

**Navigating the perfect storm.** HUVR reported 11%/flat yoy revenue/ volume growth (+11%/2% 3-yr CAGR), marginally ahead of expectations. Even as near-term outlook is weak (incremental RM pressure + weak rural), we expect HUVR to emerge stronger when the tide turns— we expect gradual revival in BPC and nutrition portfolio growth as HUVR’s initiatives and investments start yielding results and strong recovery in profitability as RM inflation eventually eases. **BUY.**

Hindustan Unilever				Forecasts/valuations		
Stock data				2022	2023E	2024E
CMP(Rs)/FV(Rs)/Rating	2,145/2,525/BUY			EPS (Rs)	37.1	41.9
52-week range (Rs) (high-low)	2,859-1,902			EPS growth (%)	9.5	12.8
Mcap (bn) (Rs/US\$)	5,041/65.9			P/E (X)	57.8	51.2
ADTV-3M (mn) (Rs/US\$)	4,553/59			P/B (X)	10.6	10.3
Shareholding pattern (%)				EV/EBITDA (X)	39.7	35.7
Promoters	61.9			RoE (%)	18.4	20.4
FPIs/MFs/BFIs	14.7/3.2/5.3			Div. yield (%)	1.5	1.7
Price performance (%)				Sales (Rs bn)	509	566
Absolute	1M	3M	12M	EBITDA (Rs bn)	125	138
Rel. to BSE-30	9.8	(6.5)	(9.9)	Net profits (Rs bn)	87	98
	10.8	(5.7)	(26.0)			118

#### 4QFY22—Revenues ahead-of-expectations; In-line margin performance

Revenues grew 11% yoy to Rs131.9 bn (KIE: Rs130.8 bn); domestic consumer business grew 10% yoy. Underlying volume growth (UVG) was flat (KIE: -2%), and +2% on 3-yr CAGR basis; pricing was up 10% yoy. Grammage cuts on price point packs (~30% of sales) dragged volumes by ~200-300 bps. GM declined 300 bps yoy to 49.5% (KIE: 51.0%); GM was down 260 bps qoq led by inflation in HC and BPC portfolio. EBITDA grew 10% yoy to Rs32.5 bn (KIE: Rs31.6 bn). A&P spends were down 9% yoy (down 200 bps yoy to 9.6% of sales). Staff costs were up 4% yoy and other expenses grew 7% yoy. EBITDA margin declined 30/100 bps yoy/qoq to 24.1% (KIE: 24.1%). PBT grew 9% yoy to Rs30.7 bn, while recurring PAT grew 9% yoy to Rs22.8 bn. HUVR indicated (1) volume/value market share gains in 75%+ of portfolio, (2) 4.5X increase in NMI (Net Material Inflation) in Mar-2022 versus Jun-2020; expect continued RM pressure in coming quarters, (3) moderation in FMCG growth due to impact of pricing, (4) demand weakness in discretionary categories (skin care, color cosmetics, and HFD), (5) hopeful of rural recovery if increase in grain prices exceeds input cost inflation for farmers, and (6) signs of downtrading even as premium portfolio (120+ price index) is growing faster at ~2X.

#### Continued focus on fundamentals while navigating unprecedented near-term challenges

Even in the most difficult operating environment, HUVR’s unwavering focus on the KPIs for any FMCG company (competitive revenue growth, sustainable profitability, market share and investing for the future) is commendable. Case in point: (1) HUVR saw the highest market share gains over the past decade in FY2022 (per Nielsen data; we note Nielsen has thin coverage outside GT channel), (2) delivered 11%/10% yoy revenue/ EBITDA growth in Mar-2022, despite a complete flip-flop in the growth construct (pricing versus volumes), and (3) continued to invest in digital initiatives (800K+ Shikhar outlets, 20%+ digitized demand capture, 30% online sales in Lakme, and agile supply chain), (4) even as it has cut ad spends aggressively, its share of voice remains higher than share of market. We believe HUVR will emerge stronger as and when adverse externalities turnaround.

