

# Scanfil

Company update



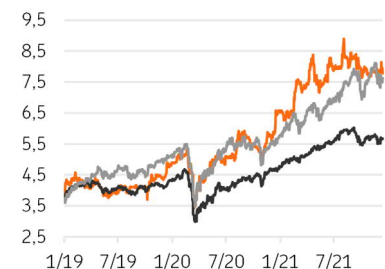
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## Covid-related bumps along the way

- Scanfil lowered its operating profit guidance on Friday due to lower production efficiency and exchange rate effects. Issues related to the availability of components are thus reflected more than expected on the company's profitability in Q4 2021, and we have also slightly cut our forecasts for H1 2022. The issues are external and temporary and they do not therefore change our view of the company's competitiveness or longer-term profitability. Turnover forecasts remain unchanged as customer demand has continued to be strong. We revise our target price to EUR 8.50 (previously EUR 8.70) and maintain our Accumulate recommendation.**
- Profit warning:** Scanfil estimates that its adjusted operating profit for 2021 will be EUR 38–41m while the previous guidance was EUR 41–44m. Based on the guidance, adjusted operating profit in Q4 2021 will be EUR 8–11m while our forecast was EUR 12.3m. The availability of materials and Covid have reduced the productivity of factories. In addition, the exchange rate risks related to inventories will have a greater effect than predicted. In terms of exchange rates, the effects of Polish zloty and Swedish krona are the most notable. Operating cash flow is protected but as the inventory turnover pace is slower due to component shortage, it will result in higher inventory levels and affect the book result. However, the drop in production efficiency is more considerable and it is also reflected on forecasts for 2022. Scanfil estimates that its turnover for 2021 will be EUR 680–700m while the previous guidance was EUR 670–710m. According to the company, customer demand has remained strong.
- Forecasts:** The risks related to the availability of components are more sizeable than we had previously estimated and we believe that these issues will still continue in H1 2022. As a result, we lower our operating profit forecast for 2022 by nearly EUR 3m. We have not revised our 2023 forecasts.
- Valuation and target price:** We accept an EV/EBIT multiple 11.0x–11.5x for the company calculated on the 2022–2023 earnings forecasts. Our DCF model indicates a value of EUR 8.70 per share. We assign a 50% weight to both valuation methods and revise our target price to EUR 8.50 per share (previously EUR 8.70 per share).

Recommendation	<b>ACCUMULATE</b>
	Unchanged
Target price (€)	<b>8,50</b> (prev. 8,70)
Price (€)*	7,78
High (12m)	9,02
Low (12m)	5,84
Market cap (M€)	505
Index weight	0,2 %
Beta	0,79
Ticker	SCANFL
Next report date	18.2.2022

Performance	1m	3m	12m
Price (€)	7,82	8,38	5,86
Change	-0,5 %	-7,2 %	32,8 %



— Scanfil  
— OMX Helsinki Cap  
— Stoxx 600 Technology

Source: OP Markets, Bloomberg, \*) as of 13.12. 12:00

### Scanfil Oyj

EURm	2018	2019	2020	2021E	2022E	2023E
Sales	563	579	595	687	698	726
Sales Growth (%)	6.3 %	2.9 %	2.8 %	15.4 %	1.6 %	3.9 %
EBIT (adj.)	37.8	39.4	39.1	39.6	44.3	49.5
EBIT (%)	6.7 %	6.8 %	6.6 %	5.8 %	6.3 %	6.8 %
PTP	36.0	34.0	41.8	37.4	43.0	48.5
EPS (adj.)	0.45	0.50	0.50	0.47	0.53	0.60
DPS	0.13	0.15	0.17	0.18	0.19	0.20
Yield (%)	3.5 %	3.1 %	2.7 %	2.3 %	2.6 %	3.0 %
EV/Sales	0.5	0.6	0.7	0.8	0.7	0.7
EV/EBITDA	5.6	6.6	7.8	9.5	8.3	7.3
P/E	8.3	9.8	13.3	17.0	15.0	13.3
P/B	1.7	1.9	2.3	2.5	2.3	2.0
ROE	20 %	19 %	17 %	15 %	15 %	15 %
ROCE	17 %	16 %	17 %	14 %	16 %	17 %
Equity Ratio	48 %	49 %	54 %	50 %	61 %	65 %
Gearing	18 %	26 %	9 %	7 %	-4 %	-12 %

