

Qatar Electricity & Water Company (QEWS)

Recommendation	ACCUMULATE	Risk Rating	R-2
Share Price	QR15.88	Target Price	QR19.00
Implied Upside	19.6%		

Large 3Q2024 Beat Despite One-Off; Upping Estimates; Accumulate

QEWS lit up 3Q2024 by handily besting our earnings estimate on better-than-expected operating performance and a considerable beat at the JV/associate income line. A one-off item also lowered finance charges for the quarter, further boosting profitability. With 9M2024 already in the bag, we adjust our 2024 forecasts – we project QR1,513.4mn/QR1.38 in net income/EPS, a 5.8% increase from our previous estimate. Our 2024-2027 estimates are now 3.6% higher than our previous estimates and our 3-year earnings CAGR (2024-2027) is 3.1% vs. 3.9% previously. While 1H2024 interim DPS of QR0.25 (~40% payout) was lower than what we had expected, we still expect QEWS to declare QR0.80 in DPS for FY2024, which implies a payout of 58% (in-line with 5-year average of 60%). QEWS enjoys significant catalysts that are currently not in our model – the company is planning to increase its net power & water capacity longer-term by 28% and 14%, respectively. We reiterate our Accumulate rating and QR19 target.

Highlights

- **QEWS posted 3Q2024 profit of QR509.3mn (EPS: QR0.46), up 49.6% YoY/41.0% QoQ, markedly ahead of our estimate of QR365.0mn (EPS: QR0.33).** There was a -QR50mn in one-off benefit (due to F/X rates affecting a loan given to an associate by Nebras) that lowered finance charges during the quarter. Excluding this, “clean” earnings were still up 35.5% YoY/27.7% QoQ.
- **Top-line of QR834.4mn (4.5% YoY, 12.2% QoQ) enjoyed an expected seasonal boost and moderately bested our forecast of QR806.4mn (3.5% divergence).** Electricity revenue of QR465.8mn (7.8% YoY, 20.8% QoQ) exceeded our forecast by 7.6%. Water sales of QR349.8mn (0.7% YoY, 4.4% QoQ) was in-line with our model of QR351.1mn (-0.4% difference).
- **EBITDA margin exceeded our model.** Cash gross margin came in at 40.7% in 3Q2024 vs. 39.8% in 3Q2023 and 42.7% in 2Q2024; we were modeling a GM of 42.0%. Overall, 3Q2024 gross profit of QR339.9mn (7.1% YoY/QoQ) was in-line with our estimate of QR338.7mn (0.4% divergence). Cost of gas consumed grew largely in-line with overall direct costs, coming in at QR385.2mn (77.9% of cost of sales) vs. QR366.2mn (76.2%) in 3Q2023 and QR323.2mn (75.8%) in 2Q2024. As sent out power/water likely increased in 3Q2024, cost of gas consumed grew 5.2% YoY/19.2% QoQ. G&A expenses of QR44.7mn (-45.1% YoY, -12.5% QoQ) was 20.8% below our estimate of QR56.4mn. We note that as of July 2024, QEWS started managing all commercial, administrative and technical activities for Nebras through a services agreement, which should boost synergies and help earnings. EBITDA margin came in at 35.4% in 3Q2024 vs. 29.6% in 3Q2023 and 35.8% in 2Q2024; we were expecting an EBITDA margin of 35.0%. Aided by lower-than-expected G&A expenses, EBITDA of QR295.2mn (25.1% YoY, 10.9% QoQ) was 4.6% ahead of our model of QR282.3mn.
- **Upside in net finance costs, dividend income and income from JV/associates significantly accelerated 3Q2024 earnings.** Finance costs of QR63.6mn (-52.5% YoY, -48.1% QoQ) fell below our estimate of QR114.5mn by 44.5% due to the above-mentioned one-off; excluding that item, finance charges were in-line with our model (-2.5% divergence). Finance income of QR61.0mn (-26.0% YoY, 9.3% QoQ) was 45.0% above our estimate of QR42.0mn. Other income of QR49.0mn (58.5% YoY, -44.0% QoQ) exceeded our forecast of QR32.2mn by 52.2%; all of the beat was due to higher dividend income as QEWS received interim dividends from its equity investment book. Finally, JV/associate income of QR291.9mn (39.5% YoY, 72.6% QoQ) exceeded our model of QR219.0mn by a whopping 33.3% due to increased contributions from Qatar and Nebras (Bangladesh/UK-based Equitix that began operations in early-2024/December 2023).
- **QEWS enjoys decent EBITDA margins & dividend/FCF yields.** Despite modeled compression, EBITDA margins could average ~36% (2023-27). Over 2023-27, dividend yields and FCF yields could average 5.4% and 8.8%, respectively.

