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Predicting WIG Index Membership After March Reshuffle

Equity Market, Poland

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The Warsaw Stock Exchange's annual index revision is coming Friday, March 18th, 2022. The following is our prediction as to how the reshuffle might change the composition of the WIG20 benchmark, the mWIG40 mid-caps index, and the sWIG80 small-caps index.

The Revision

Computations for the purposes of the March index reconstitution will be done based on closing prices on a randomly selected day of the trading window of February 14-18, 2022 ("T Day").

Note that, according to our models predicting the outcomes of the reshuffle, whereas the date of the T Day has no bearing whatsoever on the WIG20 membership, the new lineups of mWIG40 and sWIG80 will differ depending on whether T Day falls on February 14 or any other of February 15 to 18.

The WSE will issue an official announcement regarding the changes on Thursday, March 3, 2022.

Companies poised to join or leave WIG indices depending on T Day

name	WIG20	mWIG40	sWIG80
mBank	5/5*	5/5	
Mercator Medical	5/5	5/5	
BNP Paribas BP		5/5	5/5
Amica		5/5	5/5
Mo-BRUK		1/5	1/5
PlayWay		1/5	1/5
BioMaxima			5/5
Bowim			5/5
Coal Energy			5/5
Rawlplug			5/5
Vercom			5/5
GTC			5/5
Lubawa			5/5
Mangata			5/5
PZ Cormay			5/5
Quercus TFI			5/5

Source: mBank;

*Green means the company is on its way in and red means it is dropping out of the index. X/5 denotes the number of days in the Feb 14-18 trading a security meets the criteria to join or leave.

How WIG Indices are Constructed

In very simple terms, a company has to meet a set of requirements to become a constituent of a WIG index.

Among other things, an eligible company has to have free float higher than 10%, free-float market capitalization larger than the zloty equivalent of €1 million, its securities had to have been traded at least once during the last three months, it has to achieve a minimum Monthly Turnover Ratio (MTR), and it cannot be flagged on the WSE's Alert List or as being in the Lower Liquidity Zone.

Eligible stocks on index selection lists are ranked based on 12-month trading volumes, at 40% weighting, and free float market capitalization, with a 60% weighting. Then, these rankings are used to determine which security belongs to which index.

You can read more about the WSE's index creation methodology in the [Rules of the GPW Indices Family](#).

Last week, GPW Benchmark, the administrator of the WIG index family, announced new [changes to its index construction methodology](#) that will be applied to the 18 March reshuffle.

One major change worth mentioning is the introduction of a "fast track" process for the inclusion into mWIG40 and sWIG80 of companies that have just become public (at the moment, fast-track additions are only available for WIG20 and WIG30 candidates).

Otherwise, GPW Benchmark also has clarified the MTR requirements and it has introduced the rule that, when qualifying companies to the WIG20 reserve list, companies below 40. in the capitalization ranking will not be eligible.

None of these changes affects the outcome of our ranking predictions.

WIG20 Reshuffle

Our WIG20 ranking calculations show that, regardless of the T Day drawn, **Mercator Medical will be leaving the WIG20 index on March 18, to be replaced by mBank.**

Only securities ranked 1-25 are eligible to join the WIG20, and **Mercator** has dropped to the 27th place after a significant reduction in free-float capitalization in recent months. By capitalization, which currently approximates PLN 250m, Mercator has a very low ranking close to 100, whereas by turnover (PLN 4.5bn) its ranking is much higher at 17.

On the other hand, **mBank** has moved up to 15. in the ranking (15. by free float and 18. by turnover) and is therefore guaranteed a spot in the WIG20.

Another adjustment likely to come with the March revision is a reduction of PKO BP's weight in the blue-chip index from 16.45% to 15.00%.

Companies likely to make the **WIG20 Reserve List** in March 18 are, in descending order of estimated average rank: Alior Bank, Pepco, Millennium, Grupa Kęty, Kruk, Kernel, and Budimex.

