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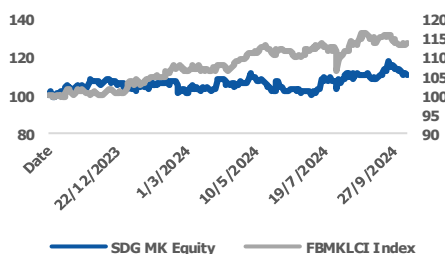
<b>Recommendation:</b>	<b>HOLD</b>
<b>Current Price:</b>	<b>RM 4.68</b>
<b>Previous Target Price:</b>	<b>N/A</b>
<b>Target Price:</b>	<b>RM 4.50</b>
<b>Upside/Downside:</b>	<b>-3.8%</b>

**Stock information**

Board	MAIN
Sector	Plantation
Bursa / Bloomberg Code	5285 / SDG MK
Syariah Compliant	Yes
FTSE4Good Index	No
FTSE ESG Rating	☆☆☆☆
Bloomberg ESG Rating	☆☆☆☆
Shares issued (m)	6,915.7
Market Cap (RM' m)	32,365.5
52-Week Price Range (RM)	4.88-4.117
Beta (x)	1.0
Free float (%)	43.8
3M Average Volume (m)	3.0
3M Average Value (RM' m)	13.7

<b>Top 3 Shareholders</b>	<b>(%)</b>
Amanah Saham Nasional Bhd	53.3
Employees Provident Fund Board	6.7
Kumpulan Wang Persaraan Diperbadan	6.7

**Share Price Performance**



	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	1.7	8.8	11.8
Relative (%)	3.2	8.3	-1.7

# Sime Darby Guthrie Berhad

## A New Pathway in Renewable Energy

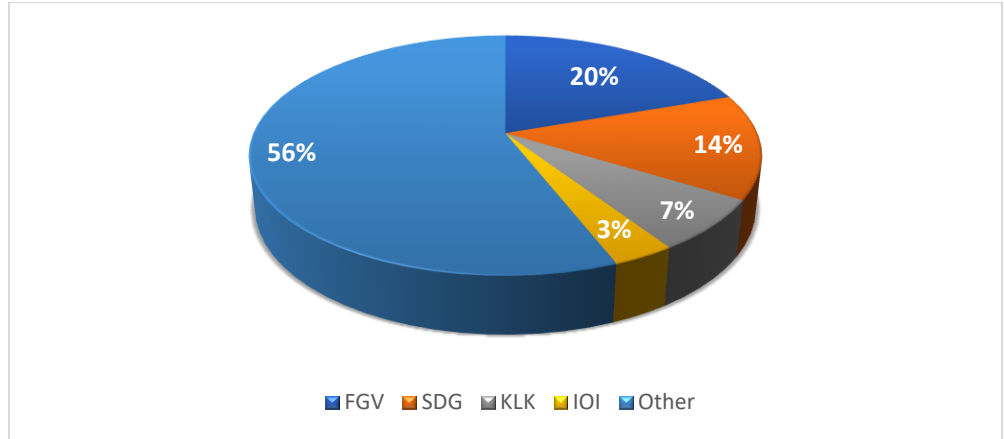
### Summary

- **SDG poised to benefit from long-term roll out of RE capacity, diversifying into a more sustainable recurring income stream.**
- **Core earnings for FY24F-26F to grow by +46.9%/+8.9%/+12.2% led by i) recovery in FFB production, ii) robust CPO price which held steady at RM4,000/tonne throughout the year and iii) capacity expansion from Indonesia refinery.**
- **We initiate coverage on SDG with a HOLD recommendation and TP of RM4.50 based on 21.7x PER pegged to FY25 EPS of 20.7 sen.**

### Company Background

- Sime Darby Guthrie (SDG) humble beginning starts in 1,821 when Alexander Guthrie founded Guthrie & Co in Singapore, one of the first British trading houses. Over the years, the Group expanded through various M&A and was eventually acquired by Permodalan Nasional Berhad in 1,981, after which it was renamed Sime Darby Berhad.
- In 2007, Kumpulan Guthrie Berhad, Golden Hope Plantations Berhad, and Sime Darby Berhad merged, rebranding under the name Sime Darby Bhd. The merger enabled Sime Darby to diversify beyond its core plantation business, expanding into industries such as motor trading, industrial, property, and energy. A decade later, the plantation division was spun off and listed on the Kuala Lumpur Stock Exchange as Sime Darby Plantation.
- Sime Darby Plantation was eventually renamed to **Sime Darby Guthrie (SDG)**, with a market capitalisation exceeding RM14.0bn. The new name combines the legacy of Guthrie, the Group's oldest company, with the initials of Sime Darby, forming SD Guthrie. The rebranding pays tribute to Guthrie's 200-year history while setting the stage for future growth and new directions.
- To date, the Group operates one of the **largest planted areas** standing at **568,323-ha** of which 98% are fully planted with oil palm trees. SDG's plantations are located in Malaysia, Indonesia, Liberia, Papua New Guinea and Solomon Islands. Out of the total planted area, approximately 55% are mature above 8 years old, 28% are young mature below 8 years old while the remaining 16% are at immature stage. We noted that SDG's CPO production market share in Malaysia stood at 14%, which is the second largest in the country.

