap	KRW430.7bn/USD377.8mn
Par value	KRW500
Outstanding shares	23.0mn
Free float	13.0mn(56.5%)
52-week high/low	KRW18,750/KRW9,230
60-day avg. trading volume	304,059shrs
60-day avg. turnover	KRW4,770mn
Foreign ownership	8.79%
Major shareholders	
NHN Payco and 4 others	39.41%
Absolute performance	3M 53.1%
	6M 55.7%
	12M 55.7%
Relative performance	3M 58.7%
to KOSDAQ	6M 45.4%
	12M 80.2%

- ◆ 2Q19 OP to meet market consensus at KRW6.4bn
- ◆ 2019 growth outlook: Sales +10% YoY, OP +19% YoY
- ◆ Retain BUY for a revised-up target price of KRW22,000

### 2Q19 OP to meet market consensus at KRW6.4bn

NHN KCP is expected to report sales of KRW112.6bn (+8% YoY) for 2Q19, falling slightly short of market expectations for KRW120.3bn. Credit card fee cuts carried out in 1Q19 for small/mid-size merchants should have limited impact on profit as relevant sales account for just 15% as of 2018. By division, sales will likely come to KRW96.9bn (+9% YoY) from payment gateway (PG) services and KRW4.6bn (+25% YoY) from online value-added network (VAN) services.

Operating profit should come in at KRW6.4bn (+28% YoY) for 2Q19, in line with market consensus of KRW6.2bn. Gross margin from PG services should improve 0.6%p YoY (similar to 1Q19) to 8.4%. Operating margin will likely come in 0.9%p YoY higher at 5.7% for 2Q19, thanks to: 1) improvement in gross margin; and 2) change in accounting practices with incentive payments now booked in full in the first quarter instead of spread out over quarters.

### 2019 growth outlook: Sales +10% YoY, OP +19% YoY

For 2019, we forecast sales at KRW477.1bn (+10% YoY), with top-line growth to reach 13% YoY from PG services and 21% YoY from online VAN services. Key growth drivers are: 1) rise in electronic payments (+23% YoY to KRW186tr in 2019F) in the domestic market as a whole; 2) NAVER Pay's online VAN service fees; and 3) expected increase in overseas transactions from KRW70bn/month to KRW150bn/month by end-2019 on the addition of new partner companies. In all, we expect operating profit to reach KRW25.9bn (+19% YoY) for full-year 2019.

### Retain BUY for a revised-up target price of KRW22,000

We raise our target price for NHN KCP by 22% to KRW22,000, with the valuation base switched from 2019F to 12-month forward net profit. Our target PER of 24.4x is a 10% discount to the average PER of 2016-2018. Shares are seen attractive at current valuations, given forecasts for: 1) 22% growth in electronic payments in the domestic market over the next two years; and 2) 28% YoY growth in Payco transactions to KRW5.8tr in 2019 on the increase in partnerships. Our rating for NHN KCP thus remains unchanged at BUY.

Year to December	Sales (bn KRW)	OP (bn KRW)	Pre-tax (bn KRW)	NP (bn KRW)	EPS (KRW)	Growth (%)	BPS (KRW)	PER (x)	EV/EBITDA (x)	PBR (x)	ROE (%)	Net debt ratio (%)
2017	352.0	17.9	14.6	10.7	477	4.1	4,641	33.6	8.3	3.5	10.8	(82.8)
2018	432.7	21.8	20.7	17.0	751	57.3	5,045	15.5	5.2	2.3	15.5	(80.1)
2019F	477.1	25.9	24.4	19.6	852	13.5	5,598	22.0	10.2	3.3	16.0	(73.3)
2020F	564.5	31.1	29.5	24.0	1,043	22.4	6,447	18.0	8.5	2.9	17.3	(73.8)
2021F	660.5	37.0	36.4	29.6	1,289	23.6	7,497	14.5	6.6	2.5	18.5	(81.7)

Source: Company data, Shinhan Investment Corp. / Note: TB = turn black, TR = turn red, RR = remain red

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## 2Q19 forecast

(bn KRW, %)	2Q19F	2Q18	YoY	1Q19	QoQ	Previous	Consensus
Sales	112.6	104.8	7.5	108.2	4.1	121.4	120.3
OP	6.4	5.0	27.8	5.3	22.0	6.0	6.2
NP	4.4	2.9	48.7	4.5	(2.4)	4.1	4.9
OPM	5.7	4.8		4.9		4.9	5.2
NPM	3.9	2.8		4.1		3.4	4.1

Source: Company data, Shinhan Investment Corp.

