

PeopleIn Limited

A line in the sand result

PeopleIn has delivered a strong set of numbers and a positive guidance statement for FY23e. Headline EBITDA of \$47.2m (+24%) was 2% ahead of our expectations and the 13.0 cent fully franked dividend was also ahead, indicating management's confidence in the near-term cash generation of the business. By segment, the technology practice led the outperformance, offsetting a modest half on half softening in the health practice which faced capacity constraints in sourcing offshore labour. Group EBITDA margins expanded during the second half. The revenue and margin performance demonstrates PPE's capacity to absorb and benefit from wages growth, full employment and heightened resourcing demands within the client base. The FY23e outlook statement for \$62m-\$66m headline EBITDA (pre SBP), equates to c10% organic earnings growth, also signalling confidence in the outlook for recent acquisitions Food Industry People (FIP), GMT Group and Perigon. Longer term employment growth rates within PPE's core categories are supportive of organic growth into future periods. With a return on equity of 20% and demonstrated ability to generate consistent EPS growth, we believe that PPE deserves to trade in line with sector peers on 13x-14x forward PER. FY23e EPS upgrades by 2% and our DCF based valuation rises to \$4.67 (from \$4.59). Maintain BUY.

Health segment is likely to bounce back in FY23e

- Billable hours in the health segment were impacted during 1H22 due to lock downs, workplace restrictions and constraints to labour migration. Cycling these lower comps and a gradual increase in overseas sourcing programs we expect an improved FY23e result.

FY23e guidance of \$62m-\$66m EBITDA

- Our adjusted EBITDA includes ~\$3.2m of forecast non-cash, share-based payments in FY23e. Stripping these expenses out, Ords forecasts are within the mid-point of the guidance range.

BUY recommendation, \$4.67 price target

- PPE trades on an adjusted PER multiple of 10.2x in FY23e, a 25% discount to the peer set. Next catalysts: AGM update, Federal Government progress extending the PALM scheme.

Year-end June (\$)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue (\$m)	444.4	682.3	977.1	1,062.8	1,112.2
EBITDA (\$m)	36.9	43.8	61.0	66.8	70.1
EBIT (\$m)	33.9	38.8	55.1	60.8	64.1
Reported NPAT (\$m)	17.7	18.4	29.5	34.0	36.7
Reported EPS (c)	19.3	19.4	29.7	34.1	36.7
Normalised NPAT (\$m)	22.6	25.7	36.1	40.6	43.3
Normalised EPS (c)	24.7	27.0	36.3	40.7	43.3
EPS Growth (%)	17.2	9.4	34.4	12.0	6.5
Dividend (c)	10.5	13.0	15.0	16.5	17.5
Net Yield (%)	2.8	3.5	4.0	4.4	4.7
Franking (%)	100	100	100	100	100
EV/EBITDA (X)	10.2	10.0	7.2	6.3	5.8
Normalised P/E (x)	15.1	13.8	10.2	9.2	8.6
Normalised ROE (%)	21.4	20.0	23.3	23.0	22.0

Source: OML, Iress, PeopleIn Limited

Last Price

A\$3.72

Target Price

A\$4.67 (Previously A\$4.59)

Recommendation

Buy

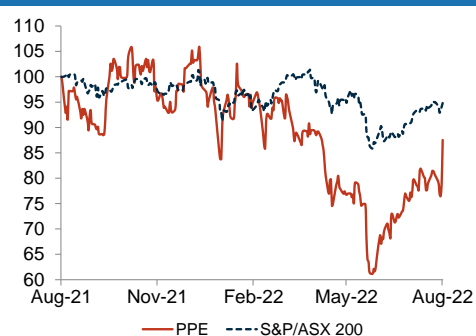
Risk

Higher

Human Resource and Employment Service

ASX Code	PPE
52 Week Range (\$)	2.60 - 4.50
Market Cap (\$m)	367.4
Shares Outstanding (m)	98.8
Av Daily Turnover (\$m)	4.8
3 Month Total Return (%)	14.1
12 Month Total Return (%)	-12.5
Benchmark 12 Month Return (%)	-5.2
NTA FY23E (¢ per share)	-38.9
Net Debt FY23E (\$m)	65.0