#### We trim FY2023-24 EPS estimate by 1-3%; Maintain BUY with unchanged FV of Rs2,525

We trim FY2023E margins and earnings to factor incremental inflationary pressure in crude, palm oil and agri commodities (all, largely attributable to Russia-Ukraine conflict).

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### Segmental Performance

On segmental front, the performance of Nutrition portfolio and BPC ex-soaps continues to lag expectations: (1) Home care segment grew 24% yoy (3-yr CAGR at 11%) led by mid-single digit volume growth in fabric wash; EBIT margin at 19.8% was decent in view of inflationary pressure, (2) BPC revenue grew 4% yoy (3-yr CAGR at 2%). Skin cleansing portfolio grew in double digit led by pricing; it implies that rest of the BPC portfolio (skin care + hair care + color cosmetics + oral care) declined marginally on yoy basis.

The management has attributed weakness to slowdown in discretionary categories and called out weak performance of 'Glow & Lovely'. EBIT margin declined 130 bps yoy to 26.2% largely due to palm-oil led inflationary pressure in soaps, (3) F&R revenues grew 5% yoy. Growth was healthy across categories except for Nutrition (GSK-CH portfolio) that has likely declined marginally based on our back-of-the-envelope calculation.

### Conference call highlights

- ▶ **Continued rural demand weakness.** HUVR registered 10% domestic consumer growth and flat underlying volume growth during the quarter. On a 3-year organic CAGR basis revenues/volume grew 11%/2% respectively. Management highlighted challenging market context led by significant inflation along with continued weakness in both urban and rural demand, with rural now seeing a decline even in value terms. Grammage cuts in price-point packs (~30% revenue salience) resulted in 2-3% adverse impact on volume growth. HUVR has also introduced bridge packs (new MRP products of a brand) to address any gaps in the price pyramid while keeping consumers' price-value equation intact. Per Nielsen data, urban + rural volumes were down around 8% in March-2022 quarter. HUVR recorded its highest market share gains over the past decade in FY2022 as it gained share across portfolio/markets/price-points.
- ▶ **Continued inflationary pressure in coming quarters.** HUVR highlighted continued inflationary pressure in soaps (Palm Oils), home care (Crude-linked) and packaging materials with Crude and Palm oil (both +60% yoy) and Polyethylene (+20% yoy). HUVR's net material inflation (market inflation adjusted for buying efficiencies, hedging, product design to value) is up 4.5X versus Jun-2020 and if spot prices were to sustain, the index is likely to go up even further in the coming two quarters. Given this backdrop, the company expects EBITDA margin to decline in the coming quarters and may temporarily fall below the company's medium term guidance range of 24-25%. HUVR will mitigate the impact by (1) cost saving initiatives like changing product formulations/packaging, reducing distance travelled, (2) pricing (including further grammage cuts, bridge packs), (3) premiumization (2X premium growth versus rest of the portfolio in FY2022), in that order. HUVR expects to consistently outperform FMCG market growth and is confident of margin recovery in a phased manner.
- ▶ **Homecare segment (includes household care, fabric wash and purifiers).** Revenues grew 24% yoy and EBIT grew 16% yoy, aided by strong performance in Fabric wash (high double-digit growth, mid single-digit volume growth) and Household care (high double-digit growth led by dishwash and surface cleaners). Liquids and fabric sensations continue to outperform led by market development actions. EBIT margin stood at 19.8% (KIE: 18.8%) aided by calibrated price hikes across fabric wash and household care portfolios.