## Earnings forecast revision

(bn KRW, %)	Previous		Revised		Change	
	2019F	2020F	2019F	2020F	2019F	2020F
Sales	491.8	564.3	477.1	564.5	(3.0)	0.0
OP	26.0	31.7	25.9	31.1	(0.3)	(2.0)
NP	19.6	25.0	19.6	24.0	(0.1)	(4.2)
OPM	5.3	5.6	5.4	5.5		
NPM	4.0	4.4	4.1	4.2		

Source: Shinhan Investment Corp.

## Target price calculation

	Unit	Value	Remarks
EPS	NP	bn KRW	20.7 (A) 12MF NP
	No. of shares	1,000 shares	22,971 (B)
	EPS	KRW	903 (C) = (A) / (B)
Target PER	x	24.4	(D) 10% discount to 2016-2018 average PER
Value per share	KRW	22,067	(E) = (C) * (D)
Target price	KRW	22,000	
Current price	KRW	18,750	Current 2019F PER: 22.0x
Upside	%	17.3	

Source: Shinhan Investment Corp.

Note: Discount reflects forecasts for slower growth in sales (14% in 2019-2020F vs. 30% in 2016-2018) and operating profit (19% vs. 28%)

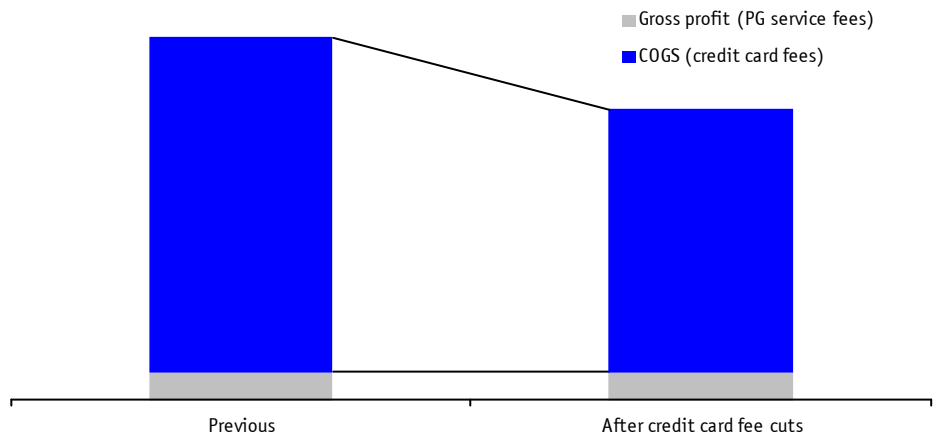
## PER trend

(x)	2013	2014	2015	2016	2017	2018	2016-2018 average
PER_P (high)	29.1	46.6	90.2	47.3	37.7	27.2	37.4
PER_P (low)	16.6	12.5	42.2	19.6	22.2	12.1	18.0
PER_P (term-end)	19.8	44.9	50.1	24.4	33.6	15.5	24.5
PER_P (average)	22.4	24.6	61.7	34.7	27.9	18.8	27.2
* 10% discount							24.4

Source: Shinhan Investment Corp.

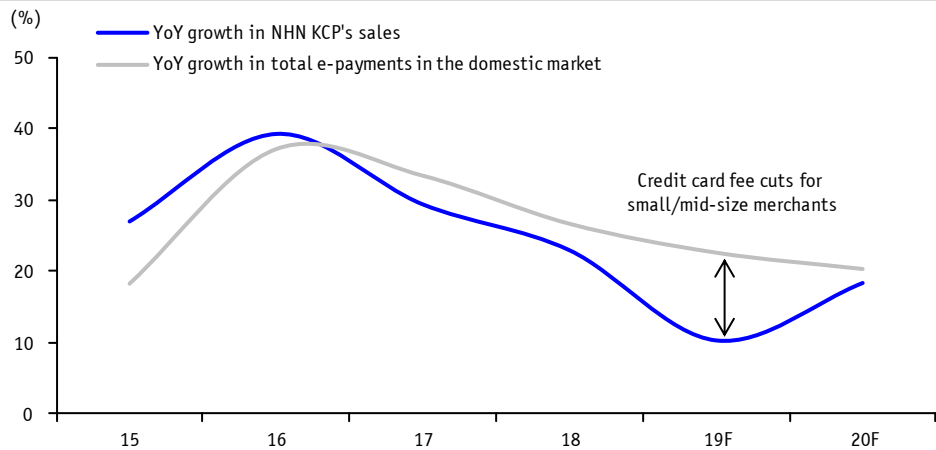
Note: Discount reflects forecasts for slower growth in sales (14% in 2019-2020F vs. 30% in 2016-2018) and operating profit (19% vs. 28%)