### Malaysia CPO production market share

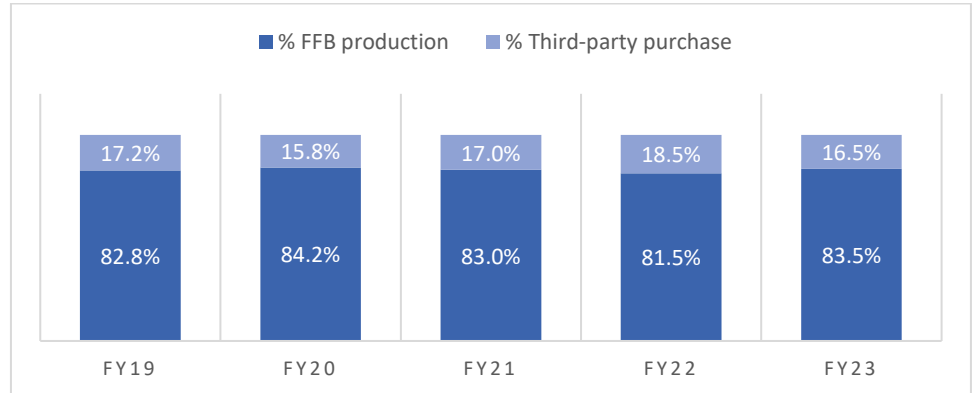


Source: Company, Apex Securities

### Business Overview

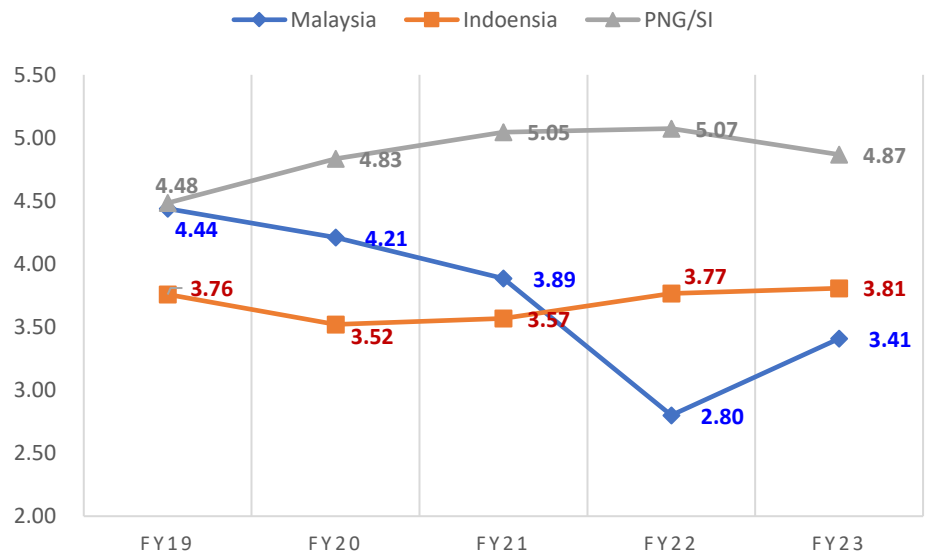
- SDG is involved in the **upstream** and **downstream** of the palm oil industry as well as **renewable energy** (RE), each supported by strong research & development capabilities. The Group's **EBIT was primarily driven by its upstream plantation** operations, which accounted for **78.0%**, while the downstream segment contributed 20.5%.
- SDG's upstream operations encompass the development, cultivation, and management of oil palm plantations. SDG oversees 234 plantation estates and 68 palm oil mills across **Malaysia, Indonesia, Papua New Guinea (PNG), and the Solomon Islands (SI)**, covering a total landbank of 744,630-ha. Besides oil palm plantation, SDG also owns rubber, sugarcane and coconut plantations and is involved in rubber processing and sugar milling.
- We gather that SDG source most of its FFB in-house, allowing the Group to have better control over fruit quality while avoiding disruption in FFB sourcing. Besides that, SDG also gained edge by its breakthrough in oil palm genomics resulted in the award winning high-yielding "GenomeSelect" seeds. To date, the Group has replanted 80% of its total planted area with this new planting material, and management anticipates a gradual improvement in oil yield as a result. Over the past five years, oil yield per hectare in SDG plantations in Indonesia and PNG/SI has shown steady improvement. In contrast, Malaysian estates experienced a decline, primarily due to the lockdowns during FY21, which disrupted operations and labor availability.