Catalysts

- **We like QEWS as a LT play with a relatively defensive business model, especially given current market conditions. LT catalysts (not in our model) include Facility E (55% stake; power: 2.3 GW & water: 100 MIGD) that should start operating, in phases, from 2027. Nebras also has medium-term projects in the pipeline with capacity under construction of 3.2 GW (gross)/1.1 GW (net).**

Recommendation, Valuation and Risks

- **Recommendation & valuation: We rate QEWS an Accumulate with a PT of QR19.00.** Dividend yield is 5.0% for 2024 and 5.3% for 2025.
- **Risks: Geopolitical risks** cannot be modeled. Besides **foreign expansion risks, domestic projects could also be delayed. Operational risks include availability of capacity below contracted levels, which could lead to penalties.**

Key Financial Data and Estimates

	FY2023	FY2024e	FY2025e	FY2026e
Revenue (QR mn)	2,911	3,018	3,059	3,112
Revenue Growth	7.0%	3.7%	1.3%	1.7%
EPS (QR)	1.41	1.38	1.39	1.45
EPS Growth	-9.3%	-2.5%	1.1%	4.4%
P/E (x)	11.3	11.5	11.4	10.9
DPS (QR)	0.86	0.80	0.84	0.87
ROE	10.4%	9.9%	9.6%	9.6%

Source: Company data, QNB FS estimates; Note: All data based on current number of shares

Key Data

Current Market Price (QR)	15.88
DY 2023/1H2024 Ann. (%)	5.4/3.1
Bloomberg Ticker	QEWS QD
ADR/GDR Ticker	N/A
Reuters Ticker	QEWQ.QA
ISIN	QA0006929812
Sector*	Industrials
52wk High/52wk Low (QR)	18.80/14.50
3-m Average Volume ('000)	396
Mkt. Cap. (\$ bn/QR bn)	4.8/17.5
EV (\$ bn/QR bn)	5.9/21.5
Shares Outstanding (bn)	1.10
FO Limit* (%)	100.0
Institutional FO* (%)	9.2
1-Year Total Return (%)	3.5
Fiscal Year End	December 31

Source: Bloomberg (as of October 28, 2024), *Qatar Exchange (as of October 28, 2024); Note: FO is foreign ownership