## Impact of credit card fee cuts on PG earnings



Source: Company data, Shinhan Investment Corp.

## Growth in NHN KCP's sales vs. total e-payments in the domestic market



Source: Company data, Shinhan Investment Corp.

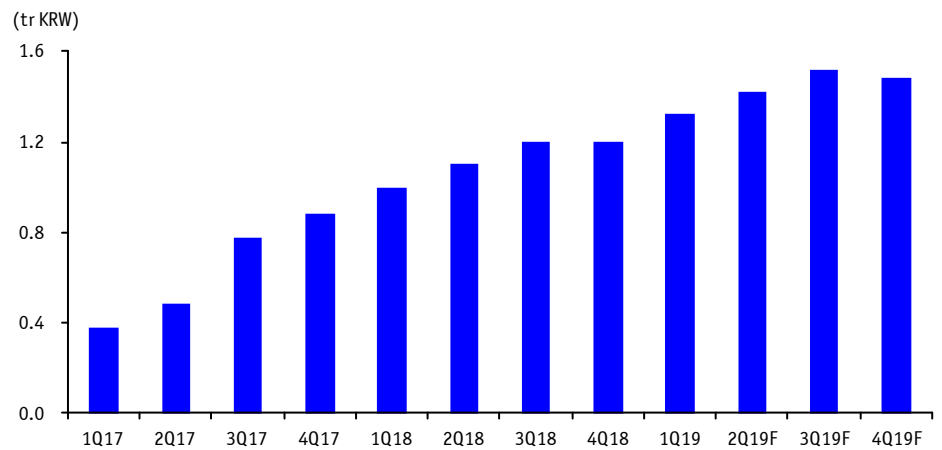
## Earnings trend and outlook

(bn KRW, %)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19F	3Q19F	4Q19F	2017	2018	2019F	2020F
Sales	84.0	83.6	90.6	93.7	100.7	104.8	109.6	117.5	108.2	112.6	121.3	134.9	352.0	432.7	477.1	564.5
Payment gateway	69.9	68.4	73.4	78.1	84.7	88.8	93.4	100.8	92.5	96.9	105.3	118.8	289.8	367.6	413.5	502.9
Online VAN	2.9	2.7	3.2	3.0	3.5	3.7	4.2	4.7	4.4	4.6	5.1	5.3	11.9	16.0	19.4	21.5
Offline VAN	11.2	12.5	13.9	12.6	12.6	12.3	12.1	12.0	11.3	11.1	10.9	10.8	50.3	49.0	44.2	40.2
Gross profit	10.8	12.3	12.0	11.8	12.0	12.5	13.6	14.4	14.8	14.8	15.3	17.2	46.9	52.6	62.1	72.1
Payment gateway	5.6	6.5	6.0	8.2	6.8	6.9	6.5	7.7	8.0	8.1	7.9	9.8	26.4	27.9	33.9	42.7
Online VAN	2.9	2.7	3.2	3.0	3.5	3.7	4.2	4.7	4.4	4.6	5.1	5.3	11.9	16.0	19.4	21.5
Offline VAN	2.2	3.0	2.8	0.6	1.7	1.9	3.0	2.0	2.4	2.2	2.2	2.1	8.6	8.6	8.9	8.0
OP	3.5	5.2	5.3	3.9	4.4	5.0	6.2	6.2	5.3	6.4	6.8	7.4	17.9	21.8	25.9	31.1
NP	3.3	3.5	4.5	(0.6)	4.3	2.9	5.3	4.5	4.5	4.4	5.1	5.6	10.7	17.0	19.6	24.0
Sales growth	40.7	29.5	25.5	23.9	19.9	25.3	21.0	25.3	7.4	7.5	10.7	14.8	29.3	22.9	10.3	18.3
Gross profit growth	27.9	72.5	30.4	39.9	11.4	1.5	13.1	22.5	23.3	18.8	12.3	18.9	41.2	12.0	18.2	16.1
OP growth	11.0	138.6	41.4	60.3	25.6	(3.6)	16.3	57.7	20.5	27.8	10.2	19.7	55.6	21.4	19.0	19.9
NP growth	16.9	88.9	40.1	TR	30.6	(16.8)	18.0	0.0	3.2	0.0	0.0	0.0	5.6	58.6	14.8	22.4
Gross margin	12.9	14.7	13.3	12.6	11.9	11.9	12.4	12.3	13.7	13.2	12.6	12.7	13.3	12.1	13.0	12.8
OPM	4.1	6.2	5.9	4.2	4.3	4.8	5.6	5.3	4.9	5.7	5.6	5.5	5.1	5.0	5.4	5.5
NPM	3.9	4.2	4.9	(0.6)	4.3	2.8	4.8	3.8	4.1	3.9	4.2	4.2	3.1	3.9	4.1	4.2