**Composition of SDG’s FFB production and third-party intake**



Source: Company, Apex Securities

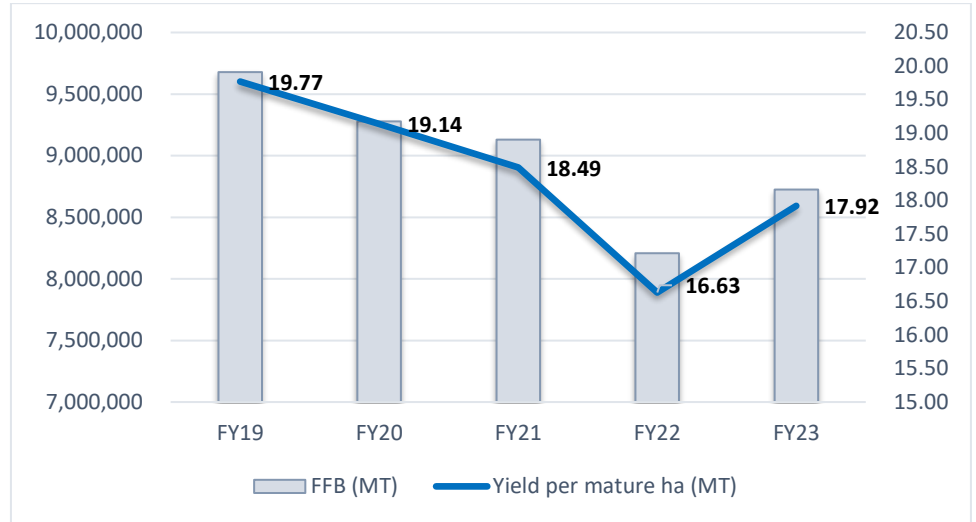
**SDG: 5 year - Oil yield/Ha**



Source: Company, Apex Securities

- FFB production for FY22 was 8.2m MT which was -10.1% yoy lower than 9.1m MT achieved in the last financial year. The decrease in the FFB production was mainly due to the effects of MCO lockdown in Malaysia. That said, FFB production has since improved in FY23 by +6.3% yoy to 8.7m MT, with the arrival of more foreign workers into Malaysia, particularly the harvesters. As at FY23, SDG CPO production market share in Malaysia stood at 14%.

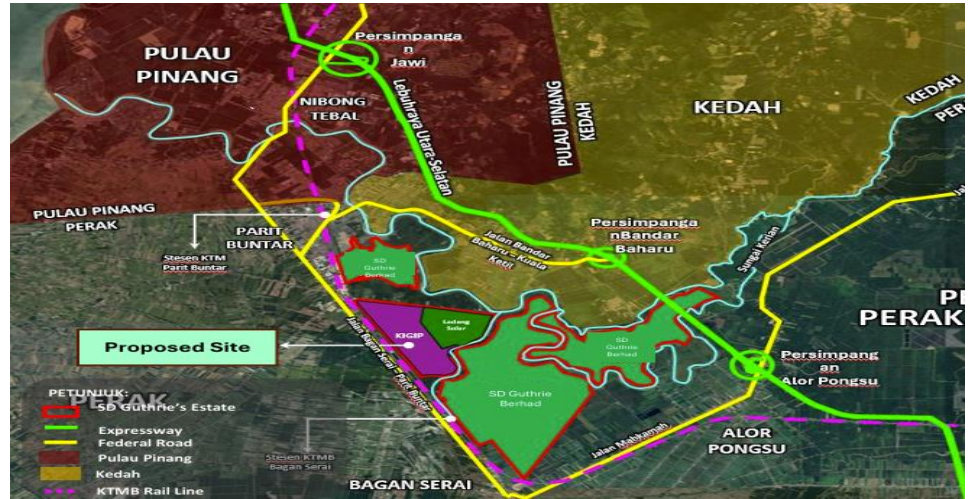
**FFB Production (MT) and Yield (MT per ha)**



Source: Company, Apex Securities

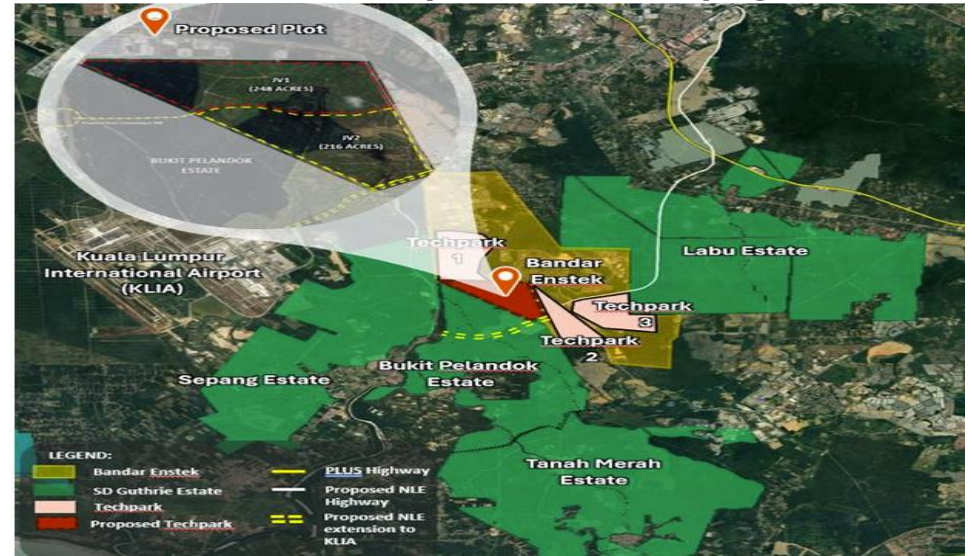
- Meanwhile, the downstream segment represented by Sime Darby Oils (SDO), produce and market oils and fats, oleochemicals, palm oil-based biodiesel, nutraceuticals as well as other palm oil derivatives via a network of refineries, kernel crushing plants and sales offices across 11 countries in Asia, Oceania, Europe, Africa and the US.
- At the same time, certain “Net-Zero Roadmap” have been taken in support of the global transition to a low-carbon economy. SDG has increased investment in the renewable energy sector revolves around solar, biogas and biomass projects. The Group participate in various business capacities ranging from supplying feedstock to being a landowner and investor. We understand that SDG currently operates 16 biogas plants with a total generation capacity of 83,630MWh mainly for internal consumption.
- SDG currently leases its land to third-party solar farms, housing a total capacity of 633MW, comprising 20MW from LSS1, 336MW from LSS4, and 277MW under the CGPP. Eager to expand its presence in the solar sector, SDG has transitioned from being solely a land provider to developing its own solar farm, having secured a 15MW CGPP project. Looking ahead, SDG aims to participate in LSS5 with its 1GW solar game plan.
- Besides that, the Group also ventures into industrial park development including the development of Kerian Integrated Green Industrial Park (KIGIP) in Perak. Under the agreement, SDG will own and operate the solar farms as the principal green energy source for the area, spanning across 1,000-ac within KIGIP. Concurrently, the Group is also partnering with TH Properties to develop Malaysia’s first halal-certified managed industrial park in Negeri Sembilan. The park will be developed on SDG’s 464-ac estate in Bukit Pelandok, with the estimated market value of land development amounting to over RM220m.