- ▶ **Beauty and personal care segment (includes skin cleansing, oral care, hair care, skin care and cosmetics).** Revenues grew 4% yoy and EBIT declined 1% yoy. Revenues were led by skin cleansing which delivered double-digit revenue growth driven by pricing and led by strong performance in beauty and premium soaps ('Lux', 'Dove' and 'Pears'). Hair care saw strong competitive performance in the quarter with all brands gaining shares. Skin care performance lagged as Glow & Lovely and Talc were impacted by market slowdown while Colour Cosmetics was subdued due to Omicron and high inflation weighing on discretionary consumption. HUL launched New Dove Hair Therapy, Sunsilk Onion and Jojoba Oil shampoo, Lifebuoy's 'Powder to Liquid' handwash (MRP Rs10 for 200 ml pack, cheaper than Godrej Protekt Magic as per our checks) and Lakme's new range of eye make-up. BPC EBIT margin stood at 26.2% (KIE: 26.8) down 130 bps yoy.
- ▶ **Foods and refreshments segment (includes foods, beverages, nutrition, and OOH portfolios).** Revenues grew 5% yoy on a high base led by good growth in beverages, foods, and Ice-creams. HUVR is now the market leader in tea (both value and volume terms) as the business grew on an exceptionally high base. Both ice creams and foods (led by ketchups, jams, and soups) registered high double-digit growth. Coffee delivered double-digit revenue growth. Health Food Drinks delivered market share and penetration gains during the quarter on the back of focused market development actions and new communications (more than 10 mn home connects, direct coverage 2X pre-integration). Nutrition business integration is now complete in all respects – people, GTM, manufacturing. Management highlighted that nutrition portfolio has been impacted as households have cut back spends on discretionary items like HFD in the current inflationary environment. F&R EBIT margin stood at 19.3% (KIE: 18.8%) up 290 bps yoy.
- ▶ **D2C approach.** Management noted that not all the sales achieved by D2C brands are incremental as a major part of it represents just a channel shift. HUVR is taking the following approach towards D2C – (1) increasing accessibility of HUVR's existing brands, (2) brand extension of existing brands to cater to needs of digital first consumers, (3) launching digital-only brands like Simple and Love Beauty & Planet, in that order.
- ▶ **Others.** (1) Shikhar app continues to gain traction with ~800,000 onboarded retailers, (2) Premium portfolio (120+ price index) is growing at 2X of overall revenue growth, (3) HUVR now has 16 brands with revenues exceeding Rs10 bn, contributing about 75% to its topline, (4) Surf Excel has become the largest fabric solutions brand in India, (5) Innovations drove Rs9 bn incremental sales in FY2022, (6) HUVR has 2X more superior products versus 2019 (blind consumer tests done to judge product functionality), (7) the company has expanded reach to 3,500 distributors and 9 mn retail outlets, (8) Indonesia's ban on crude palm oil is unlikely to hurt domestic PFAD supplies but expect price volatility to continue, (9) more headroom for cost synergies exists in nutrition business, and (10) higher other income during the quarter is attributable to PLI incentives, OTC income for distribution of GSK's products, and hosting charges invoiced to Unilever.

Exhibit 1: Hindustan Unilever—key changes to estimates  
Standalone financials, March fiscal year-ends, 2022-24E (Rs mn)

	Revised		Earlier		Change (%)		FY2020-24E CAGR (%) / Change (bps)	
	2023E	2024E	2023E	2024E	2023E	2024E	Revised	Earlier
	Net revenues (Rs mn)	563,075	624,214	566,339	627,979	(0.6)	(0.6)	12.6
<b>Revenue growth (%)</b>	<b>10.0</b>	<b>10.9</b>	<b>11.3</b>	<b>10.9</b>				
<b>UVG (%)</b>	<b>1.0</b>	<b>8.0</b>	<b>2.0</b>	<b>8.0</b>				
<b>Gross margin (%)</b>	<b>49.5</b>	<b>53.5</b>	<b>50.0</b>	<b>54.0</b>	<b>-47 bps</b>	<b>-47 bps</b>	<b>-459 bps</b>	<b>-413 bps</b>
EBITDA (Rs mn)	135,753	162,010	138,263	163,312	(1.8)	(0.8)	14.0	14.2
EBIT (Rs mn)	124,403	150,024	127,342	151,378	(2.3)	(0.9)	14.7	15.0
<b>EBITDA margin (%)</b>	<b>24.1</b>	<b>26.0</b>	<b>24.4</b>	<b>26.0</b>	<b>-31 bps</b>	<b>-6 bps</b>	<b>-65 bps</b>	<b>-34 bps</b>
Recurring PAT (Rs mn)	95,587	116,210	98,405	117,861	(2.9)	(1.4)		
<b>EPS (Rs/share)</b>	<b>40.7</b>	<b>49.5</b>	<b>41.9</b>	<b>50.2</b>	<b>(2.9)</b>	<b>(1.4)</b>	<b>12.2</b>	<b>12.6</b>
Effective tax rate (%)	25.6	25.5	25.6	25.5				