Source: Company data, Shinhan Investment Corp.

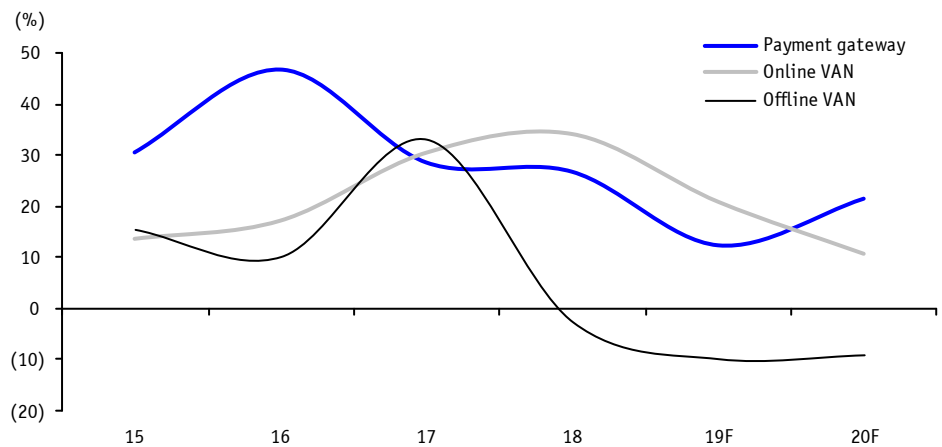
Note: Bad debt expense of W2.8bn included in 4Q17 non-operating expenses

## Payco transactions by quarter



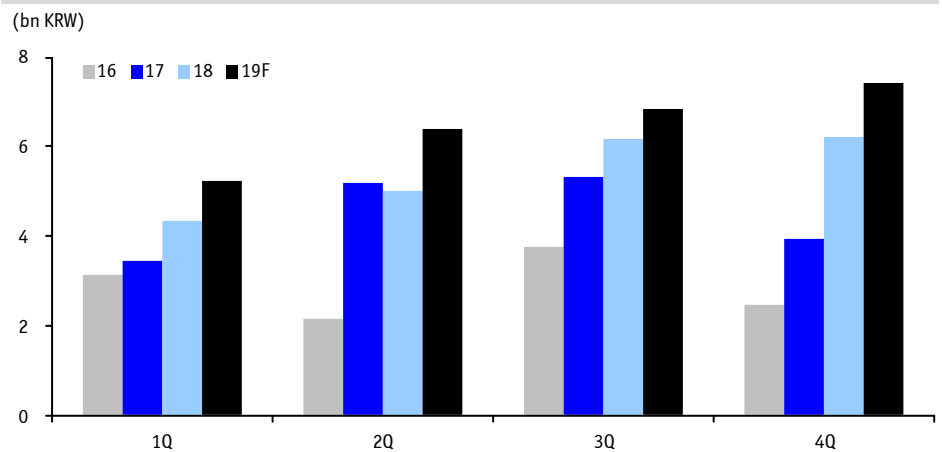
Source: Company data, Shinhan Investment Corp.

## Sales growth by division



Source: Company data, Shinhan Investment Corp.