Source: OP Markets



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## Investment case

- **Stable performer.** Scanfil has been able to increase its sales, earnings and dividend for several years, and ROE has been clearly positive. As a result of active customer acquisition and a wide plant network, dependence on individual customers has steadily decreased in recent years, reducing earnings volatility.
- **Selected strategy successful.** Scanfil focuses on industrial products, which typically offer smaller economies of scale than in traditional electronics contract manufacturing. The company can manufacture diverse product series profitably and in relatively low volumes. Scanfil's plants are mainly located close to its customers' target markets or R&D centres (Finland, Sweden, Germany) and its service offering covers several parts of the value chain, if needed (from design to production).
- **Relatively flexible cost structure.** Although Scanfil is directly dependent on customer demand, which can change rapidly, its cost structure is relatively flexible. Scanfil can adjust its cost structure according to customer demand.

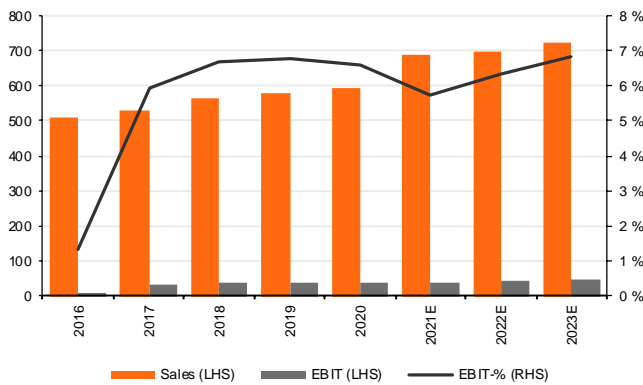
## Drivers

- **Growing market.** The EMS market has grown 6–8% per year, and we expect the pace of growth to continue unless global economic growth decelerates significantly.
- **New technological innovations.** The digitalisation of society also has a positive impact on contract manufacturing, and new technological innovations increase demand in the sector.
- **Value creating acquisitions.** Scanfil has been able to make value creating acquisitions, and there are still plenty of players in the sector which can help Scanfil to expand to new markets.

## Risks

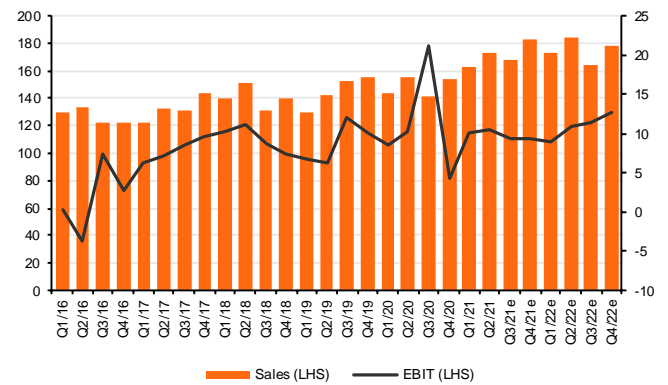
- **Fluctuating demand.** Customer demand may change rapidly, which will be reflected in Scanfil's demand.
- **Price competition.** Price competition is intense, and Scanfil only has a limited chance to affect the end price.
- **Rather low valuation.** The sector's valuation multiples are rather low, and it is difficult to see rapid appreciation in the share. Scanfil's profitability (EBIT margin around 7%) is already relatively good, and a major profitability improvement is not a likely scenario.

Annual sales and EBIT



Source: OP Markets

Quarterly sales and EBIT



Source: OP Markets

## Forecast revisions

We predict that component-related challenges will still have a negative effect during H1 2022 and therefore, we lower our adjusted operating profit forecast for 2022 by 6%. We have not changed our assumptions for 2023. The demand outlook has remained the same and thus, our turnover forecasts remain unchanged.