### KIGIP Industrial Park



Source: Company

### Collaboration with TH Properties on developing Halal Hub

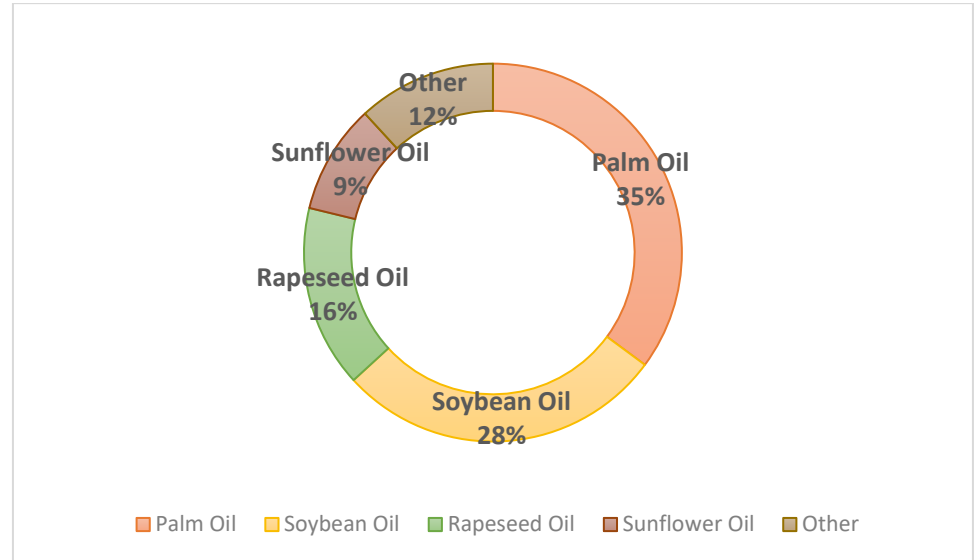


Source: Company

### Industry Overview

- Demand for vegetable oils in both the emerging and developed markets continue to expand, driven largely by population growth. Globally, palm oil is the world largest consumed vegetable oil making up 35% of total vegetable oil consumption. This is followed by soybean oil (28%), rapeseed oil (16%) and sunflower seed oil (9%). Soybean oil and palm oil hold similar market shares in global vegetable oil consumption, and are often regarded as direct substitutes for each other. The interchangeability led the prices spread of both commodities to influence demand for one another.

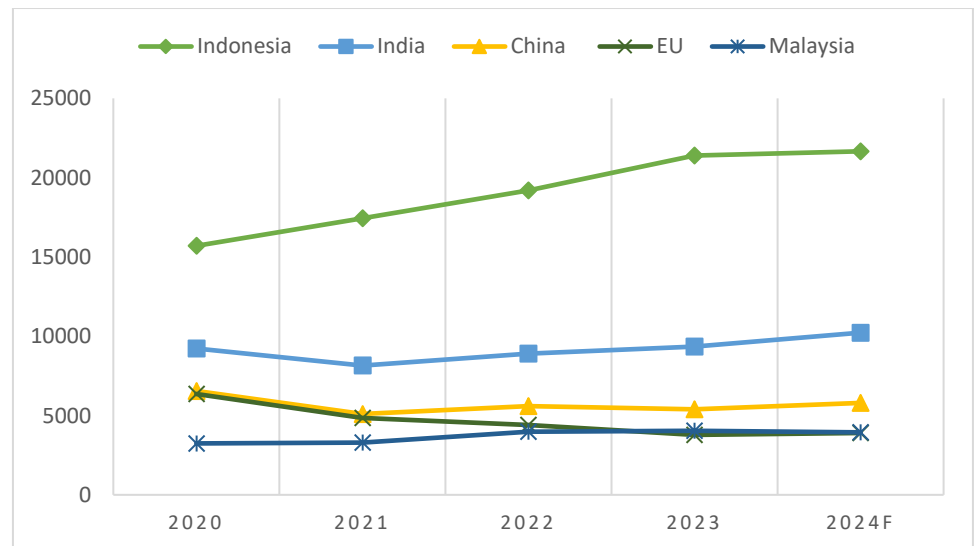
### Vegetable Oil Consumption



Source: USDA, Apex Securities

- Indonesia, India and China account for over 46.9% of total palm oil consumption in CY23 (up from 43.5% in CY20). We note that the increase in palm oil consumption was driven by higher demand from Indonesia, following the revisions to its biodiesel mandates. In CY23, Indonesia implemented the B35 mandate, increasing the blending requirement to 35%, which led to a surge in domestic demand. Looking ahead, the Indonesian government plans to transition to a B40 mandate in the coming years, though the exact timeline remains uncertain.