## Operating profit by quarter



Source: Company data, Shinhan Investment Corp.

## Peer group valuation

(bn KRW, x, %)		NHN KCP 060250 KS EQUITY	KG Inicis 035600 KS EQUITY	PayPal Holdings PYPL US Equity	Square SQ US Equity	First Data FDC US Equity	Global Payments GPN US Equity
Sales	2018	432.7	924.6	17,004.5	3,629.8	10,453.0	3,704.8
	2019F	477.1	1,038.0	20,842.8	2,679.9	10,706.9	5,302.0
	2020F	564.5	1,194.0	24,503.2	3,600.8	11,367.9	5,743.2
OP	2018	21.8	60.4	2,850.4	(23.5)	1,995.3	887.5
	2019F	25.9	70.0	4,627.4	34.2	2,538.9	1,727.1
	2020F	31.1	84.3	5,615.8	217.4	2,920.6	2,041.2
NP	2018	17.0	35.2	2,620.2	(42.3)	922.4	536.6
	2019F	19.6	45.7	4,061.2	432.8	1,810.5	1,134.7
	2020F	24.0	56.2	4,713.6	673.8	2,083.7	1,357.4
Sales growth	2018	22.9	21.9	18.0	49.0	(21.2)	(15.3)
	2019F	10.3	12.3	22.6	(26.2)	2.4	43.1
	2020F	18.3	15.0	17.6	34.4	6.2	8.3
OP growth	2018	21.4	10.5	12.4	60.6	(1.9)	16.9
	2019F	19.0	15.8	62.3	(245.6)	27.2	94.6
	2020F	19.9	20.5	21.4	536.2	15.0	18.2
NP growth	2018	58.9	TR	13.9	38.7	(15.9)	21.0
	2019F	15.3	TB	55.0	(1,122.2)	96.3	111.5
	2020F	22.4	23.0	16.1	55.7	15.1	19.6
OPM	2018	5.0	6.5	16.8	(0.6)	19.1	24.0
	2019F	5.4	6.7	22.2	1.3	23.7	32.6
	2020F	5.5	7.1	22.9	6.0	25.7	35.5
NPM	2018	3.9	3.8	15.4	(1.2)	8.8	14.5
	2019F	4.1	4.4	19.5	16.2	16.9	21.4
	2020F	4.3	4.7	19.2	18.7	18.3	23.6
PER	2018	15.5	12.2	59.3	-	25.2	52.7
	2019F	22.0	9.6	39.2	96.5	17.3	26.6
	2020F	18.0	7.8	33.3	64.9	15.2	22.8
PBR	2018	2.3	2.0	9.0	27.4	5.9	6.4
	2019F	3.3	1.7	8.5	23.3	4.9	5.7
	2020F	2.9	1.5	7.5	18.4	4.0	4.9
EV/EBITDA	2018	5.1	7.1	32.5	121.5	13.1	21.8
	2019F	9.9	5.6	29.3	73.7	12.6	18.7
	2020F	8.2	4.6	24.4	47.2	11.7	16.9
ROE	2018	15.5	17.6	15.7	(4.0)	26.9	12.3
	2019F	16.0	19.7	22.3	12.8	13.5	18.9
	2020F	17.3	20.4	21.4	27.4	13.9	19.7

Source: Bloomberg, Shinhan Investment Corp.

Note: 1) In order of market cap. (excluding NHN KCP); 2) Square provides mobile payment solutions; First Data offers credit card processing and comprehensive payment solutions for merchants; Global Payments provides e-payment technology and software solutions

## PER band



Source: QuantiWise, Shinhan Investment Corp.

## PBR band



Source: QuantiWise, Shinhan Investment Corp.