Relative Price Performance



Source: FactSet

Consensus Earnings

	FY23E	FY24E
NPAT (C) (\$m)	34.4	37.9
NPAT (OM) (\$m)	36.1	40.6
EPS (C) (c)	34.5	37.7
EPS (OM) (c)	36.3	40.7

Source: OML, Iress, PeopleIn Limited

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Result highlights

Figure 1: Result versus expectations

PeopleIn (PPE)	actual	actual	actual	actual	actual	actual	FY vs. FY	Ords	beat (miss)
HY 31 Dec / YE 30 June	1H21	2H21	FY21	1H22	2H22	FY22	%	FY22e	%
revenue- segments \$m									
Industrial & Specialist	117.1	134.1	251.2	190.3	224.7	415.0	65%	417.9	-1%
Health & Community	64.8	67.9	132.7	71.5	67.6	139.2	5%	146.2	-5%
Technology	18.6	41.8	60.4	54.0	74.2	128.2	112%	114.4	12%
other	1.0	0.0	1.0	0.3	-0.3	0.0	-99%	0.0	na
revenue- total	202.0	242.4	444.4	316.1	366.2	682.3	54%	678.6	1%
EBITDA- segments \$m									
Industrial & Specialist	10.2	6.5	16.7	9.9	11.7	21.6	29%	22.9	-6%
Health & Community	9.6	7.0	16.7	6.3	5.6	12.0	-28%	13.2	-9%
Technology	2.3	6.1	8.3	7.3	10.4	17.6	112%	14.6	21%
corporate costs (ex abnormals)	-1.1	-2.6	-3.7	-1.9	-2.2	-4.1	10%	-4.3	-6%
EBITDA - pre SBP "PPE"	21.0	17.1	38.0	21.6	25.6	47.2	24%	46.4	2%
share based payments	-0.4	-0.7	-1.1	-1.4	-1.9	-3.3	193%	-1.8	85%
EBITDA- underlying "OML"	14.1	22.9	36.9	20.2	23.7	43.8	19%	44.6	-2%
EBITDA margins	10.4%	7.0%	8.6%	6.8%	7.0%	6.9%	-1.7%	6.6%	5%
Key P&L metrics \$m									
D&A- underlying	-1.4	-1.6	-3.1	-2.2	-2.8	-5.0	65%	-5.0	0%
EBIT	19.2	14.7	33.9	17.9	20.9	38.8	15%	39.5	-2%
Net Interest	-0.7	-0.8	-1.5	-1.0	-1.1	-2.1	39%	-2.4	-11%
NPATA - underlying OML	12.9	9.7	22.6	11.8	13.8	25.7	13%	26.0	-1%
EPS (cents): underlying EPS-A	14.3	10.3	24.7	12.6	14.4	27.0	9%	27.5	-2%
Contract amortisation-reported	-1.7	-2.0	-3.7	-2.8	-3.3	-6.1	65%	-4.0	52%
abnormals pre-tax	1.1	-3.0	-1.9	-5.6	2.6	-3.0	59%	-6.9	-57%
NPAT- statutory	11.6	6.0	17.7	4.3	14.1	18.4	4%	18.4	0%
Dividend (cents)	4.5	6.0	10.5	6.5	6.5	13.0	24%	12.5	4%
payout % cash NPAT	31%	58%	43%	52%	45%	48%	13%	45%	6%
Key metrics \$m									
operating cash flow	2.6	5.0	7.6	11.1	10.9	22.0	189%	20.0	10%
Net capex (incl M&A)	-0.6	-0.7	-1.3	-8.9	-49.0	-57.9	4345%	-71.3	-19%
free cash flow	2.0	4.3	6.3	2.2	-38.1	-35.9	-669%	-51.4	-30%
net debt (cash)	-2.2	33.2	33.2	39.0	71.4	71.4	115%	82.2	-13%
ROE %	23.8%	21.4%	21.4%	16.9%	20.0%	20.0%	-7%	20.2%	-1%