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3Q2024 Review

QNB FS 3Q2024 Estimates and Comparisons

Income Statement (QR mn)							
Particulars	3Q2023	2Q2024	3Q2024	3Q2024e	A Vs. E	YoY	QoQ
Revenue	798.123	743.641	834.382	806.381	3.5%	4.5%	12.2%
Electricity	432.205	385.520	465.791	432.999	7.6%	7.8%	20.8%
Water	347.192	335.099	349.791	351.067	-0.4%	0.7%	4.4%
Lease Income from JVs and Associates	18.726	23.022	18.800	22.315	-15.8%	0.4%	-18.3%
Cost of Sales (Ex. Depreciation)	(480.724)	(426.240)	(494.454)	(467.656)	5.7%	2.9%	16.0%
Gross Profit	317.399	317.401	339.928	338.726	0.4%	7.1%	7.1%
General and Administrative Expenses	(81.513)	(51.142)	(44.727)	(56.447)	-20.8%	-45.1%	-12.5%
EBITDA	235.886	266.259	295.201	282.279	4.6%	25.1%	10.9%
Depreciation (CoS)	(87.801)	(82.922)	(83.456)	(83.452)	0.0%	-4.9%	0.6%
Depreciation (G&A)	(1.931)	(4.004)	(5.114)	(4.701)	8.8%	164.8%	27.7%
Amortization	(1.957)	(1.936)	(1.936)	(1.984)	-2.4%	-1.1%	0.0%
Depreciation & Amortization	(91.689)	(88.862)	(90.506)	(90.137)	0.4%	-1.3%	1.9%
EBIT	144.197	177.397	204.695	192.142	6.5%	42.0%	15.4%
Finance Costs	(133.777)	(122.531)	(63.574)	(114.468)	-44.5%	-52.5%	-48.1%
Interest income	82.345	55.756	60.959	42.040	45.0%	-26.0%	9.3%
Finance Costs, Net	(51.432)	(66.775)	(2.615)	(72.428)	-96.4%	-94.9%	-96.1%
Dividend Income		21.287	32.277	-			51.6%
Other & Misc. Income / Exp.	30.881	66.065	16.681	32.158	-48.1%	-46.0%	-74.8%
JV/Associate Income	209.213	169.117	291.946	219.016	33.3%	39.5%	72.6%
Profit from Discontinued Operations	(0.660)	(0.001)	(0.780)	0.126	N/M	18.2%	77900.0%
Profit Before Tax	332.199	367.090	542.204	371.013	46.1%	63.2%	47.7%
Tax	7.989	(1.965)	(25.089)	(1.986)	1163.3%	N/M	1176.8%
Profit after Tax	340.188	365.125	517.115	369.027	40.1%	52.0%	41.6%
Minority Interest	0.243	(3.963)	(7.847)	(4.005)	95.9%	N/M	98.0%
Net Income	340.431	361.162	509.268	365.022	39.5%	49.6%	41.0%
<i>Net Margin</i>	<i>42.7%</i>	<i>48.6%</i>	<i>61.0%</i>	<i>45.3%</i>			
EPS (QR)	0.31	0.33	0.46	0.33	39.5%	49.6%	41.0%

	3Q2023	2Q2024	3Q2024	3Q2024e
Cost of Sales	60.2%	57.3%	59.3%	58.0%
SG&A	10.2%	6.9%	5.4%	7.0%
Depreciation/Sales	11.0%	11.2%	10.0%	10.3%
EBITDA margin	29.6%	35.8%	35.4%	35.0%
Operating Margin	18.1%	23.9%	24.5%	23.8%
Min Interest (as a % of NI)	-0.1%	1.1%	1.5%	1.1%
Net Margin	42.7%	48.6%	61.0%	45.3%
GM	39.8%	42.7%	40.7%	42.0%

Source: Company data, QNB FS Research

Increasing Estimates

With 9M2024 already in the bag, we adjust our 2024 forecasts – we project QR1,513.4mn/QR1.38 in net income/EPS, a 5.8% increase from our previous estimate.

- Our current 2024-2027 estimates are now 3.6% higher than our previous estimates. This translates to a 3-year earnings CAGR (2024-2027) of 3.1% vs. 3.9% previously.
- While 1H2024 interim DPS of QR0.25 (~40% payout) was lower than what we had expected, we still expect QEWS to declare QR0.80 in DPS for FY2024, which implies a payout of 58% (in-line with 5-year average of 60%).