The following prediction of the new WIG line-up shows as the "current weight" each company's actual weighting rather than the weighting reported at the last index revision in December 2021:

Expected WIG20 membership after March 18 reshuffle

ticker	name	current weight	new weight	change (pp)
PKO PW	PKO BP	16.45%	15.00%	-1.45
PEO PW	Pekao	9.73%	9.63%	-0.09
KGH PW	KGHM	8.98%	8.90%	-0.09
PKN PW	PKN Orlen	8.83%	8.74%	-0.09
PZU PW	PZU	8.44%	8.36%	-0.08
LPP PW	LPP	6.75%	6.68%	-0.07
DNP PW	Dino Polska	5.98%	5.92%	-0.06
ALE PW	Allegro	5.42%	5.37%	-0.05
CDR PW	CD Projekt	5.31%	5.26%	-0.05
SPL PW	Santander Bank Polska	4.97%	4.92%	-0.05
PGN PW	PGNiG	3.73%	3.69%	-0.04
CPS PW	Cyfrowy Polsat	3.43%	3.24%	-0.18
PGE PW	PGE	2.59%	2.56%	-0.03
MBK PW	mBank		2.52%	+2.52
OPL PW	Orange Polska	2.31%	2.29%	-0.02
LTS PW	Lotos	2.03%	2.01%	-0.02
ACP PW	Asseco Poland	1.92%	1.90%	-0.02
TPE PW	Tauron	1.07%	1.06%	-0.01
JSW PW	JSW	1.01%	1.00%	-0.01
CCC PW	CCC	0.96%	0.95%	-0.01

Source: mBank

Who's in and who's out of WIG20

ticker	name	current weight	new weight	change (pp)
in				
MBK PW	mBank		2.52%	+2.52
out				
MRC PW	Mercator Medical	0.11%		-0.11
reserve list				

ALR PW	Alior Bank
PCO PW	Pepco
MIL PW	Millennium
KTY PW	Grupa Kęty
KRU PW	Kruk
KER PW	Kernel
BDX PW	Budimex

Source: mBank

mWIG40 Reshuffle

The composition of mWIG40 membership post-March 18 does hinge on the date of the T Day.

There are companies, however, that are **guaranteed a place** in the index regardless of which T Day is drawn (5/5 scenario). They are:

- **BNP Paribas Bank Polska**, with a current ranking close to 45, and
- **Mercator Medical**, ranked 29.

Conversely, two companies seem set to **leave the mWIG40** index regardless of the T Day date:

- **Amica**, with a ranking below 70. on each T Day, and
- **mBank**, on its way to join the WIG20.

If T Day falls **on February 14**, we will see **Mo-BRUK join and PlayWay leave the mWIG40**. On the day, Mo-BRUK moved to the 50. spot in the ranking – the lowest spot still guaranteeing a place in the index – while PlayWay slipped to 67.

On the four other days, Mo-BRUK was ranked 51. and therefore did not make the cut.

Moving on to other mWIG40 updates, the share of ING BSK in the index will take a cut from 11.10% to 10.00% regardless of the day. When it comes to its eligibility for WIG20, ING BSK does not generate nearly enough turnover and its MTR is too low to be considered for the blue chip list.

Companies that might make the **mWIG40 Reserve List** in March are, in descending order of estimated average rank: Mo-BRUK, LW Bogdanka, Auto Partner, Bumech, Alumetal, Stalprodukt, VRG, PlayWay, Ferro, PCF Group, TIM, Ryvu Therapeutics, AB, Amica, ML System, and Polimex-Mostostal.

Note that, of late, the reserve lists for both mWIG40 and sWIG80 have been whittled down to the requisite minimum of five names each. We do not expect this to change in March.

The following mWIG40 mover prediction shows as the “current weight” each company's actual weighting rather than the weighting reported at the last index revision in December 2021.