Source Ord Minnett Limited Research

- Revenue of \$682.3m (+54%) beat forecasts by 1%.** By segment, Industrial recorded revenue of \$415m (+65%), in line with expectations, Health recorded revenues of \$139.2m (+5%), -5% versus expectations and Technology generated revenue of \$128.2m (+112%) and a 12% beat versus expectations.
- EBITDA pre all unallocated costs was \$47.2m (+24%), a 2% beat versus our expectations.** By segment, Industrial generated \$21.6m EBITDA (+29%), a 6% miss versus expectations, the health segment generated \$12.0m EBITDA (-28%), a 9% miss versus expectations and technology generated \$17.6m EBITDA (+112%), beating our forecasts by 21%.
- Operating cash flow of \$22.1m (+190%),** beat our forecasts by 11% with a positive swing in working capital. Working capital/sales ratio was 8.3%.
- Dividend of 13.0 cents was +24% on the prior year** and is a positive signal in the near term cash flow forecasts for the business.

Outlook and key takeaways

- Technology has outperformed:** The technology franchise is booming, with higher wages and rising staff turnover contributing to the earnings outperformance. We expect the rate of growth to moderate into FY23e.
- Food Industry People has integrated well:** We see the FIP acquisition contributing ~\$10m EBITDA in FY23e. There is upside risk based on possible extension of the PALM scheme.
- The balance sheet has some capacity in the short term:** Net debt (excluding leases) of \$71.4m represents 1.6x adjusted EBITDA or around 1.2x on a pro-forma basis. PPE retain an estimated \$30m of capacity to debt fund acquisitions. We expect the balance sheet position to unwind during FY23e, providing further scope for additional acquisitions.
- We assume capex including leases of \$5m-\$6m in FY23e.** Working capital balances are likely to increase, given the payment terms associated with the FIP acquisition.

Figure 2: +2% EPS revision in FY23e

	FY23e			FY24e			FY25e
	old	new	change %	old	new	change %	new
revenue- segments \$m							
Industrial & Specialist*	699	684	-2%	782	758	-3%	797
Health & Community*	158	146	-7%	171	152	-11%	158
Technology*	122	147	20%	131	153	17%	157
revenue- total	980	977	0%	1083	1063	-2%	1112
EBITDA- segments \$m							
Industrial & Specialist*	35.9	34.0	-5%	40.3	37.3	-7%	39.6
Health & Community*	14.7	14.6	0%	15.9	15.2	-4%	15.8
Technology*	15.6	20.4	30%	16.7	21.2	27%	21.8
unallocated	-5.2	-4.7	-10%	-5.5	-4.9	-10%	-5.2
EBITDA - pre SBP "PPE"	61.0	64.3	5%	67.4	68.8	2%	72.1
share based payments	-0.6	-3.3	450%	-0.6	-2.0	233%	-2.0
EBITDA- underlying	60.4	61.0	1%	66.8	66.8	0%	70.1
EBITDA margin %	6.2%	6.6%	6%	6.2%	6.5%	4%	6.5%
Key P&L metrics \$m							
D&A- underlying	-6.3	-5.9	-7%	-6.7	-6.0	-11%	-6.0
EBITA	55.9	55.5	-1%	62.2	61.2	-2%	64.5
EBIT	54.1	55.1	2%	60.1	60.8	1%	64.1
net interest	-3.0	-3.6	20%	-2.1	-2.8	32%	-2.2
PBT - underlying	51.1	51.5	1%	58.0	58.0	0%	61.8
NPATA - underlying	35.8	36.1	1%	40.6	40.6	0%	43.3
EPS (cents):underlying EPS-A	35.5	36.3	2%	40.1	40.7	1%	43.3
D&A - reported	-13.8	-15.3	11%	-14.1	-15.4	9%	-15.4
Abnormals - pre-tax	0.0	0.0	0%	0.0	0.0	na	0.0
reported NPAT	30.6	29.5	-4%	35.4	34.0	-4%	36.7
dividend (cents)	13.5	15.0	11%	14.5	16.5	14%	17.5
payout % cash EPS	38%	41%	3%	36%	41%	4%	40%
Key metrics \$m							
operating cash flow	54.5	29.1	-47%	44.7	43.1	-4%	48.5
net capex & leases	-6.1	-5.3	-13%	-6.2	-5.5	-13%	-5.6
acquisitions (incl earn outs)	-5.1	-5.1	na	-3.6	-3.6	na	-14.0
free cash flow (post tax)	43.3	18.7	-57%	34.9	34.0	-2%	28.9
net debt (cash)	45.8	65.0	42%	24.5	45.9	87%	33.6
Net debt/EBITDA	1.8x	1.6x	-12%	0.8x	1.1x	41%	0.5x
ROE %	23%	23%	1%	23%	23%	1%	22%
EV/EBITDA x	6.3	7.2	14%	5.4	6.3	16%	5.8
EV/EBIT x	7.0	7.9	13%	6.0	6.9	15%	6.3
P/E x	9.3	10.2	10%	8.2	9.2	11%	8.6