QNB FS New Vs. Previous Estimates

Income Statement (QR mn)	2023	Current 2024e	Previous 2024e	▲	Current 2025e	Previous 2025e	▲	Current 2026e	Previous 2026e	▲
Revenue	2,911.220	3,018.443	3,044.338	-0.9%	3,058.627	3,080.733	-0.7%	3,111.716	3,132.730	-0.7%
Cost of Sales (Excluding Depreciation)	(1,567.087)	(1,690.328)	(1,651.682)	2.3%	(1,728.124)	(1,686.831)	2.4%	(1,776.790)	(1,734.098)	2.5%
Gross Profit	1,344.133	1,328.115	1,392.656	-4.6%	1,330.503	1,393.902	-4.5%	1,334.926	1,398.632	-4.6%
General & Administrative Expenses, Excl. D&A	(264.918)	(211.826)	(283.120)	-25.2%	(214.646)	(286.505)	-25.1%	(218.371)	(291.341)	-25.0%
EBITDA	1,079.215	1,116.289	1,109.536	0.6%	1,115.857	1,107.397	0.8%	1,116.555	1,107.291	0.8%
Depreciation	(347.656)	(348.901)	(342.128)	2.0%	(349.354)	(336.688)	3.8%	(352.585)	(331.335)	6.4%
Amortization	(7.831)	(7.829)	(7.829)	0.0%	(7.828)	(7.828)	0.0%	(7.826)	(7.826)	0.0%
EBIT	723.728	759.558	759.578	0.0%	758.675	762.880	-0.6%	756.144	768.130	-1.6%
Finance Costs & Lease Expense	(507.302)	(410.904)	(482.952)	-14.9%	(362.089)	(466.531)	-22.4%	(329.863)	(457.667)	-27.9%
Interest Income & Share of Interest Income from JVs	311.906	228.050	299.788	-23.9%	204.743	310.281	-34.0%	210.024	316.797	-33.7%
Finance Costs - Net	(195.396)	(182.854)	(183.163)	-0.2%	(157.346)	(156.250)	0.7%	(119.839)	(140.870)	-14.9%
Dividend Income and Gain on Sale of AFS	113.948	130.117	92.797	40.2%	131.327	98.898	32.8%	136.274	103.393	31.8%
Other & Misc. Income / Expense	246.907	88.472	31.658	179.5%	25.126	32.687	-23.1%	26.043	33.249	-21.7%
Share of profits of JV Companies & Associates	672.284	772.589	738.975	4.5%	804.419	769.420	4.5%	831.332	795.162	4.5%
Profit from Discontinued Operations	(7.156)	(1.360)	0.640	N/M	(0.393)	0.769	N/M	0.620	0.922	-32.7%
Profit before Tax	1,554.315	1,566.522	1,440.485	8.7%	1,561.810	1,508.404	3.5%	1,630.573	1,559.986	4.5%
Tax	6.037	(31.706)	(2.161)	1367.4%	(9.683)	(2.263)	328.0%	(10.110)	(2.340)	332.0%
Profit after Tax	1,560.352	1,534.816	1,438.324	6.7%	1,552.126	1,506.141	3.1%	1,620.464	1,557.646	4.0%
Minority Interest	(8.916)	(21.457)	(8.219)	161.1%	(21.699)	(8.606)	152.1%	(22.654)	(8.901)	154.5%
Profit for Equity Holders	1,551.436	1,513.359	1,430.105	5.8%	1,530.427	1,497.535	2.2%	1,597.809	1,548.746	3.2%
<i>Net Profit Margin</i>	53.3%	50.1%	47.0%		50.0%	48.6%		51.3%	49.4%	
Basic and Diluted EPS	1.41	1.38	1.30	5.8%	1.39	1.36	2.2%	1.45	1.41	3.2%
DPS	0.86	0.80	0.80	0.0%	0.84	0.84	0.0%	0.87	0.87	0.0%
Dividend Payout Ratio	61.0%	58.1%	61.5%		60.4%	61.7%		59.9%	61.8%	
Margins/Ratios	2023	2024e	2024e		2025e	2025e		2026e	2026e	
<i>Gross Margin</i>	46.2%	44.0%	45.7%		43.5%	45.2%		42.9%	44.6%	
<i>EBITDA Margin</i>	37.1%	37.0%	36.4%		36.5%	35.9%		35.9%	35.3%	
<i>EBIT Margin</i>	24.9%	25.2%	25.0%		24.8%	24.8%		24.3%	24.5%	