### Palm Oil Consumption trend by Country ('000 mt)

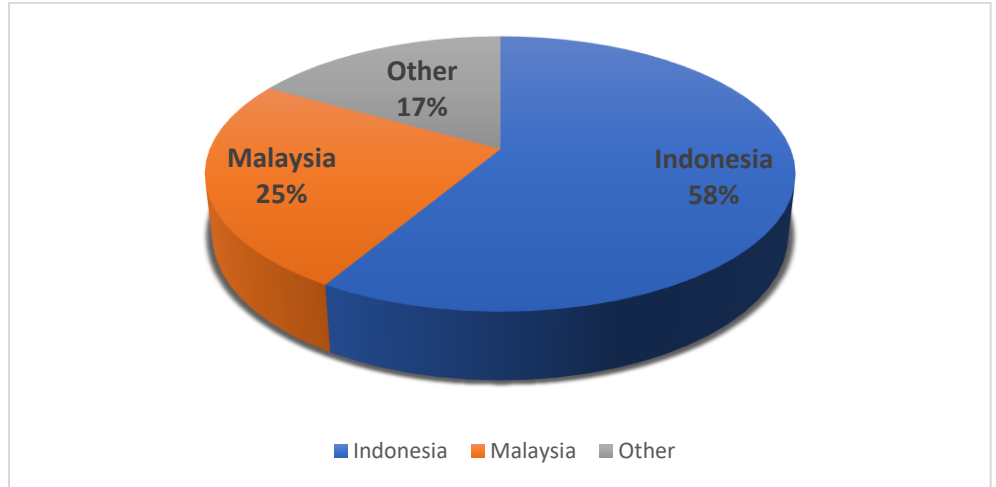


Source: USDA, Apex Securities

- Palm oil has consistently contributed to around 35% of total vegetable oil supply over the past few years. This trend is expected to continue over the coming years with Malaysia and Indonesia remained as key producers of palm oil, supplying c.80% of total palm oil output globally.