Source: Company, Kotak Institutional Equities estimates

Exhibit 2: Hindustan Unilever—interim results (standalone), March fiscal year-ends (Rs mn)

	4QFY22	4QFY22E	4QFY21	3QFY22	(% chg.)			FY2022	FY2021	% yoy	3-year	
					KIE	yoy	qoq				4QFY19	CAGR (%)
Volume growth (%)	—	(2.0)	15.0	2.0	200 bps	-1500 bps	-200 bps	3.0	3.0	0 bps	7.0	2.2
Net sales	131,900	128,493	119,470	129,000	3	10	2	503,360	453,110	11	98,090	10
Other operating income	2,720	2,368	1,850	1,920	15	47	42	8,570	6,850	25	1,360	
Net operating income	134,620	130,861	121,320	130,920	3	11	3	511,930	459,960	11	99,450	11
Material cost	(67,920)	(64,159)	(57,560)	(62,690)	6	18	8	(251,240)	(216,770)	16	(47,430)	
Gross Profit	66,700	66,702	63,760	68,230	(0)	5	(2)	260,690	243,190	7	52,020	9
Gross margin (%)	49.5	51.0	52.6	52.1	-143 bps	-301 bps	-257 bps	50.9	52.9	-195 bps	52.3	
Employee cost	(5,420)	(6,584)	(5,220)	(6,570)	(18)	4	(18)	(23,990)	(22,290)	8	(4,020)	10
Advertising and promotion	(12,900)	(11,964)	(14,130)	(11,890)	8	(9)	8	(47,180)	(47,370)	(0)	(11,070)	5
Other expenditure	(15,930)	(16,563)	(14,840)	(16,980)	(4)	7	(6)	(64,490)	(60,290)	7	(13,720)	5
Total expenditure	(34,250)	(35,111)	(34,190)	(35,440)	(2)	0	(3)	(135,660)	(129,950)	4	(28,810)	
EBITDA	32,450	31,590	29,570	32,790	3	10	(1)	125,030	113,240	10	23,210	12
EBITDA margin (%)	24.1	24.1	24.4	25.0	-4 bps	-27 bps	-95 bps	24.4	24.6	-20 bps	23.3	
Other income	1,220	959	1,090	910	27	12	34	3,930	5,130	(23)	1,180	
Interest	(360)	(314)	(90)	(250)	15	300	44	(980)	(1,080)	(9)	(70)	
Depreciation	(2,610)	(2,611)	(2,490)	(2,550)	(0)	5	2	(10,250)	(10,120)	1	(1,340)	
Pretax profits	30,700	29,624	28,080	30,900	4	9	(1)	117,730	107,170	10	22,980	10
Tax	(7,870)	(7,477)	(7,050)	(7,980)	5	12	(1)	(30,490)	(27,550)	11	(7,080)	
PAT (recurring)	22,830	22,148	21,030	22,920	3	9	(0)	87,240	79,620	10	15,900	13
Extraordinary items	440	—	400	(490)				940	(80)		(520)	
Net profit (reported)	23,270	22,148	21,430	22,430	5	9	4	88,180	79,540	11	15,380	15
Income tax rate (%)	25.6	25.2	25.1	25.8	39 bps	52 bps	-20 bps	25.9	25.7	19 bps	30.8	
Core EPS (recurring)	9.7	9.4	8.9	9.8	3	9	(0)	37.1	33.9	10	7.3	10
Costs as a % of sales												
Material cost	50.5	49.0	47.4	47.9	142 bps	300 bps	256 bps	49.1	47.1	194 bps	47.7	
Employee cost	4.0	5.0	4.3	5.0	-101 bps	-28 bps	-100 bps	4.7	4.8	-16 bps	4.0	
Advertising and promotion	9.6	9.1	11.6	9.1	44 bps	-207 bps	50 bps	9.2	10.3	-109 bps	11.1	
Other expenditure	11.8	12.7	12.2	13.0	-83 bps	-40 bps	-114 bps	12.6	13.1	-52 bps	13.8	
<b>Segment results</b>												
<b>Revenues</b>												
Home care	47,500	43,610	38,400	41,930	9	24	13	165,780	139,590	19	35,020	11
Personal care	47,120	48,292	45,490	51,750	(2)	4	(9)	194,600	179,640	8	43,930	2
Food & Refreshments	36,980	36,591	35,110	34,660	1	5	7	141,050	132,040	7	19,160	
Others (incl exports)	3,020	2,368	2,320	2,580	28	30	17	10,500	8,690	21	1,340	
Total segment revenue	134,620	130,861	121,320	130,920	3	11	3	511,930	459,960	11	99,450	
<b>Segment EBIT</b>												
Home care	9,390	8,219	8,120	8,640	14	16	9	31,930	27,730	15	6,190	15
Personal care	12,360	12,951	12,520	14,410	(5)	(1)	(14)	53,540	51,270	4	12,200	0
Food & Refreshments	7,130	6,886	5,750	6,460	4	24	10	26,230	21,890	20	3,460	
Others (incl exports)	960	924	690	730	4	39	32	3,080	2,230	38	20	
Total segment EBIT	29,840	28,979	27,080	30,240	3	10	(1)	114,780	103,120	11	21,870	
<b>Segment EBIT margins, %</b>												
Home care	19.8	18.8	21.1	20.6	92 bps	-138 bps	-84 bps	19.3	19.9	-61 bps	17.7	
Personal care	26.2	26.8	27.5	27.8	-59 bps	-130 bps	-162 bps	27.5	28.5	-103 bps	27.8	
Food & Refreshments	19.3	18.8	16.4	18.6	46 bps	290 bps	64 bps	18.6	16.6	201 bps	18.1	
Others (incl exports)	31.8	39.0	29.7	28.3	-724 bps	204 bps	349 bps	29.3	25.7	367 bps	1.5	