Expected mWIG40 membership after March reshuffle

ticker	name	current share	14 February (20% odds)	15-18 February (80% odds)
			new change share (pp)	new change weight (pp)
ING PW	ING BSK	11.10%	10.00%	-1.10
KTY PW	Grupa Kęty	7.27%	7.83%	+0.55
MIL PW	Millennium	6.58%	7.07%	+0.50
KRU PW	Kruk	6.27%	6.75%	+0.49
ALR PW	Alior Bank	6.00%	6.46%	+0.46
PCO PW	Pepco	5.04%	5.42%	+0.38
CAR PW	Inter Cars	4.76%	5.12%	+0.36
BDX PW	Budimex	3.82%	4.11%	+0.29
KER PW	Kernel	3.54%	3.80%	+0.27
BHW PW	Handlowy	2.76%	2.97%	+0.21
WPL PW	Wirtualna Polska	2.73%	2.93%	+0.21
DVL PW	Develia	2.23%	2.40%	+0.17
ENA PW	Enea	2.05%	2.20%	+0.16
EAT PW	AmRest	2.02%	2.18%	+0.15
ATT PW	Grupa Azoty	2.01%	2.17%	+0.15
BNPPPL PW	BNP Paribas BP		2.08%	+2.08
LVC PW	LiveChat	1.85%	1.99%	+0.14
ASE PW	Asseco SEE	1.57%	1.69%	+0.12
11B PW	11 bit studios	1.46%	1.57%	+0.11
NEU PW	Neuca	1.42%	1.52%	+0.11
GPW PW	GPW	1.39%	1.49%	+0.11
CIE PW	Ciech	1.37%	1.47%	+0.10
CMR PW	Comarch	1.25%	1.34%	+0.09
SLV PW	Selvita	1.22%	1.32%	+0.09
TEN PW	TEN Square Games	1.18%	1.27%	+0.09
DOM PW	Dom Development	1.12%	1.20%	+0.08
BFT PW	Benefit Systems	1.11%	1.20%	+0.08
EUR PW	Eurocash	1.05%	1.13%	+0.08
FMF PW	Famur	1.04%	1.12%	+0.08
HUGE PW	Huuuge	1.03%	1.11%	+0.08
PEP PW	Polenergia	0.92%	0.99%	+0.07
DAT PW	Datawalk	0.82%	0.88%	+0.06
XTB PW	XTB	0.77%	0.83%	+0.06
ASB PW	ASBIS	0.75%	0.81%	+0.06
CLN PW	Celon Pharma	0.70%	0.75%	+0.05
MAB PW	Mabion	0.51%	0.55%	+0.04
PLW PW	PlayWay	0.46%		-0.46
PKP PW	PKP Cargo	0.46%	0.49%	+0.03
MRC PW	Mercator Medical		0.34%	+0.34
BML PW	Biomed-Lublin	0.21%	0.22%	+0.02
MBR PW	Mo-BRUK		1.22%	+1.22

Source: mBank; two scenarios depending on T Day

Who's in and who's out of mWIG40

ticker	name	current share	14 February (20% odds) new change share (pp)	15-18 February (80% odds) new change share (pp)
in				
MRC PW	Mercator Medical	0.34%	+0.34	0.34% +0.34
BNPPPL PW	BNP Paribas BP	2.08%	+2.08	2.09% +2.09
MBR PW	Mo-BRUK	1.22%	+1.22	
out				
MBK PW	mBank	7.52%	-7.52	-7.52
AMC PW	Amica	0.66%	-0.66	-0.66
PLW PW	PlayWay	0.46%	-0.46	
reserve list				
MBR PW	Mo-BRUK			
LWB PW	LW Bogdanka			
APR PW	Auto Partner			
BMC PW	Bumech			
AML PW	Alumetal			
STP PW	Stalprodukt			
VRG PW	VRG			
PLW PW	PlayWay			
FRO PW	Ferro			
PCF PW	PCF Group			
TIM PW	TIM			
RVU PW	Ryvu Therapeutics			
ABE PW	AB			
AMC PW	Amica			
MLS PW	ML System			
PXM PW	Polimex-Mostostal			

Source: mBank; two scenarios depending on T Day

sWIG80 Reshuffle

The following securities are set **join the sWIG80** index on March 18 regardless of the date of the T Day (5/5 scenario):

- **Amica**, moving down from the mWIG40 with a current ranking of around 74.,
- **Vercom**, with a ranking of about 114., an average turnover, and high free-float capitalization,
- **Bowim** – with a ranking of about 119., high turnover, and low free-float capitalization,
- **Coal Energy**, with a ranking of about 128., high turnover, and very low free-float capitalization,
- **BioMaxima**, with a ranking of about 129., high turnover, and average free-float capitalization, and
- **Rawiplug**, with a ranking of about 133., very low turnover, and high free-float capitalization.

By the same token, on their way **out of the sWIG80** on 5 of 5 days are:

- **BNP Paribas BP**, on its way to join the mWIG40 index,
- **GTC**, which does not fulfill the MTR requirement,
- **Mangata**, which does not fulfill the MTR requirement,
- **Lubawa**, positioned too far down the ranking at about 155. (average turnover and free-float capitalization),
- **PZ Cormay**, positioned too far down the ranking at about 153. (average turnover and free-float capitalization), and
- **Quercus TFI**, positioned too far down the ranking at about 151. (low turnover, average free-float capitalization),

As you can see, Lubawa, PZ Cormay and Quercus TFI in our ranking models are positioned close to the exclusion threshold that is the 150th spot. If the WSE's actual ranking confirms their demotion, the securities in line to fill the vacated spots are Coal Energy, BioMaxima, and Rawiplug.