## Statement of financial position

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Total assets</b>	<b>221.3</b>	<b>279.7</b>	<b>304.5</b>	<b>325.6</b>	<b>378.2</b>
Current assets	142.5	201.5	222.3	242.9	295.2
Cash and equivalents	69.0	88.8	87.3	82.5	109.1
Accounts receivable	7.7	11.2	12.8	15.4	18.0
Inventories	2.4	5.8	6.6	8.0	9.3
Non-current assets	78.9	78.2	82.2	82.7	83.0
Tangible assets	52.7	54.0	37.5	37.6	37.6
Intangible assets	12.2	10.7	11.1	11.1	11.1
Investment assets	10.2	8.1	8.3	8.6	9.0
Other financial assets	0.0	0.0	0.0	0.0	0.0
<b>Total liabilities</b>	<b>116.7</b>	<b>163.8</b>	<b>176.2</b>	<b>178.0</b>	<b>207.0</b>
Current liabilities	97.8	145.9	157.1	173.3	202.8
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Accounts payable	4.2	4.0	4.6	5.6	6.5
Current portion of long-term debt	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	18.9	17.9	19.1	4.7	4.2
Bonds	0.0	0.1	0.1	0.1	0.1
Long-term borrowings	15.0	15.0	15.1	0.1	0.1
Other financial liabilities	0.0	0.0	0.0	0.0	0.0
<b>Total shareholders' equity</b>	<b>104.6</b>	<b>115.9</b>	<b>128.3</b>	<b>147.5</b>	<b>171.2</b>
Capital stock	9.8	11.0	11.0	11.0	11.0
Capital surplus	43.4	46.0	46.0	46.0	46.0
Other capital	(7.0)	(14.8)	(14.3)	(14.3)	(14.3)
Accumulated other comprehensive income	0.0	(0.1)	0.0	0.0	0.0
Retained earnings	58.3	73.9	85.9	105.4	129.5
<b>Controlling interest equity</b>	<b>104.4</b>	<b>115.9</b>	<b>128.5</b>	<b>148.1</b>	<b>172.2</b>
Non-controlling interest equity	0.2	0.0	(0.2)	(0.6)	(1.0)
*Total debt	15.0	15.1	15.2	0.2	0.2
*Net debt (cash)	(86.6)	(92.9)	(94.1)	(108.8)	(139.9)

## Statement of cash flow

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Cash flow from operations</b>	<b>18.4</b>	<b>28.0</b>	<b>16.0</b>	<b>25.7</b>	<b>42.9</b>
Net profit	10.2	16.8	19.3	23.6	29.2
Depreciation expense	10.1	8.1	5.9	5.8	5.8
Amortization expense	1.1	1.4	1.1	1.1	1.1
FX translation loss (gain)	0.1	0.0	(0.1)	0.0	0.0
Asset disposal loss (gain)	0.7	0.0	(0.2)	0.0	0.0
Equity method loss (gain)	0.8	0.4	0.1	0.0	0.0
Change in working capital	(13.3)	(3.3)	(12.2)	(4.9)	6.7
(Payment of income tax)	(3.1)	(6.7)	(3.6)	(5.9)	(7.2)
Others	11.8	11.3	5.7	6.0	7.3
<b>Cash flow from investments</b>	<b>(27.9)</b>	<b>(2.8)</b>	<b>(17.6)</b>	<b>(11.8)</b>	<b>(11.8)</b>
Increase in tangible assets	(32.6)	(5.5)	(9.0)	(5.9)	(5.8)
Decrease in intangible assets	0.2	0.2	1.0	0.0	0.0
Change in intangible assets	(2.9)	(0.9)	(1.3)	(1.1)	(1.1)
Change in investment assets	(4.6)	3.1	(6.2)	(0.4)	(0.4)
Others	12.0	0.3	(2.1)	(4.4)	(4.5)
<b>Free cash flow</b>	<b>(8.3)</b>	<b>20.1</b>	<b>16.2</b>	<b>21.3</b>	<b>39.1</b>
<b>Cash flow from financing</b>	<b>13.4</b>	<b>(5.4)</b>	<b>(0.0)</b>	<b>(18.6)</b>	<b>(4.5)</b>
Change in borrowings	13.5	0.1	0.0	(15.0)	0.0
Change in treasury stock	0.1	7.8	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	(3.6)	(4.5)
Others	(0.2)	(13.3)	0.0	(0.0)	0.0
Other cash flow	0.0	0.0	0.0	0.0	0.0
Change in consolidated scope	0.0	0.0	0.0	0.0	0.0
Change in FX rates	(0.1)	(0.0)	0.1	0.0	0.0
<b>Change in total cash</b>	<b>3.9</b>	<b>19.8</b>	<b>(1.5)</b>	<b>(4.8)</b>	<b>26.6</b>
Beginning cash	65.1	69.0	88.8	87.3	82.5
Ending cash	69.0	88.8	87.3	82.5	109.1

Source: Company data, Shinhan Investment Corp.