Forecast revisions									
EURm	2021E			2022E			2023E		
	New	Old	Diff.	New	Old	Diff.	New	Old	Diff.
Sales	687	687	0 %	698	698	0 %	726	726	0 %
EBIT, adjusted	39.6	42.3	-6 %	44.3	47.1	-6 %	49.5	49.5	0 %
Margin	5.8 %	7.2 %		6.3 %	6.7 %	0 %	6.8 %	6.8 %	0 %
PTP	37.4	40.1	-7 %	43.0	45.8	-6 %	48.5	48.5	0 %
EPS, adjusted	0.47	0.50	-7 %	0.53	0.56	-6 %	0.60	0.60	0 %
DPS	0.18	0.18	0 %	0.19	0.19	0 %	0.20	0.00	0 %

Source: OP Markets

## Valuation – target price EUR 8.50

We determine our target price on the basis the EV/EBIT multiple and our DCF model. In the multiple-based valuation we assign a 75% weight to 2022 and a 25% weight to 2023. The multiple-based value is EUR 8.20 per share and the DCF-based value is EUR 8.70 per share. With 50%/50% weights (multiples/DCF) our target price is EUR 8.50.

Scanfil target price			
	EV/EBIT (2022e)	EV/EBIT (2023e)	Target price
EBIT	44.3	49.5	
EV/EBITx	11.5	11.0	
Net debt	-10	-31	
Equity value	519	575	
<b>Value/share - valuation multiples (75%/25%)</b>	8.0	8.9	<b>8.2</b>
<b>Value/share - DCF</b>			<b>8.7</b>
<b>Value/share (50%/50%)</b>			<b>8.5</b>

Source: OP Markets

## Peer valuation

	MCAP	EV/Sales		EV/EBITDA		EV/EBIT		P/E		Growth	
		EURm	2021e	2022e	2021e	2022e	2021e	2022e	2021e	2022e	2021e
Hon Hai Precision Industry Co., Ltd.	46,528	0.2x	0.2x	4.6x	3.8x	6.8x	5.4x	10.7x	9.4x	10 %	3 %
Pegatron Corporation	5,794	0.1x	0.1x	5.4x	4.4x	11.4x	8.4x	10.2x	10.5x	-13 %	5 %
Quanta Services, Inc.	14,356	1.5x	1.2x	15.9x	12.2x	28.7x	20.1x	23.9x	19.0x	13 %	24 %
Compal Electronics, Inc.	3,385	0.1x	0.1x	7.2x	6.5x	10.7x	9.7x	8.6x	10.3x	15 %	0 %
Flex Ltd.	7,183	0.4x	0.4x	6.3x	5.8x	8.7x	7.6x	9.6x	9.0x	5 %	6 %
Wistron Corporation	2,660	0.2x	0.2x	5.9x	4.9x	9.3x	7.7x	9.5x	8.9x	-2 %	6 %
Jabil Inc.	7,841	0.3x	0.3x	4.9x	4.4x	8.2x	7.1x	11.0x	9.7x	7 %	7 %
Inventec Corporation	2,930	0.2x	0.2x	12.5x	10.9x	21.3x	16.6x	13.8x	13.9x	2 %	5 %
Celestica Inc.	1,169	0.3x	0.3x	5.4x	4.6x	7.8x	6.3x	8.8x	7.4x	-5 %	12 %
Universal Scientific Industrial (Shanghai) Cr	4,876	0.6x	0.5x	12.2x	9.8x	15.7x	13.4x	18.9x	15.7x	15 %	14 %
BYD Electronic (International) Co., Ltd.	8,014	0.6x	0.5x	12.2x	9.2x	23.9x	13.5x	19.7x	14.2x	28 %	25 %
Plexus Corp.	2,277	0.8x	0.7x	10.6x	10.0x	14.2x	13.8x	18.9x	17.5x	-1 %	9 %
Venture Corporation Limited	3,550	1.5x	1.3x	11.6x	10.8x	12.9x	12.0x	17.9x	16.3x	2 %	9 %
Fabrinet	3,758	2.1x	1.6x	18.6x	13.9x	22.4x	16.4x	24.5x	19.5x	14 %	19 %
V.S. Industry Bhd.	1,001	1.2x	0.9x	10.9x	7.9x	14.3x	9.9x	19.5x	14.9x	23 %	25 %
Ducommun Incorporated	491	1.2x	1.1x	8.7x	7.2x	15.8x	11.7x	16.6x	13.3x	4 %	8 %
Zhen Ding Technology Holding Limited	2,994	0.6x	0.6x	3.3x	3.1x	5.8x	5.4x	10.4x	9.0x	17 %	9 %
Kitron ASA	345	1.1x	0.9x	11.7x	9.4x	16.0x	12.1x	19.1x	14.0x	-4 %	15 %
Incap Oyj	408	2.4x	1.9x	14.3x	11.2x	15.7x	12.2x	19.7x	16.1x	59 %	22 %
<b>Median</b>		<b>0.6x</b>	<b>0.5x</b>	<b>10.6x</b>	<b>7.9x</b>	<b>14.2x</b>	<b>11.7x</b>	<b>16.6x</b>	<b>13.9x</b>	<b>7 %</b>	<b>9 %</b>
<b>Average</b>		<b>0.8x</b>	<b>0.7x</b>	<b>9.6x</b>	<b>7.9x</b>	<b>14.2x</b>	<b>11.0x</b>	<b>15.3x</b>	<b>13.1x</b>	<b>10 %</b>	<b>12 %</b>
<b>Scanfil (OP)</b>		<b>0.7x</b>	<b>0.7x</b>	<b>9.4x</b>	<b>8.2x</b>	<b>13.0x</b>	<b>11.1x</b>	<b>16.8x</b>	<b>14.8x</b>	<b>15 %</b>	<b>2 %</b>