Source: Company data, QNB FS Research

Valuation and Key Ratios

Key Growth Rates/CAGRs/Ratios

Particulars	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e	2027e	CAGR ('24-'27)
Growth Rates															
Revenue	(0.2%)	2.9%	4.0%	(1.0%)	(15.3%)	(8.2%)	8.3%	(4.3%)	10.0%	7.0%	3.7%	1.3%	1.7%	1.9%	1.6%
Gross Profit	(1.8%)	1.9%	3.6%	(3.3%)	(15.8%)	(23.6%)	4.2%	5.2%	7.6%	0.8%	(1.2%)	0.2%	0.3%	1.1%	0.6%
EBITDA - Consolidated	(2.5%)	5.4%	2.8%	(4.9%)	(15.8%)	(25.8%)	(8.2%)	24.4%	(4.3%)	2.0%	3.4%	(0.0%)	0.1%	1.0%	0.3%
EBIT	(3.5%)	7.3%	7.2%	(9.3%)	(7.2%)	(33.1%)	(12.5%)	37.2%	(7.7%)	(4.1%)	5.0%	(0.1%)	(0.3%)	1.2%	0.2%
JV/Associate Income	3.6%	4.1%	(8.9%)	52.3%	(4.4%)	48.7%	(31.7%)	3.5%	17.4%	0.4%	14.9%	4.1%	3.3%	2.8%	3.4%
PBT	11.0%	(2.0%)	2.5%	4.2%	(4.5%)	(8.0%)	(17.9%)	26.0%	17.6%	(11.3%)	0.8%	(0.3%)	4.4%	3.7%	2.6%
Net Income/EPS	10.5%	(1.9%)	2.8%	4.8%	(4.9%)	(8.0%)	(18.1%)	26.8%	16.6%	(9.3%)	(2.5%)	1.1%	4.4%	3.7%	3.1%
DPS	10.0%	0.0%	0.0%	3.3%	0.0%	0.0%	(18.7%)	27.0%	18.8%	(9.5%)	(7.0%)	5.0%	3.6%	3.4%	4.0%
CFPS	30.7%	(16.6%)	11.7%	(19.1%)	24.2%	(38.8%)	40.1%	(7.9%)	4.6%	(4.9%)	18.8%	0.6%	1.7%	1.4%	1.3%
FCFPS	N/M	N/M	50.5%	30.9%	(35.1%)	(1.7%)	65.2%	(18.2%)	42.9%	(43.7%)	45.4%	0.8%	2.0%	1.7%	1.5%
Operating Ratios															
Gross Margin	59.5%	58.9%	58.7%	57.3%	56.9%	47.3%	45.6%	50.1%	49.0%	46.2%	44.0%	43.5%	42.9%	42.6%	
EBITDA Margin - Consolidated	51.8%	53.1%	52.5%	50.4%	50.2%	40.5%	34.4%	44.6%	38.9%	37.1%	37.0%	36.5%	35.9%	35.6%	
EBIT Margin	36.3%	37.8%	38.9%	35.7%	39.1%	28.5%	23.0%	33.0%	27.7%	24.9%	25.2%	24.8%	24.3%	24.1%	
Net Margin	52.8%	50.3%	49.7%	52.6%	59.1%	59.2%	44.8%	59.3%	62.9%	53.3%	50.1%	50.0%	51.3%	52.3%	
Finance Ratios															
Debt-Equity Ratio	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.5	0.7	0.5	0.4	0.4	0.3	0.3	
Net Debt-Equity Ratio	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	
Interest Coverage	9.7	9.4	8.1	6.1	4.5	2.8	4.0	7.1	2.6	1.4	1.8	2.1	2.3	2.4	
Return Ratios															
ROIC	8.8%	9.2%	8.5%	7.4%	5.9%	4.1%	3.7%	4.7%	2.9%	3.3%	3.5%	3.5%	3.4%	3.3%	
ROE	22.6%	20.4%	18.6%	18.0%	14.7%	14.1%	11.9%	12.4%	11.3%	10.4%	9.9%	9.6%	9.6%	9.5%	
ROA	11.8%	11.2%	10.1%	10.2%	8.4%	8.1%	6.8%	7.9%	6.2%	6.7%	6.5%	6.5%	6.7%	6.8%	
FCF Yield	-2.8%	4.7%	7.0%	9.2%	6.0%	5.9%	9.7%	7.9%	11.3%	6.4%	9.3%	9.3%	9.5%	9.7%	
Liquidity Ratios															
Current Ratio	1.2	1.5	2.1	2.3	1.6	1.4	1.4	1.6	1.8	1.7	1.8	1.9	2.1	2.2	
Quick Ratio	1.1	1.4	1.9	2.2	1.6	1.4	1.4	1.6	1.8	1.7	1.8	1.9	2.0	2.2	
Valuation															
EV/EBITDA - Consolidated	13.8	13.0	12.3	12.6	14.5	19.5	20.2	15.0	17.4	17.4	16.4	15.8	15.1	14.4	
EV/EBIT	19.7	18.2	16.6	17.7	18.5	27.7	30.1	20.2	24.4	26.0	24.2	23.2	22.3	21.2	
P/E	11.4	11.6	11.3	10.8	11.4	12.4	15.1	11.9	10.2	11.3	11.5	11.4	10.9	10.5	
P/CF	7.9	9.5	8.5	10.5	8.4	13.8	9.8	10.7	10.2	10.7	9.0	9.0	8.8	8.7	
P/BV	2.6	2.4	2.1	1.9	1.7	1.7	1.8	1.5	1.2	1.2	1.1	1.1	1.0	1.0	
Dividend Yield	4.7%	4.7%	4.7%	4.9%	4.9%	4.9%	4.0%	5.0%	6.0%	5.4%	5.0%	5.3%	5.5%	5.7%	
FCF Yield	(2.8%)	4.7%	7.0%	9.2%	6.0%	5.9%	9.7%	7.9%	11.3%	6.4%	9.3%	9.3%	9.5%	9.7%	