If T Day falls on **February 14**, we will see **Mo-BRUK leave and PlayWay join the sWIG80**. As mentioned, Mo-BRUK on that day meets the criteria to advance to the mWIG40, replacing PlayWay, on its way down.

Likely to make the **sWIG80 reserve long list** are (in descending order of estimated average rank): Answear, ATM Grupa, MFO, Cavatina, Selenia FM, Atende, Votum, Pure

Biologics, Prairie Mining, Lentex, Quercus TFI, Mostostal Zabrze, PZ Cormay, Marvipol Development, Lubawa, Stalprofil, Investment Friends Capital, Compremum, Kino Polska TV, Sygnity, Krynicki Recykling.

Again, the actual Reserve List will most likely be restricted to five names.

The following sWIG80 mover prediction shows as the "current weight" each company's actual weighting rather than the weighting reported at the last index revision in December 2021.

Expected sWIG80 membership after March reshuffle (1/2)

ticker	name	current share	14 February (20% odds) new change share (pp)	15-18 February (80% odds) new change share (pp)
APR PW	Auto Partner	3.98%	4.41%	+0.43 4.31% +0.33
MBR PW	Mo-BRUK	3.46%		-3.46 3.75% +0.29
VRG PW	VRG	3.00%	3.33%	+0.33 3.25% +0.25
ABS PW	Asseco BS	2.74%	3.04%	+0.30 2.97% +0.23
AML PW	Alumetal	2.74%	3.04%	+0.30 2.97% +0.23
FRO PW	Ferro	2.62%	2.91%	+0.29 2.84% +0.22
ABE PW	AB	2.52%	2.79%	+0.27 2.73% +0.21
RVU PW	Ryvu Therapeutics	2.40%	2.66%	+0.27 2.60% +0.21
STP PW	Stalprodukt	2.38%	2.64%	+0.26 2.59% +0.20
FTE PW	Forte	2.21%	2.45%	+0.24 2.40% +0.19
ECH PW	Echo Investment	2.12%	2.35%	+0.23 2.30% +0.18
AMC PW	Amica		2.24%	+2.24 2.19% +2.19
TIM PW	TIM	1.95%	2.17%	+0.21 2.12% +0.16
PCF PW	PCF Group	1.90%	2.11%	+0.21 2.06% +0.16
NWG PW	NEWAG	1.67%	1.85%	+0.18 1.81% +0.14
OPN PW	Oponeo.pl	1.65%	1.83%	+0.18 1.78% +0.14
APT PW	Apator	1.61%	1.79%	+0.17 1.75% +0.14
SNK PW	Sanok Rubber	1.56%	1.73%	+0.17 1.69% +0.13
CTX PW	Captor Therap.	1.53%	1.70%	+0.17 1.66% +0.13
SKA PW	Śnieżka	1.47%	1.63%	+0.16 1.60% +0.12
SHO PW	Shoper	1.40%	1.55%	+0.15 1.51% +0.12
OND PW	Onde	1.38%	1.53%	+0.15 1.49% +0.12
LWB PW	LW Bogdanka	1.34%	1.49%	+0.15 1.45% +0.11
WWL PW	Wawel	1.31%	1.45%	+0.14 1.42% +0.11
STX PW	Stalexport	1.30%	1.45%	+0.14 1.41% +0.11
VGO PW	Vigo System	1.19%	1.32%	+0.13 1.29% +0.10
IAT PW	Atal	1.18%	1.31%	+0.13 1.28% +0.10
OAT PW	OncoArendi	1.16%	1.29%	+0.13 1.26% +0.10
BRS PW	Boryszew	1.07%	1.18%	+0.12 1.16% +0.09
PCR PW	PCC Rokita	1.06%	1.17%	+0.12 1.15% +0.09
PXM PW	Polimex-Mostostal	1.05%	1.17%	+0.11 1.14% +0.09
ERB PW	Erbud	1.03%	1.14%	+0.11 1.11% +0.09
ZEP PW	ZEPAK	1.02%	1.14%	+0.11 1.11% +0.09
TOA PW	Toya	1.01%	1.12%	+0.11 1.10% +0.09
ENT PW	Enter Air	1.00%	1.11%	+0.11 1.09% +0.08
AGO PW	Agora	1.00%	1.11%	+0.11 1.09% +0.08
AST PW	Astarta	0.99%	1.10%	+0.11 1.08% +0.08
R22 PW	R22	0.96%	1.07%	+0.10 1.04% +0.08
CRJ PW	Creepy Jar	0.93%	1.03%	+0.10 1.00% +0.08
ACG PW	AC	0.92%	1.02%	+0.10 1.00% +0.08
VRG PW	Vercom		1.02%	+1.02 0.99% +0.99
VOX PW	Voxel	0.89%	0.99%	+0.10 0.97% +0.08
MCI PW	MCI Capital	0.89%	0.99%	+0.10 0.96% +0.07
AMB PW	Ambra	0.89%	0.98%	+0.10 0.96% +0.07
PCE PW	ZCh Police	0.84%	0.93%	+0.09 0.91% +0.07
CMP PW	Comp	0.83%	0.93%	+0.09 0.90% +0.07
COG PW	Cognor	0.83%	0.92%	+0.09 0.90% +0.07
BOS PW	BOŚ	0.83%	0.92%	+0.09 0.90% +0.07
RBW PW	Rainbow Tours	0.82%	0.91%	+0.09 0.89% +0.07
CIG PW	CI Games	0.81%	0.89%	+0.09 0.87% +0.07
WLT PW	Wielton	0.79%	0.87%	+0.09 0.85% +0.07
DCR PW	Decora	0.78%	0.86%	+0.08 0.84% +0.07
ATC PW	Arctic Paper	0.77%	0.85%	+0.08 0.84% +0.06
PBX PW	Pekabex	0.77%	0.85%	+0.08 0.83% +0.06
MRB PW	Mirbud	0.77%	0.85%	+0.08 0.83% +0.06
INK PW	Instal Kraków	0.76%	0.85%	+0.08 0.83% +0.06
PHN PW	PHN	0.72%	0.80%	+0.08 0.79% +0.06
RWL PW	Rawiplug		0.80%	+0.80 0.78% +0.78
TOR PW	Torpol	0.71%	0.79%	+0.08 0.77% +0.06
MLS PW	ML System	0.68%	0.75%	+0.07 0.73% +0.06
KNW PW	ZEW Kogeneracja	0.65%	0.72%	+0.07 0.70% +0.05
IMC PW	IMC	0.62%	0.69%	+0.07 0.67% +0.05