Source: FactSet, OP Markets

## Financial performance and forecasts – by quarter

### Scanfil - Forecasts by quarter

EURm	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21e	1Q22e	2Q22e	3Q22e	4Q22e
<b>Sales</b>	144	156	142	154	163	173	168	183	174	184	164	177
EBIT - reported	8.6	10.2	21.2	4.3	10.0	10.6	9.5	9.5	9.0	11.0	11.5	12.8
<b>EBIT - excl. NRI</b>	<b>8.6</b>	<b>10.3</b>	<b>9.9</b>	<b>10.4</b>	<b>10.0</b>	<b>10.6</b>	<b>9.5</b>	<b>9.5</b>	<b>9.0</b>	<b>11.0</b>	<b>11.5</b>	<b>12.8</b>
<b>Margin</b>												
EBIT - reported	6.0 %	6.6 %	15.0 %	2.8 %	6.1 %	6.1 %	5.7 %	5.2 %	5.2 %	6.0 %	7.0 %	7.2 %
<b>EBIT - excl. NRI</b>	<b>6.0 %</b>	<b>6.6 %</b>	<b>7.0 %</b>	<b>6.7 %</b>	<b>6.1 %</b>	<b>6.1 %</b>	<b>5.7 %</b>	<b>5.2 %</b>	<b>5.2 %</b>	<b>6.0 %</b>	<b>7.0 %</b>	<b>7.2 %</b>
<b>PTP</b>	<b>8.7</b>	<b>9.6</b>	<b>20.5</b>	<b>3.0</b>	<b>9.3</b>	<b>10.5</b>	<b>8.6</b>	<b>9.1</b>	<b>8.7</b>	<b>10.7</b>	<b>11.2</b>	<b>12.5</b>
<b>Net profit</b>	<b>7.5</b>	<b>8.3</b>	<b>18.0</b>	<b>3.1</b>	<b>7.6</b>	<b>8.7</b>	<b>6.8</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>	<b>7.3</b>
<b>EPS</b>	<b>0.12</b>	<b>0.13</b>	<b>0.12</b>	<b>0.14</b>	<b>0.12</b>	<b>0.13</b>	<b>0.10</b>	<b>0.11</b>	<b>0.11</b>	<b>0.13</b>	<b>0.14</b>	<b>0.15</b>