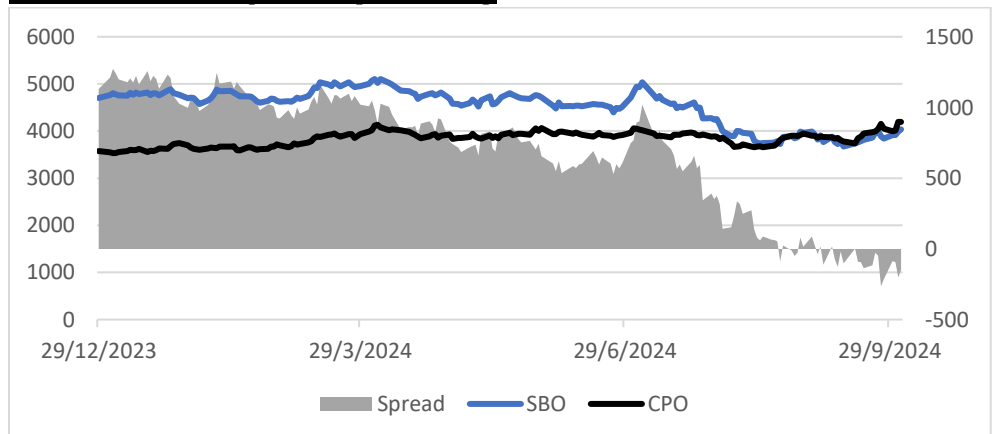
### Palm Oil Production by Country



Source: USDA, Apex Securities

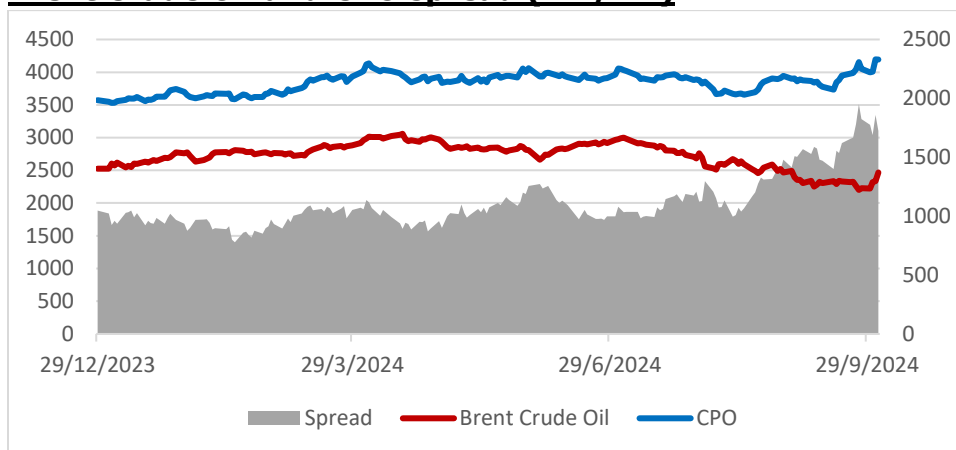
- Moving forward, we foresee palm oil inventory would remain on the uptrend in October 2024 on the back of the continuation of the seasonal uptick in the cropping pattern. Furthermore, exports will likely turn sluggish arising from palm’s weakened price competitiveness against seed oils and gas oil.
- As of 9M24, Malaysia CPO price ranged between RM3,783-4,257/mt. CPO prices are also partially influenced by unpredictable extreme weather patterns which has become more frequent over the past few years. The current outlook for the potential impact of El Nino as well as upcoming La Nina at end-CY24 could curb CPO production, and lend support to prices in the short term.
- The premium of soybean oil over palm oil continues to narrow turning from a premium of over RM1000/mt into discount of RM100/mt in September, making palm oil less attractive. Concurrently, CPO and Brent crude spread was at an average of RM1,646/mt in September, widening from the prior month's RM1,443/mt. As the spread between both commodities expanded, biodiesel blending become more expensive than gasoil prices, dampening export demand.

### SBO and CPO spread (RM/MT)



Source: Bloomberg, Apex Securities

### Brent Crude Oil and CPO spread (RM/MT)



Source: Bloomberg, Apex Securities

- In a nutshell, we anticipate the CPO price uptick observed in early October may not be sustainable and will likely taper off in the coming months. As a result, we maintain our full-year forecast for average CPO price at RM4,000/RM3900 for CY24 and C25.

### Investment Highlights

- **Growth underpinned by target FFB production of 9.3mMT/9.4mMT in FY24F/25F.** We expect SDG to achieve a yoy FFB production growth of +6.5% yoy in FY24F, backed by mature planted palm oil land of more than c.500k-ha and better FFB yield at 18.5/ha (from 17.9/ha in FY23). We opined the recovery in FFB yield can largely be attributed to the improved availability of harvesters and higher fertiliser application in Malaysia. Moving into FY25F, we anticipate the Group's FFB production moderating to 9.4m mt at +1.2% yoy, returning back to pre-pandemic production levels.
- **Revision in Indonesia palm oil policy to benefit exporters.** The Indonesian government has updated export levies on CPO and palm derivatives, which we deem to be beneficial to regional planters like SDG. The new proposal aims to improve price competitiveness against other vegetable oils by simplifying levies to a flat rate of 7.5% for CPO, 4.5% for RBD Palm Oil and RBD Palm Olein, and 3% for biodiesel. This, along with the revision of Domestic Market Obligation (DMO) ceiling prices to IDR15,700/liter (from IDR14,000/litre), is expected to help SDG to generate savings of approximately 6-10% to the bottom line starting from FY25F onwards.
- **New refinery in Sumatra to come on stream in FY25F.** SDG's Sei Mangkei refinery, boasting a capacity of 450,000MT, is set to commence operations in FY25F. The new refinery is mainly to cater for growing demand for specialty products, particularly, from Europe. Overall, we are positive on this development given that a tailored or differentiated product, such as margarine or specialty oil, tend to provide better yield as compared to bulk offering. We foresee increasing earnings contribution from downstream segment amidst growing demand from the European market in specialty products coupled with better selling price to meet its stringent requirement.
- **Opportunity in SDG's massive plantation landbank.** SDG is looking to diversify into the renewable energy sector by utilising its massive landbank of



c.729k-ha. The Group's strategy can be divided into two main areas: i) play a bigger role as solar operator and ii) developing low yield plantation estate into industrial land. Notably, SDG has managed to secure a 15MW CGPP job from the government, taking its first step as a solar operator. While the initial contribution from this project is expected to be modest due to the scale, we anticipate earnings will rise significantly as SDG scales up to achieve its internal 1GW renewable energy capacity target. Growth is further bolstered by the co-development of the KIGIP industrial park, which includes a 660-ac of solar farm and Malaysia's first halal-certified industrial park in Negeri Sembilan.

- **Ready to weather through the EUDR hurdle.** One of the biggest challenges for planters to comply with EUDR is to meet its stringent deforestation-free standards. In order to tackle this issue, SDG has implemented a robust traceability system, allowing it to track its palm oil back to its source. In FY23, the Group's Traceability to Mill (TTM) stood at 96.2% (vs 94.8% in FY22), while Traceability to Plantation (TTP) stood at 73.9% (vs 72.7% in FY22). By enabling full traceability, SDG mitigates the risk of non-compliance with EUDR by ensuring that its palm oil does not contribute to deforestation or other environmental harms, thus protecting its access to the European market. To date, SDG is among the few palm oil planters capable of meeting the stringent European standards and has since started shipping its first EUDR-compliant palm oil in Sep 24.