Source Ord Minnett Limited Research

Valuation

- We value PPE adopting a DCF methodology with a weighted average cost of capital of 10.7% (from 10.1%), cost of equity of 11.9% (from 11.0%) and terminal growth rate of 3%. Revised DCF valuation rises to \$4.67 per share (previous \$4.59 per share).
- On a relative basis, PPE trades on the price/earnings ratio of 13.8x for FY22e, which represents a -1% discount to the peer set. Based on FY23e forecasts, this discount extends to -25% versus the peer group, validating our BUY recommendation.

Figure 3: Relative valuation

Code	Company	Mkt cap		Price / Earnings			EV / EBITDA			EV / Sales		Return on equity		EV/EBIT	
		A\$m	A\$m	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23
APM AU Equity	APM Group	3091	3545	na	17.8	16.7	na	11.7	10.1	2.6	2.2	14.2	12.6	16.4	14.3
6569 JP Equity	Nisso Corp	207	156	11.1	11.8	11.4	na	5.6	na	0.2	0.2	12.2	11.5	6.7	6.0
4763 JP Equity	Creek & River Co Ltd	559	473	35.3	23.2	18.9	na	na	na	1.1	1.0	19.7	20.3	13.0	10.9
2181 JP Equity	Persol Holdings Co	7,085	6,854	40.3	22.6	20.4	15.7	9.6	8.8	0.6	0.6	17.3	16.8	13.0	11.9
2181 JP Equity	JAC Recruitment	7,085	6,854	40.3	22.6	20.4	15.7	9.6	8.8	0.6	0.6	17.3	16.8	13.0	11.9
2475 JP Equity	WDB Holdings Co	548	376	18.8	12.1	15.4	na	na	na	0.8	0.8	16.8	na	5.6	7.2
HAS LN Equity	Hays PLC	3,358	3,277	36.4	14.1	12.5	11.9	6.9	6.5	0.3	0.3	17.5	20.0	9.1	8.2
PAGE LN Equity	Page Group	2,509	2,447	12.2	9.6	10.2	6.5	5.4	5.4	0.7	0.7	42.3	36.6	6.8	7.0
STEM LN Equity	Sthree PLC	861	831	12.7	10.0	9.6	6.7	5.7	5.2	0.3	0.3	28.3	25.5	6.7	6.4
RWA LN Equity	Robert Walters	661	632	11.7	8.7	8.4	5.0	4.4	4.3	0.3	0.3	23.4	21.0	6.0	5.6
KFY US Equity	Korn Ferry	5,042	4,184	27.7	10.4	10.9	10.0	5.0	5.2	1.1	1.0	na	18.7	6.3	6.4
AMN US Equity	AMN Healthcare Services	6,415	7,548	13.3	9.2	12.6	8.4	6.4	8.2	1.0	1.2	31.7	20.5	7.8	11.0
KFY US Equity	Kforce Inc	5,042	4,184	27.7	10.4	10.9	10.0	5.0	5.2	1.1	1.0	na	18.7	6.3	6.4
BRNL NA Equity	Brunel International NV	706	729	17.7	12.8	10.8	7.9	6.4	5.5	0.4	0.4	12.9	14.4	8.6	7.2
AAD GR Equity	Aradeus Fire AG	861	966	14.8	14.6	13.7	7.5	7.3	7.1	1.6	1.6	24.1	21.2	10.5	10.0
		Average		22.9	14.0	13.5	9.6	6.8	6.7	0.9	0.8	21.3	19.6	9.1	8.7
		Median		18.3	12.1	12.5	8.4	6.0	5.5	0.7	0.6	18.6	20.0	7.3	7.2
PPE AU Equity	PeopleIn	372	437	15.1	13.8	10.2	11.9	10.0	7.2	0.6	0.4	20.0	23.0	11.3	7.9