Source: Bloomberg, QNB FS Research

Detailed Financial Statements

Income Statement (In QR mn)	FY2023	FY2024e	FY2025e	FY2026e
Revenue	2,911	3,018	3,059	3,112
Cost of Sales, Excluding Depreciation	(1,567)	(1,690)	(1,728)	(1,777)
Gross Profit	1,344	1,328	1,331	1,335
General & Administrative Expenses, Excl. Depreciation & Amortization	(265)	(212)	(215)	(218)
EBITDA	1,079	1,116	1,116	1,117
Deferred Income	0	0	0	0
Depreciation & Amortization	(355)	(357)	(357)	(360)
EBIT	724	760	759	756
Finance Costs, Net	(195)	(183)	(157)	(120)
Dividend Income & Gain on Sale of AFS	114	130	131	136
Other & Miscellaneous Income/Expense & Income from JVs/Associates	919	861	830	857
Profit Before Tax	1,561	1,568	1,562	1,630
Income Tax Expense	6	(32)	(10)	(10)
Profit After Tax (Continuing Operations)	1,568	1,536	1,553	1,620
Discontinued Operations	(7)	(1)	(0)	1
Minority Interest	(9)	(21)	(22)	(23)
Profit for Shareholders	1,551	1,513	1,530	1,598
EPS (QR)	1.41	1.38	1.39	1.45

Source: Company data, QNB FS estimates

Balance Sheet (In QR mn)	FY2023	FY2024e	FY2025e	FY2026e
Non-Current Assets				
Property, Plant & Equipment	5,858	5,585	5,312	5,036
Available-for-Sale Investments	2,017	2,189	2,260	2,331
Finance Lease Receivables	595	415	290	202
JV Loans and Investments in JVs/Associates	8,305	8,625	8,949	9,275
Other Non-Current assets	1,406	1,387	1,368	1,349
Total Non-Current Assets	18,181	18,201	18,178	18,192
Current Assets				
Finance Lease Receivables & Others	369	267	281	296
Inventories	97	104	107	110
Accounts Receivables & Prepayments	856	1,080	1,098	1,117
Cash and Short-Term Deposits	3,787	3,677	3,755	4,119
Total Current Assets	5,109	5,128	5,241	5,642
Total Assets	23,290	23,329	23,419	23,834
Equity				
Total Equity	15,209	15,633	16,242	16,873
Non-Current Liabilities				
Loans and Borrowings	5,001	4,726	4,253	4,062
Employees' End of Service Benefits	92	94	95	96
Lease Liabilities	45	37	30	24
Derivatives	19	36	36	36
Total Non-Current Liabilities	5,157	4,892	4,414	4,219
Current Liabilities				
Accounts Payables & Others	916	986	1,011	1,039
Loans and Borrowings	1,818	1,736	1,670	1,621
Derivatives & Lease Liabilities	190	82	82	82
Total Current Liabilities	2,924	2,804	2,762	2,743
Equity and Liabilities	23,290	23,329	23,419	23,834

Source: Company data, QNB FS estimates

Recommendations		Risk Ratings	
<i>Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price</i>		<i>Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals</i>	
OUTPERFORM	Greater than +20%	R-1	Significantly lower than average
ACCUMULATE	Between +10% to +20%	R-2	Lower than average
MARKET PERFORM	Between -10% to +10%	R-3	Medium / In-line with the average
REDUCE	Between -10% to -20%	R-4	Above average
UNDERPERFORM	Lower than -20%	R-5	Significantly above average

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