Source: Company, Kotak Institutional Equities

Exhibit 3: Hindustan Unilever—16 brands with revenues over Rs10 bn contribute 75% to HUL's topline



Source: Company

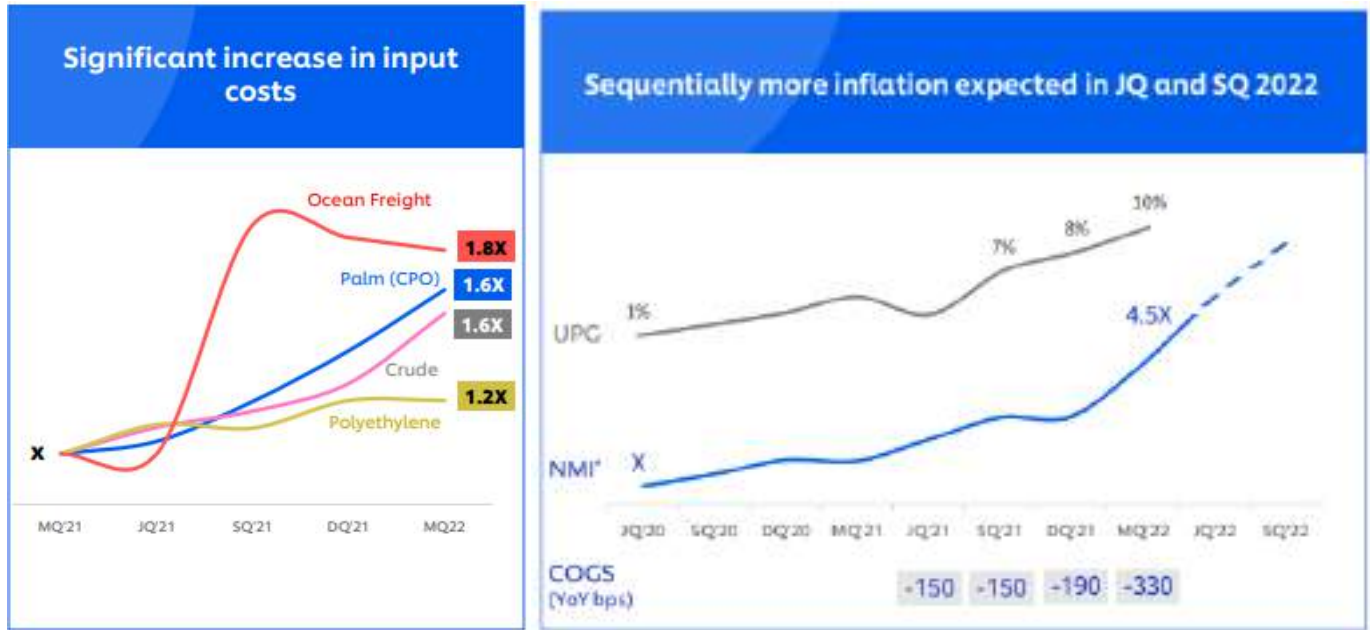
Exhibit 4: FMCG industry's growth in both urban and rural have moderated with discretionary categories impacted more