Source: Ord Minnett Research, Bloomberg

Overview

- PeopleIn is a workforce solutions company, providing services to over 4,000 clients across the public and private sectors. PeopleIn operates in four key segments including health and community services, industrial services, food/agri, specialist services and information technology. Services include sourcing, skilling, deployment and management of workforce staff, with a balance of permanent placement and contracting. Since listing in 2017 the network has grown to 26 market facing brands and the company provides payroll for 10,000-15,000 candidates every week. PeopleIn employs over 850 internal staff and has a national presence.

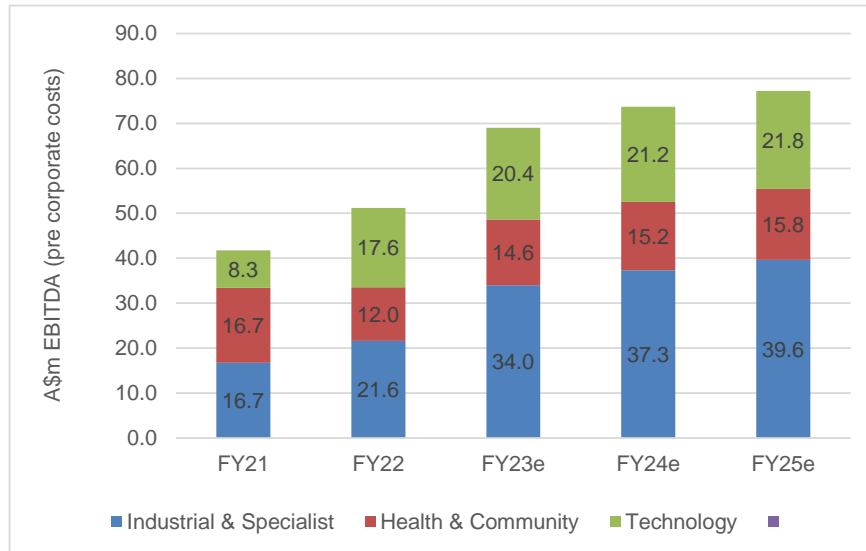
Investment thesis

- We are attracted to PeopleIn’s exposure to entrenched and growing segments of the employment market, including healthcare, community and technology. Each of these segments is forecast to grow by a multiple of GDP growth between 2021 and 2026, driven by supportive thematics and demographic change. PPE’s acquisition strategy since listing has taken the brand portfolio to 26 in total whilst still delivering ~10% organic earnings growth since the time of acquisition. Acquired brands have typically broadened the service offering and geographical spread and added to the stickiness of the broader group in retaining and expanding panel-based work. We see PPE’s return on equity and higher forecast free cash flows as evidence that the acquisition strategy is delivering returns post acquisition integration.

Key metrics

- Improving earnings diversity by industry is a key feature of PPE’s investment case.