## Financial Highlights

- SDG's topline over the past three years were little bumpy +41.7% yoy/+13.5% yoy growth in FY21/FY22, and -12.4% yoy decline in FY23. Growth in topline during FY21-FY22 period was attributable to higher CPO and PK prices underpinned by demand spurred during the Russia-Ukraine war. On a side note, the decline in FY23's revenue despite improved FFB production (+6.3% yoy) was led by rising supply of competing vegetable oils in the market, resulting in normalisation of CPO (-15.4% yoy) and PK prices (-34.9% yoy).
- Similarly, core earnings in FY21 achieved astonishing yoy growth of +254.5% which were in line with the robust topline. However, earnings in FY22 slid -9.1% despite a strong growth in revenue. This was mainly dragged by higher operating expenses in view of hike in fertiliser and fuel cost, lower oil extraction rate for milling coupled with higher FFB intake prices as a result of low production. Since then, core earnings continue to dip (-54.7% yoy) in FY23 in tandem with the decline in the commodity prices coupled with higher labour costs following the influx of foreign labour.
- It is notable that SDG gearing has been pared down from 0.4x in FY21 to 0.3x in FY23. We opined that SDG will likely be maintaining gearing close to 0.3x while also allowing room for additional borrowings to scale up to 0.4x to cater for future CAPEX expenditure.
- Looking forward, we envisage SDG's earnings to recover and achieve a growth rate of +46.9% yoy to RM1.3bn for FY24F and a yoy growth rate of +8.9% to RM1.4bn in FY25F. The growth in earnings is expected to be underpinned by i) recovery in FFB production as labour shortages eased, ii) robust CPO price which held steady at RM4,000/tonne throughout the year and iii) capacity expansion in the downstream segment.

## Valuation & Recommendation

- We initiate coverage on SDG with a **HOLD** recommendation and a **target price of RM4.50** based on **21.7x 2025F PE**. The PER assigned for valuation is +1 standard deviation above its 3-year forward average PE. The PER assigned is at a premium to prevailing valuations of large-cap plantation stocks, which now trade around 18.4x in FY25F. We believe the premium against peers is justifiable given its position as the largest oil palm plantation company in the world coupled with its strategic landbank in Malaysia.
- Overall, we favour SDG for its prudent management, judging from the consistent performance posted by the group for the past few years as well as management move to optimize less productive land. Looking forward, we opine that the catalyst for the stock lies onto SDG diversification into the solar business by unlocking its substantial landbank potential.

## Peers Comparison

Company	Price (RM)	Market Cap (RM)	P/E (x)			Dividend Yield (%)
	as at 17Oct24	as at 17Oct24	2023	2024F	2025F	
<b>Sime Darby Guthrie Bhd</b>	<b>4.68</b>	<b>32365.50</b>	<b>35.54</b>	<b>23.05</b>	<b>22.84</b>	<b>3.3</b>
IOI Corporation Bhd	3.77	23387.90	21.09	18.66	18.13	2.81
Kuala Lumpur Kepong Bhd	21.24	23287.60	27.30	26.10	18.68	2.84
		Average			18.41	

Source: Bloomberg, Apex Securities

## Key Risks

- Volatility in palm oil prices as well as foreign currency exchange rate.
- Fluctuation in production of FFB due to seasonal as well as weather factors such as El Nino and La Nina phenomena.
- Demand in palm oil products may be adversely affected by alternative supplies of oils and fats worldwide.
- Shortage of skilled labour in plantation sector.
- Increase in operating cost partly caused by hike in minimum wages as well as rising recruitment costs for foreign workers.

**Financial Highlights**
**Income Statement**

<b>FYE Dec (RM m)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>
<b>Revenue</b>	<b>21029.7</b>	<b>18427.9</b>	<b>19047.7</b>	<b>20399.1</b>	<b>22061.2</b>
<b>Operating Profit</b>	<b>3521.8</b>	<b>3000.4</b>	<b>2208.4</b>	<b>2412.1</b>	<b>2669.5</b>
<b>EBITDA</b>	<b>4987.1</b>	<b>4359.3</b>	<b>3672.4</b>	<b>3933.0</b>	<b>4255.5</b>
Depreciation & Amortisation	1372.5	1432.0	1540.2	1600.2	1668.4
<b>EBIT</b>	<b>3614.6</b>	<b>2927.3</b>	<b>2132.2</b>	<b>2332.8</b>	<b>2587.1</b>
Net Finance Income/(Cost)	122.4	174.8	187.1	214.7	211.4
Associates & JV	51.7	39.9	40.3	40.7	41.1
<b>Pre-tax Profit</b>	<b>3492.2</b>	<b>2752.5</b>	<b>1945.1</b>	<b>2118.1</b>	<b>2375.7</b>
Tax	-808.9	-719.1	-508.2	-553.4	-620.6
<b>Profit After Tax</b>	<b>2683.3</b>	<b>2033.4</b>	<b>1437.0</b>	<b>1564.8</b>	<b>1755.0</b>
Minority Interest	236.0	195.2	173.3	122.5	133.4
<b>Net Profit</b>	<b>2447.3</b>	<b>1838.2</b>	<b>1263.6</b>	<b>1442.3</b>	<b>1621.7</b>
Exceptionals	-511.0	-965.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>1977.1</b>	<b>895.0</b>	<b>1314.5</b>	<b>1431.4</b>	<b>1605.4</b>