Market growths as per Nielsen Mar'22 update for HUL relevant categories  
 1. Discretionary = Skin Care, Hair Care and HFQ categories  
 2. Rest of FMCG = HUL relevant categories - Discretionary (refer 1 above)

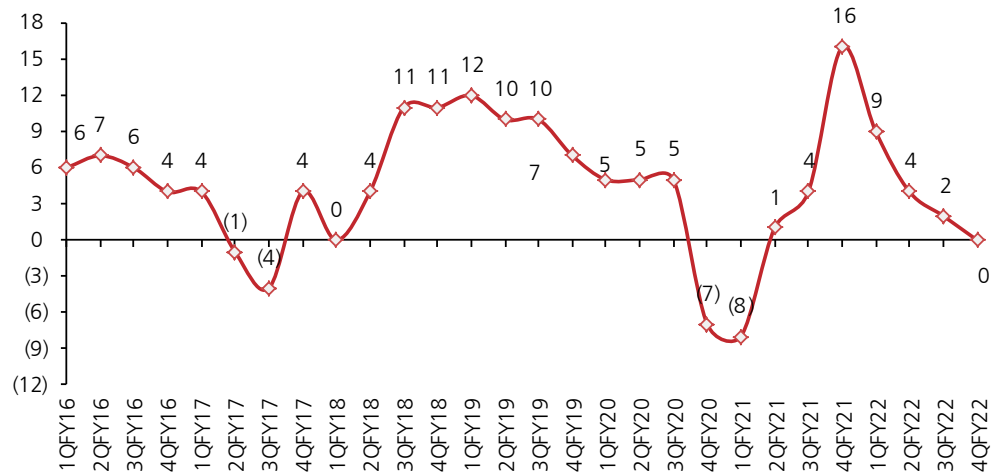
Source: Company

Exhibit 5: Operating environment remains challenging given significant cost increases



Source: Company

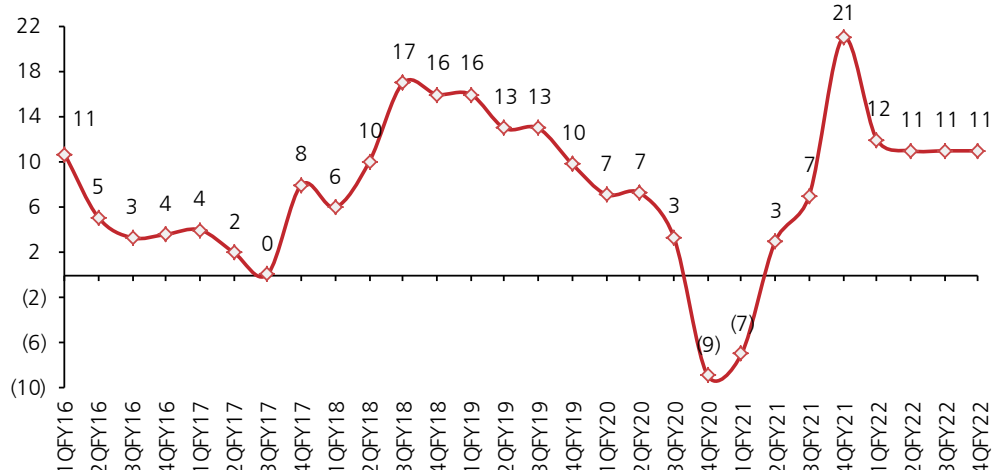
Exhibit 6: Hindustan Unilever – Underlying volume growth was flat (3-yr CAGR 2%), March fiscal year-ends (%)