Source: OP Markets

## Financial performance and forecasts – by year

### Income Statement

EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Sales</b>	<b>508</b>	<b>530</b>	<b>563</b>	<b>579</b>	<b>595</b>	<b>687</b>	<b>698</b>	<b>726</b>
Total expenses	490	490	516	526	540	633	639	660
<b>EBITDA</b>	<b>18</b>	<b>40</b>	<b>47</b>	<b>54</b>	<b>55</b>	<b>55</b>	<b>60</b>	<b>65</b>
Depreciation	11	9	10	14	16	15	16	16
<b>EBIT excl. NRI</b>	<b>7</b>	<b>31</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>40</b>	<b>44</b>	<b>50</b>
Associated companies	0	0	0	0	0	0	0	0
Financials	-1	1	-2	-1	-3	-2	-1	-1
<b>PTP</b>	<b>6</b>	<b>33</b>	<b>36</b>	<b>34</b>	<b>42</b>	<b>37</b>	<b>43</b>	<b>49</b>
Taxes	6	7	7	6	5	7	9	10
Minority interest	0	0	0	0	0	0	0	0
<b>Net profit</b>	<b>0</b>	<b>26</b>	<b>29</b>	<b>28</b>	<b>37</b>	<b>30</b>	<b>34</b>	<b>39</b>
<b>EPS</b>	<b>0.00</b>	<b>0.41</b>	<b>0.45</b>	<b>0.44</b>	<b>0.57</b>	<b>0.47</b>	<b>0.53</b>	<b>0.60</b>
<b>DPS</b>	<b>0.09</b>	<b>0.11</b>	<b>0.13</b>	<b>0.15</b>	<b>0.17</b>	<b>0.18</b>	<b>0.19</b>	<b>0.20</b>

Source: OP Markets

### Balance Sheet

EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Assets:</b>								
Goodwill	11	10	10	8	8	8	8	8
Other intangibles	16	15	12	17	14	14	14	14
Tangible assets	41	48	49	72	65	62	60	57
Investments	2	4	5	6	7	7	7	7
Inventory	85	101	99	102	103	150	118	124
Receivables	92	108	108	112	113	135	125	129
Short-term investments	0	0	0	0	0	0	0	0
Cash and bank	20	21	21	23	28	28	37	46
<b>Total assets</b>	<b>267</b>	<b>307</b>	<b>304</b>	<b>340</b>	<b>339</b>	<b>405</b>	<b>369</b>	<b>386</b>
<b>Liabilities:</b>								
Share capital	2	2	2	2	2	2	2	2
Other restricted share capital	45	41	0	0	0	0	0	1
Retained earnings	61	81	143	165	181	200	223	249
Minority interest	0	0	0	0	0	0	0	0
<b>Shareholders equity total</b>	<b>108</b>	<b>125</b>	<b>145</b>	<b>167</b>	<b>183</b>	<b>202</b>	<b>225</b>	<b>252</b>
Provisions	6	1	0	0	1	1	1	1
LT interest bearing debt	38	27	17	44	34	30	19	7
LT non-interest bearing debt	3	5	6	0	6	6	6	6
Other long-term debt	0	0	0	0	0	0	0	0
ST interest bearing debt	22	34	31	23	10	12	9	9
ST non-interest bearing debt	90	115	105	106	106	154	110	111
<b>Total liabilities</b>	<b>267</b>	<b>307</b>	<b>304</b>	<b>340</b>	<b>339</b>	<b>405</b>	<b>369</b>	<b>386</b>

Source: OP Markets

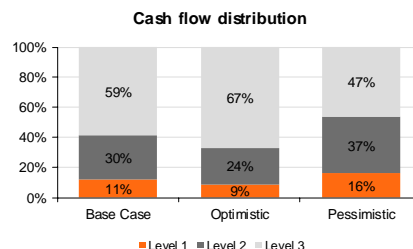
# DCF analysis

## Scanfil Oyj

### CASH FLOW PROJECTIONS

EURm	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenues	687	698	726	754	783	813	845	878	912	947	984
Revenue growth	15.4 %	1.6 %	3.9 %	3.9 %	3.9 %	3.9 %	3.9 %	3.9 %	3.9 %	3.9 %	3.9 %
EBIT	40	44	50	49	51	53	51	53	55	57	59
EBIT margin	5.8 %	6.3 %	6.8 %	6.5 %	6.5 %	6.5 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %
Gross Investments	13	13	14	15	16	17	18	19	20	21	22
Gross inv./depreciation	0.9	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0
Free cash flow	14	37	32	37	38	39	37	39	41	42	44