Source: mBank; two scenarios depending on T Day

Expected sWIG80 Membership after March Reshuffle (2/2)

ticker	name	current share	14 February (20% odds) new share	15-18 February (80% odds) new change (pp)	15-18 February (80% odds) new share	15-18 February (80% odds) new change (pp)
BIO PW	Bioton	0.60%	0.66%	+0.07	0.65%	+0.05
ACT PW	Action	0.52%	0.58%	+0.06	0.57%	+0.04
PEN PW	Photon	0.49%	0.55%	+0.05	0.53%	+0.04
RFK PW	Rafako	0.49%	0.54%	+0.05	0.53%	+0.04
UNT PW	Unimot	0.49%	0.54%	+0.05	0.53%	+0.04
DBC PW	Dębica	0.48%	0.54%	+0.05	0.53%	+0.04
SNT PW	Synektik	0.48%	0.54%	+0.05	0.52%	+0.04
ARH PW	Archicom	0.47%	0.52%	+0.05	0.51%	+0.04
BMC PW	Bumech	0.47%	0.52%	+0.05	0.51%	+0.04
GNB PW	Getin Noble Bank	0.45%	0.50%	+0.05	0.49%	+0.04
GTN PW	Getin Holding	0.40%	0.45%	+0.04	0.44%	+0.03
SKH PW	Skarbiec Holding	0.34%	0.38%	+0.04	0.37%	+0.03
GRN PW	Grodno	0.34%	0.38%	+0.04	0.37%	+0.03
BMX PW	BioMaxima		0.37%	+0.37	0.36%	+0.36
TRK PW	Trakcja	0.27%	0.30%	+0.03	0.29%	+0.02
SEN PW	Serinus Energy	0.21%	0.24%	+0.02	0.23%	+0.02
BOW PW	Bowim		0.18%	+0.18	0.18%	+0.18
CLE PW	Coal Energy		0.10%	+0.10	0.10%	+0.10
PLW PW	PlayWay		1.57%	+1.57		

Source: mBank; two scenarios depending on which day is drawn

What About Recent IPOs?