## Statement of comprehensive income

Year to December (bn KRW)	2017	2018	2019F	2020F	2021F
<b>Sales</b>	<b>352.0</b>	<b>432.7</b>	<b>477.1</b>	<b>564.5</b>	<b>660.5</b>
Growth (%)	29.3	22.9	10.3	18.3	17.0
<b>COGS</b>	<b>305.1</b>	<b>380.1</b>	<b>415.0</b>	<b>492.4</b>	<b>577.8</b>
<b>Gross profit</b>	<b>46.9</b>	<b>52.6</b>	<b>62.1</b>	<b>72.1</b>	<b>82.7</b>
GPM (%)	13.3	12.1	13.0	12.8	12.5
<b>SG&amp;A</b>	<b>29.0</b>	<b>30.8</b>	<b>36.2</b>	<b>41.1</b>	<b>45.7</b>
<b>Operating profit</b>	<b>17.9</b>	<b>21.8</b>	<b>25.9</b>	<b>31.1</b>	<b>37.0</b>
Growth (%)	55.6	21.4	19.0	19.9	19.0
OPM (%)	5.1	5.0	5.4	5.5	5.6
<b>Non-operating profit</b>	<b>(3.4)</b>	<b>(1.0)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(0.5)</b>
Financial profit	1.4	5.2	3.0	3.1	3.5
Other non-operating profit	(3.9)	(5.8)	(4.4)	(4.6)	(4.0)
Equity method gain (loss)	(0.8)	(0.5)	(0.1)	0.0	0.0
<b>Pre-tax profit</b>	<b>14.6</b>	<b>20.7</b>	<b>24.4</b>	<b>29.5</b>	<b>36.4</b>
Income tax	4.3	3.9	5.1	5.9	7.2
Continuing operations	10.2	16.8	19.3	23.6	29.2
Discontinued operations	0.0	0.0	0.0	0.0	0.0
<b>Net profit</b>	<b>10.2</b>	<b>16.8</b>	<b>19.3</b>	<b>23.6</b>	<b>29.2</b>
Growth (%)	0.3	64.5	15.1	22.4	23.6
NPM (%)	2.9	3.9	4.0	4.2	4.4
Controlling interest	10.7	17.0	19.6	24.0	29.6
Non-controlling interest	(0.5)	(0.3)	(0.3)	(0.3)	(0.4)
<b>Comprehensive income</b>	<b>10.1</b>	<b>16.2</b>	<b>19.2</b>	<b>23.6</b>	<b>29.2</b>
Controlling interest	10.7	16.5	19.4	24.0	29.6
Non-controlling interest	(0.6)	(0.3)	(0.3)	(0.3)	(0.4)
<b>EBITDA</b>	<b>29.2</b>	<b>31.2</b>	<b>33.0</b>	<b>38.0</b>	<b>43.9</b>
Growth (%)	27.4	7.0	5.7	15.3	15.5
EBITDA margin (%)	8.3	7.2	6.9	6.7	6.6