**Key Ratios**

<b>FYE Dec (RM m)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>
EBITDA margin	23.7%	23.7%	19.3%	19.3%	19.3%
EBIT margin	17.2%	15.9%	11.2%	11.4%	11.7%
PBT margin	16.6%	14.9%	10.2%	10.4%	10.8%
PAT margin	12.8%	11.0%	7.5%	7.7%	8.0%
NP margin	11.6%	10.0%	6.6%	7.1%	7.4%
Core NP margin	11.6%	10.0%	6.6%	7.1%	7.4%
ROE	12.9%	9.0%	6.1%	6.8%	7.5%
ROA	10.0%	7.2%	4.8%	5.3%	5.7%
Net gearing	28.7%	21.8%	23.0%	25.5%	28.4%

**Valuations**

	<b>FY25F</b>
Core EPS (RM)	0.207
P/E multiple (x)	21.7
<b>Fair Value (RM)</b>	<b>4.50</b>

Source: Company, Apex Securities

**Balance Sheet**

<b>FYE Dec (RM m)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>
Cash	635.0	830.4	837.9	958.8	346.7
Receivables	2602.6	2207.5	2281.8	2443.6	2642.8
Inventories	2778.4	2663.9	2753.5	2948.9	3189.1
Other current assets	572.6	507.1	507.1	507.1	507.1
<b>Total Current Assets</b>	<b>6588.6</b>	<b>6208.9</b>	<b>6380.3</b>	<b>6858.5</b>	<b>6685.7</b>
Fixed Assets	17800.4	19145.3	19890.8	20738.5	21717.5
Intangibles	2946.6	3054.7	3054.7	3054.7	3054.7
Other non-current assets	3812.5	3477.5	3477.5	3477.5	3477.5
<b>Total Non-current assets</b>	<b>24559.5</b>	<b>25677.5</b>	<b>26423.0</b>	<b>27270.7</b>	<b>28249.7</b>
Short-term Debt	2463.8	1700.6	0.0	0.0	0.0
Payables	2444.0	2385.8	2604.1	2781.6	2998.8
Other Current Liabilities	366.2	704.1	704.1	704.1	704.1
<b>Total Current Liabilities</b>	<b>5274.0</b>	<b>4790.5</b>	<b>3308.2</b>	<b>3485.7</b>	<b>3702.9</b>
Long-term Debt	3632.7	3581.7	5609.9	6354.4	6490.3
Other non-current liabilities	3225.4	3107.9	3107.9	3107.9	3107.9
<b>Total Non-current Liabilities</b>	<b>6858.1</b>	<b>6689.6</b>	<b>8717.8</b>	<b>9462.3</b>	<b>9598.2</b>
Shareholder's equity	1633.8	1633.8	1633.8	1633.8	1633.8
Minority interest	418.1	432.8	432.8	432.8	432.8
<b>Equity</b>	<b>19016.0</b>	<b>20406.4</b>	<b>20777.3</b>	<b>21181.3</b>	<b>21634.3</b>

**Cash Flow**

<b>FYE Dec (RM m)</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>
<b>Pre-tax profit</b>	<b>3492.2</b>	<b>2752.5</b>	<b>1945.1</b>	<b>2118.1</b>	<b>2375.7</b>
Depreciation & amortisation	1372.5	1432.0	1540.2	1600.2	1668.4
Changes in working capital	229.3	451.3	54.5	-179.8	-222.2
Others	-1449.6	-1560.8	-630.7	-686.7	-770.3
<b>Operating cash flow</b>	<b>3644.4</b>	<b>3075.0</b>	<b>2909.2</b>	<b>2851.8</b>	<b>3051.7</b>
Net capex	-1728.6	-2128.6	-2285.7	-2447.9	-2647.3
Others	513.3	1498.8	0.0	0.0	0.0
<b>Investing cash flow</b>	<b>-1215.2</b>	<b>-629.8</b>	<b>-2285.7</b>	<b>-2447.9</b>	<b>-2647.3</b>
Changes in borrowings	-426.3	-1027.7	327.6	744.5	135.9
Issuance of shares	0.0	0.0	0.0	0.0	0.0
Dividends paid	-1547.7	-642.5	-943.5	-1027.5	-1152.4
Others	-423.5	-574.0	0.0	0.0	0.0
<b>Financing cash flow</b>	<b>-2397.5</b>	<b>-2244.1</b>	<b>-616.0</b>	<b>-283.0</b>	<b>-1016.5</b>
<b>Net cash flow</b>	<b>31.7</b>	<b>201.1</b>	<b>7.5</b>	<b>121.0</b>	<b>-612.2</b>
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.7	-5.7	0.0	0.0	0.0
Beginning cash	602.6	635.0	830.4	837.9	958.8
<b>Ending cash</b>	<b>635.0</b>	<b>830.4</b>	<b>837.9</b>	<b>958.8</b>	<b>346.7</b>

**APEX SECURITIES BERHAD – CONTACT LIST**

APEX SECURITIES BHD	DEALING TEAM	RESEARCH TEAM
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**RESEARCH RECOMMENDATION FRAMEWORK**

**STOCK RECOMMENDATIONS**

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.  
**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.  
**SELL:** Total returns\* are expected to be below -10% within the next 12 months.  
**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.  
**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.  
 \*Capital gain

**SECTOR RECOMMENDATIONS**

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.  
**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.  
**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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