Source: Company, Kotak Institutional Equities



Exhibit 7: Hindustan Unilever – Domestic FMCG revenue growth at 11% yoy (3-yr CAGR at 11%), March fiscal year-ends (%)



Source: Company, Kotak Institutional Equities

Exhibit 8: Hindustan Unilever—Select key innovations during the quarter



Source: Company



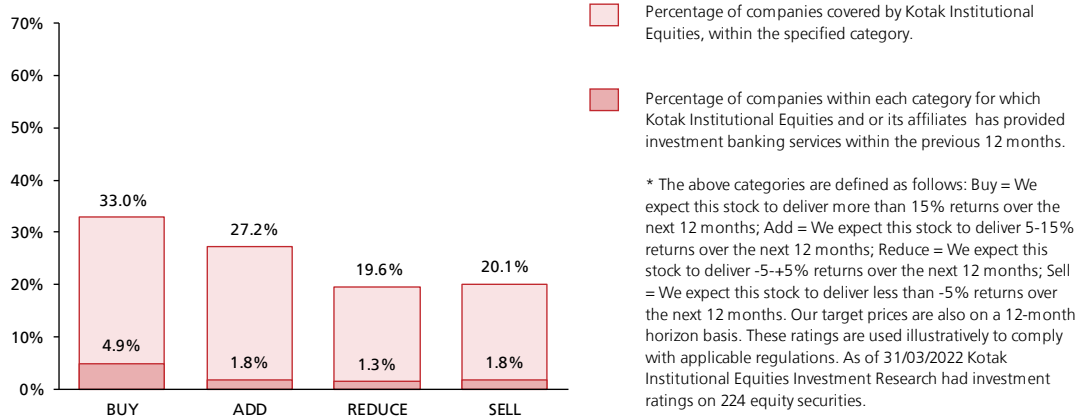
Exhibit 9: Hindustan Unilever—condensed standalone financials, March fiscal year-ends, 2018-24E (Rs mn)