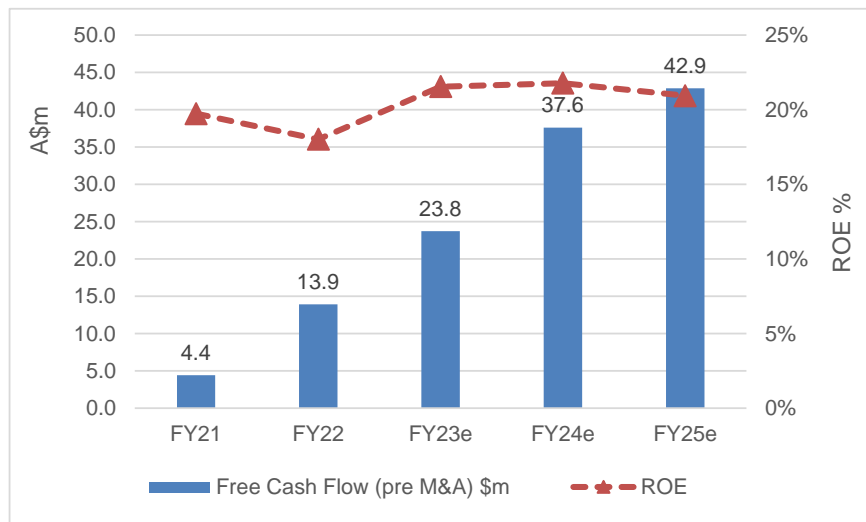
Figure 4: EBITDA by segment



Source: Ord Minnett Research

- Although impacted by acquisition payments, we expect PPE’s free cash flow generation to grow into FY23e. ROE of ~20% is maintainable in our view.

Figure 5: Free cash flow vs ROE



Source: Ord Minnett Research

Key risks

- **A change in employment conditions:** PPE's core business relies on the ongoing demand for labour, any change in conditions that affect this could have an adverse impact on revenue. This includes a reversal in the trend towards workforce casualisation and any event which causes a fall in economic activity.
- **Regulatory risk:** Due to the focus of the company's operations being in comparatively more unionised and politically exposed sectors, there is a risk of industrial action impacting on PPE's operations. Changes to government regulations, could also have an adverse impact on the business.
- **Cash Flow conversion:** The conversion from EBITDA to operating cash flow during FY21 was 21%, constrained by acquisition integration and working capital movements. FY22 conversion was 67% which we see as being closer to a normalised ratio. Variation between debtor days and creditor days has potential to impact cash flow conversion, particularly in periods following M&A activity.

PeopleIn Limited

PROFIT & LOSS (A\$m)	2021A	2022A	2023E	2024E	2025E
Revenue	444.4	682.3	977.1	1,062.8	1,112.2
Operating costs	(407.5)	(638.5)	(916.1)	(996.1)	(1,042.1)
Operating EBITDA	36.9	43.8	61.0	66.8	70.1
D&A	(3.1)	(5.0)	(5.9)	(6.0)	(6.0)
EBIT	33.9	38.8	55.1	60.8	64.1
Net interest	(1.5)	(2.1)	(3.6)	(2.8)	(2.2)
Pre-tax profit	32.3	36.7	51.5	58.0	61.8
Net tax (expense) / benefit	(9.7)	(11.0)	(15.5)	(17.4)	(18.6)
Normalised NPAT	22.6	25.7	36.1	40.6	43.3
Reported NPAT	17.7	18.4	29.5	34.0	36.7
Normalised dil. EPS (cps)	24.7	27.0	36.3	40.7	43.3
Reported EPS (cps)	19.3	19.4	29.7	34.1	36.7
Effective tax rate (%)	28.4	28.4	28.4	28.4	28.4
DPS (cps)	10.5	13.0	15.0	16.5	17.5
Dividend yield (%)	2.8	3.5	4.0	4.4	4.7
Payout ratio (%)	42.6	48.1	41.3	40.6	40.4
Franking (%)	100.0	100.0	100.0	100.0	100.0
Diluted # of shares (m)	95.8	101.1	102.3	102.3	102.3