- **Grupa Pracuj** (WSE: GPP) made its WSE debut on December 9, 2021, which means it does not have enough of a trading history to be considered as a WIG index constituent.

By the time of the mid-year index revision in June 2022, however, at today's free-float capitalization and last-30-days turnover GPP might be eligible to join the mWIG40.

- **STS Holding** (WSE:STH) debuted just a day later, on December 10, 2021, and so its trading history is also too short.

At today's free float capitalization and 30-days turnover, in June STH might be considered as a candidate for the sWIG80 and the mWIG40 reserve list.

Who's in and who's out of sWIG80

ticker	name	current share	14 February (20% odds) new share	15-18 February (80% odds) new change (pp)	15-18 February (80% odds) new share	15-18 February (80% odds) new change (pp)
in						
AMC PW	Amica		2.24%	+2.24	2.19%	+2.19
VRC PW	Vercom		1.02%	+1.02	0.99%	+0.99
BOW PW	Bowim		0.18%	+0.18	0.18%	+0.18
BMX PW	BioMaxima		0.37%	+0.37	0.36%	+0.36
CLE PW	Coal Energy		0.10%	+0.10	0.10%	+0.10
RWL PW	Rawlplug		0.80%	+0.80	0.78%	+0.78
PLW PW	PlayWay		1.57%	+1.57		
out						
BNPPPL PW	BNP Paribas BP	5.88%		-5.88		-5.88
GTC PW	GTC	4.42%		-4.42		-4.42
MGT PW	Mangata	0.66%		-0.66		-0.66
QRS PW	Quercus TFI	0.43%		-0.43		-0.43
LBW PW	Lubawa	0.31%		-0.31		-0.31
CRM PW	PZ Cormay	0.29%		-0.29		-0.29
MBR PW	Mo-Bruk	3.46%		-3.46		
reserve list						
ANR PW	Answear					
ATG PW	ATM Grupa					
MFO PW	MFO					
CAV PW	Cavatina					
SEL PW	Selena FM					
ATD PW	Atende					
VOT PW	Votum					
PUR PW	Pure Biologics					
GRX PW	Prairie Mining					
LTX PW	Lentex					
QRS PW	Quercus TFI					
MSZ PW	Mostostal Zabrze					
CRM PW	PZ Cormay					
MVP PW	Marvipol					
LBW PW	Lubawa					
STF PW	Stalprofil					
IFC PW	IFC					
CPR PW	Compreum					
KPL PW	Kino Polska TV					
SGN PW	Sygnity					
KRC PW	Krynicky Recykling					

Source: mBank; two scenarios depending on T Day

List of abbreviations and ratios contained in the report:

EV (Enterprise Value) – Equity Value + Net Debt; **EBIT** – Earnings Before Interest and Taxes; **EBITDA** – EBIT + Depreciation & Amortisation; **Net Debt** – Borrowings + Debt Securities + Interest-Bearing Loans - Cash and Cash Equivalents; **P/E** (Price/Earnings) – Price Per Share Divided by Earnings Per Share; **P/CE** (Price to Cash Earnings) – Price Per Share Divided by Earnings + Depreciation & Amortisation; **P/B** (Price to Book Value) – Price Per Share Divided by Book Value Per Share; **P/CF** (Price to Cash Flow) – Price Divided by Cash Flow from Operations; **ROE** (Return on Equity) – Earnings Divided by Shareholders' Equity; **ROCE** (Return on Capital Employed) – EBIT x (Average Assets - Current Liabilities); **ROIC** (Return on Invested Capital) – EBIT x (1-Tax Rate) / (Average Equity + Minority Interest + Net Debt); **FCFF** (Free Cash Flow to Firm) – Cash Flow from Operations - CAPEX - Lease Payments; **FCFE** (Free Cash Flow to Equity) – Free Cash Flow to Firm - Net Interest Expense (incl. Debt + Leases) - Lease Payments

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NEUTRAL (N) – a rating which indicates that we expect the stock to perform in line with the broad market
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ACCUMULATE – we expect that the rate of return from an investment will range from 5% to 15%
HOLD – we expect that the rate of return from an investment will range from -5% to +5%
REDUCE – we expect that the rate of return from an investment will range from -5% to -15%
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