	2017	2018	2019	2020	2021	2022E	2023E	2024E
<b>Profit model (Rs mn)</b>								
Net operating revenues	318,900	345,250	382,240	387,850	459,960	511,930	563,075	624,214
<b>EBITDA</b>	<b>60,450</b>	<b>72,760</b>	<b>86,370</b>	<b>96,000</b>	<b>113,240</b>	<b>125,030</b>	<b>135,753</b>	<b>162,010</b>
Financial income	5,260	5,690	6,640	7,330	5,130	3,930	5,018	6,936
Interest	(220)	(200)	(280)	(1,060)	(1,080)	(980)	(943)	(974)
Depreciation	(3,960)	(4,780)	(5,240)	(9,380)	(10,120)	(10,250)	(11,350)	(11,986)
<b>Pretax profits</b>	<b>61,530</b>	<b>73,470</b>	<b>87,490</b>	<b>92,890</b>	<b>107,170</b>	<b>117,730</b>	<b>128,478</b>	<b>155,986</b>
Tax	(19,060)	(22,120)	(26,690)	(25,460)	(27,550)	(30,490)	(32,890)	(39,777)
<b>Recurring Net profit</b>	<b>42,470</b>	<b>51,350</b>	<b>60,800</b>	<b>67,430</b>	<b>79,620</b>	<b>87,240</b>	<b>95,587</b>	<b>116,210</b>
EO items	2,430	1,020	(440)	(50)	(80)	940	—	—
<b>Reported Net Profit</b>	<b>44,900</b>	<b>52,370</b>	<b>60,360</b>	<b>67,380</b>	<b>79,540</b>	<b>88,180</b>	<b>95,587</b>	<b>116,210</b>
<b>Recurring EPS (Rs)</b>	<b>19.6</b>	<b>23.8</b>	<b>28.1</b>	<b>31.2</b>	<b>33.9</b>	<b>37.1</b>	<b>40.7</b>	<b>49.5</b>
<b>Balance sheet (Rs mn)</b>								
Total equity	64,900	70,750	76,590	80,310	474,340	487,600	501,407	525,497
Deferred tax liability (Net)	(1,600)	(2,550)	(3,390)	(2,610)	59,860	61,410	61,410	61,410
<b>Total liabilities and equity</b>	<b>63,300</b>	<b>68,200</b>	<b>73,200</b>	<b>77,700</b>	<b>534,200</b>	<b>549,010</b>	<b>562,817</b>	<b>586,907</b>
Net fixed assets (incl CWIP)	38,570	42,060	42,800	51,380	64,090	67,140	63,861	60,198
Intangible assets	3,700	3,660	4,360	4,310	452,410	452,210	452,210	452,210
Cash	16,710	33,730	36,880	50,170	43,210	36,180	54,195	89,020
Investments	37,790	31,110	29,490	15,000	29,950	41,220	41,220	41,220
Net current assets	(33,470)	(42,360)	(40,330)	(43,160)	(55,460)	(47,740)	(48,669)	(55,741)
<b>Total assets</b>	<b>63,300</b>	<b>68,200</b>	<b>73,200</b>	<b>77,700</b>	<b>534,200</b>	<b>549,010</b>	<b>562,817</b>	<b>586,907</b>
<b>Free cash flow (Rs mn)</b>								
Operating cash flow, excl. working capital	42,870	50,970	59,890	70,080	90,130	97,530	98,890	117,828
Working capital	6,660	8,190	(2,610)	2,970	(560)	(7,890)	929	7,073
Capital expenditure	(13,670)	(8,370)	(7,370)	(7,430)	(39,870)	(7,850)	(8,071)	(8,323)
<b>Free cash flow</b>	<b>35,860</b>	<b>50,790</b>	<b>49,910</b>	<b>65,620</b>	<b>49,700</b>	<b>81,790</b>	<b>91,748</b>	<b>116,577</b>
<b>Key ratios</b>								
				25.3				
Net operating revenue growth (%)	2.7	8.3	10.7	1.5	18.6	11.3	10.0	10.9
Core EPS growth (%)	3.2	20.9	18.4	10.9	18.1	9.6	9.6	21.6
<b>Gross margins (%)</b>	<b>50.8</b>	<b>53.0</b>	<b>53.0</b>	<b>54.1</b>	<b>52.9</b>	<b>50.9</b>	<b>49.5</b>	<b>53.5</b>
<b>EBITDA margin (%)</b>	<b>19.0</b>	<b>21.1</b>	<b>22.6</b>	<b>24.8</b>	<b>24.6</b>	<b>24.4</b>	<b>24.1</b>	<b>26.0</b>
A&SP (% of sales)	10.9	11.9	11.9	12.1	10.3	9.2	8.0	10.4
Employee cost (% of sales)	5.1	5.1	4.6	4.4	4.8	4.7	4.4	4.4
ETR (% of PBT)	31.0	30.1	30.5	27.4	25.7	25.9	25.6	25.5
RoE (%)	66.5	75.7	82.5	86.0	28.7	18.1	19.3	22.6
RoCE (%)	52.6	59.2	62.6	62.8	22.6	14.7	15.5	18.0

Source: Company, Kotak Institutional Equities estimates

**Kotak Institutional Equities Research coverage universe**

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of March 31, 2022

**Ratings and other definitions/identifiers**

**Definitions of ratings**

BUY. We expect this stock to deliver more than 15% returns over the next 12 months.

ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5+5% returns over the next 12 months.

SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our Fair Value estimates are also on a 12-month horizon basis.

Our Ratings System does not take into account short-term volatility in stock prices related to movements in the market. Hence, a particular Rating may not strictly be in accordance with the Rating System at all times.

**Other definitions**

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: Attractive, Neutral, Cautious.

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