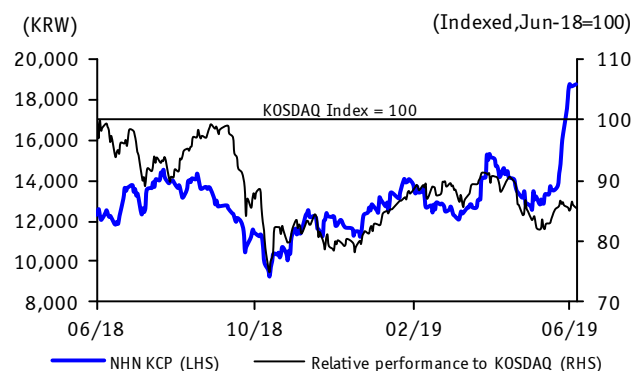
## Key ratios

Year to December	2017	2018	2019F	2020F	2021F
EPS (KRW)	453	739	841	1,029	1,272
EPS of controlling interest (KRW)	477	751	852	1,043	1,289
BPS (KRW)	4,648	5,046	5,587	6,423	7,455
BPS of controlling interest (KRW)	4,641	5,045	5,598	6,447	7,497
DPS (KRW)	0	143	164	201	249
PER (x)	35.4	15.8	22.3	18.2	14.7
PER of controlling interest (x)	33.6	15.5	22.0	18.0	14.5
PBR (x)	3.5	2.3	3.4	2.9	2.5
PBR of controlling interest (x)	3.5	2.3	3.3	2.9	2.5
EV/EBITDA (x)	8.3	5.2	10.2	8.5	6.6
Dividend payout ratio (%)	8.8	37.1	18.6	18.6	18.6
Dividend yield (%)	0.0	1.2	0.9	1.1	1.3
<b>Profitability</b>					
EBITDA margin (%)	8.3	7.2	6.9	6.7	6.6
OPM (%)	5.1	5.0	5.4	5.5	5.6
NPM (%)	2.9	3.9	4.0	4.2	4.4
ROA (%)	5.0	6.7	6.6	7.5	8.3
ROE (%)	10.8	15.5	16.0	17.3	18.5
ROIC (%)	(244.1)	188.4	889.1	(1,101.1)	(735.6)
<b>Stability</b>					
Debt to equity ratio (%)	111.6	141.3	137.3	120.7	120.9
Net debt ratio (%)	(82.8)	(80.1)	(73.3)	(73.8)	(81.7)
Cash ratio (%)	70.6	60.8	55.6	47.6	53.8
Interest coverage ratio (x)	199.3	59.5	72.0	98.4	9,409.5
<b>Activity (%)</b>					
Working capital turnover (times)	(6.2)	(7.7)	(8.8)	(11.1)	(12.5)
Inventory turnover (days)	2.9	3.5	4.8	4.7	4.8
Receivable turnover (days)	7.8	7.9	9.2	9.1	9.2

Source: Company data, Shinhan Investment Corp.

## NHN KCP (060250 KS)

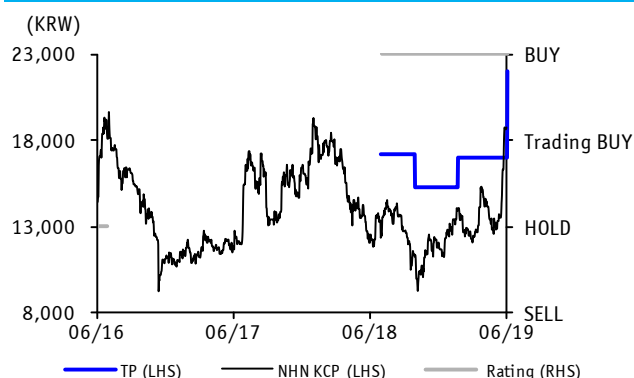
## Share performance



Date	Rating	Target price (KRW)	Target price gap (%)	
			Average	Max/Min
2015.12.27	HOLD	-	-	-
2016.07.20	No Coverage	-	-	-
2018.07.24	BUY	17,198	(23.8)	(15.6)
2018.10.23	BUY	15,287	(23.0)	(8.1)
2019.02.14	BUY	17,000	-	-

Note: Calculation of target price gap based on past 6 months

## Target price



## Rating Distribution - SHIC Universe (as of 21 June 2019)

BUY (BUY)	96.70%	Trading BUY (HOLD)	0.94%	HOLD (HOLD)	2.36%	SELL (SELL)	0%
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## Rating Distribution - SHIC Investment Banking Clients (as of 21 June 2019)

BUY (BUY)	91.30%	Trading BUY (HOLD)	4.35%	HOLD (HOLD)	4.35%	SELL (SELL)	0%
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## SHIC Ratings (as of 1 April 2017)

Stock	Sector
<ul style="list-style-type: none"> <li>◆ <b>BUY:</b> Expected 6-month gain of 10% or more</li> <li>◆ <b>Trading BUY:</b> Expected 6-month gain of 10% to loss of 10%</li> <li>◆ <b>HOLD:</b> Expected 6-month loss of 10% to 20%</li> <li>◆ <b>SELL:</b> Expected 6-month loss of 20% or more</li> </ul>	<ul style="list-style-type: none"> <li>◆ <b>OVERWEIGHT:</b> Based on market cap, largest share of sector stocks under coverage is rated BUY</li> <li>◆ <b>NEUTRAL:</b> Based on market cap, largest share of sector stocks under coverage is rated Trading BUY or HOLD</li> <li>◆ <b>UNDERWEIGHT:</b> Based on market cap, largest share of sector stocks under coverage is rated SELL</li> </ul>

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