CASH FLOW (A\$m)	2021A	2022A	2023E	2024E	2025E
EBITDA incl. adjustments	37.0	49.9	61.0	66.8	70.1
Change in working capital	(31.9)	(14.3)	(15.7)	(6.3)	(3.6)
Net Interest (paid)/received	(1.5)	(2.1)	(3.6)	(2.8)	(2.2)
Income tax paid	(11.2)	(13.9)	(12.6)	(14.6)	(15.7)
Other operating items	15.3	2.5	-	-	-
Operating Cash Flow	7.6	22.0	29.1	43.1	48.5
Capex	(1.3)	(4.5)	(1.6)	(1.6)	(1.6)
Acquisitions	(22.0)	(50.0)	-	-	-
Other investing items	0.0	0.0	(5.1)	(3.6)	(14.0)
Investing Cash Flow	(23.3)	(54.3)	(6.7)	(5.2)	(15.6)
Inc/(Dec) in borrowings	6.2	59.4	(25.0)	(20.0)	(10.0)
Dividends paid	(7.1)	(10.6)	(12.4)	(14.9)	(16.5)
Other financing items	(1.9)	(3.6)	(3.7)	(3.9)	(4.0)
Financing Cash Flow	(2.1)	45.6	(41.1)	(38.8)	(30.5)
Net Inc/(Dec) in Cash	(17.7)	13.2	(18.7)	(0.9)	2.4

BALANCE SHEET (A\$m)	2021A	2022A	2023E	2024E	2025E
Cash	13.7	27.0	8.3	7.4	9.8
Receivables	76.0	107.5	147.2	160.2	167.6
Inventory	-	-	-	-	-
Other current assets	1.7	12.2	12.2	12.2	12.2
PP & E	9.1	15.8	14.6	13.4	12.3
Investments	-	-	-	-	-
Intangibles	116.9	202.0	206.2	201.1	206.3
Other non-current assets	-	0.3	0.3	0.3	0.3
Total Assets	217.4	364.8	388.8	394.5	408.5
Short term debt	18.3	32.6	32.6	32.6	32.6
Payables	33.7	51.0	75.0	81.5	85.3
Other current liabilities	14.7	36.6	36.6	36.6	36.6
Long term debt	28.6	65.7	40.7	20.7	10.7
Other non-current liabilities	7.4	36.5	36.5	36.5	36.5
Total Liabilities	102.8	222.4	221.4	208.0	201.8
Total Equity	114.6	142.3	167.3	186.5	206.7
Net debt (cash)	33.2	71.4	65.0	45.9	33.6

Buy

DIVISIONS	2021A	2022A	2023E	2024E	2025E
KEY METRICS (%)	2021A	2022A	2023E	2024E	2025E
Revenue growth	18.7	53.5	43.2	8.8	4.6
EBITDA growth	30.9	18.7	39.2	9.5	4.9
EBIT growth	34.7	14.6	42.1	10.3	5.3
Normalised EPS growth	17.2	9.4	34.4	12.0	6.5
EBITDA margin	8.3	6.4	6.2	6.3	6.3
EBIT margin	7.6	5.7	5.6	5.7	5.8
Return on assets	12.6	9.5	10.5	11.1	11.4
Return on equity	21.4	20.0	23.3	23.0	22.0

VALUATION RATIOS (x)	2021A	2022A	2023E	2024E	2025E
Reported P/E	19.3	19.2	12.5	10.9	10.1
Normalised P/E	15.1	13.8	10.2	9.2	8.6
Price To Free Cash Flow	76.9	25.3	15.6	9.9	8.7
Price To NTA	-	-	-	-	1,049.7
EV / EBITDA	10.2	10.0	7.2	6.3	5.8
EV / EBIT	11.2	11.3	7.9	6.9	6.3

LEVERAGE	2021A	2022A	2023E	2024E	2025E
ND / (ND + Equity) (%)	22.5	33.4	28.0	19.8	14.0
Net Debt / EBITDA (%)	90.1	162.8	106.6	68.8	47.9
EBIT Interest Cover (x)	21.9	18.1	15.3	21.9	28.9
EBITDA Interest Cover (x)	23.8	20.4	16.9	24.1	31.6

VALUATION	
Cost of Equity (%)	11.9
Cost of debt (after tax) (%)	3.5
D / EV (%)	(14.7)
WACC (%)	10.7
Forecast cash flow (\$m)	198.0
Terminal value (\$m)	289.2
Enterprise Value (\$m)	487.1
Equity NPV Per Share (\$)	4.67
Target Price Method	DCF
Target Price (\$)	4.67
Valuation disc. / (prem.) to share price (%)	25.5

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BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
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