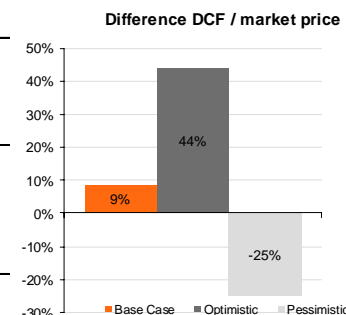
FCF	Base Case		Optimistic		Pessimistic	
	growth	% pv	growth	% pv	growth	% pv
<b>Level 1</b>						
2021						
:	34.4 %	11 %	34.4 %	9 %	34.4 %	16 %
2023						
<b>Level 2</b>						
2024						
:	3.8 %	30 %	5.8 %	24 %	1.8 %	37 %
2031						
<b>Level 3</b>						
2032	2.5 %	59 %	3.5 %	67 %	0.0 %	47 %
PV total	617	100 %	794	100 %	437	100 %



\* Level share of present value cash flows

### IMPLIED SHARE PRICE vs CURRENT SHARE PRICE

Scanfil Oyj	Base Case	Optimistic	Pessimistic
Present value FCF	617	794	437
- debt (int.-bearing)	57	57	57
- minority interest	0	0	0
+ fin. investments	0	0	0
+ cash and bank	8	8	8
PV shareholder equity	568	744	388
No. of shares (million)	65.0	65.0	65.0
<b>Implied share price</b>	<b>8.6</b>	<b>11.5</b>	<b>6.0</b>
<b>Current share price</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
<b>Difference (EUR)</b>	<b>0.7</b>	<b>3.5</b>	<b>-2.0</b>
<b>Difference %</b>	<b>8.5 %</b>	<b>44.0 %</b>	<b>-25.0 %</b>



### SENSITIVITY ANALYSIS

Interest rate sensitivity		Implied share price		
		Base Case	Optimistic	Pessimistic
risk-free rate	1.50 %	9.7	13.1	6.4
	2.00 %	<b>8.7</b>	11.5	6.0
	2.50 %	7.9	10.2	5.6

Growth sensitivity		Implied share price					WACC
		Base Case	6.61 %	7.11 %	<b>7.61 %</b>	8.11 %	
infinite	1.50 %	9.6	8.6	7.8	7.1	6.5	
	2.00 %	10.3	9.1	8.2	7.4	6.8	
cash flow	<b>2.50 %</b>	11.1	9.8	<b>8.7</b>	7.9	7.1	
growth	3.00 %	12.3	10.6	9.4	8.4	7.5	
	3.50 %	13.7	11.7	10.2	9.0	8.0	

### WACC vs risk-free rate

	1.50 %	2.00 %	2.50 %
Risk-fr. r.	1.50 %	2.00 %	2.50 %
CAPM	6.45 %	6.95 %	7.45 %
WACC	7.15 %	<b>7.61 %</b>	8.07 %
	WACC <sub>2</sub>	WACC <sub>1</sub>	WACC <sub>3</sub>

### WACC

#### Cost of equity capital:

CAPM	
Risk-free rate	2.00 %
Market risk premium	5.50 %
Company beta	0.90
Cost of equity capital	6.95 %

#### Cost of debt capital:

Risk-free rate	2.00 %
Risk premium	2.50 %
Tax rate	20.0 %
Tax shield on interest exp.	0.90 %
Cost of debt capital	3.60 %

#### WACC:

Cost of equity capital	6.95 %
Cost of debt capital	3.60 %
Debt ratio (target)	40.0 %
Equity ratio (target)	60.0 %
Liquidity premium	2.00 %
<b>WACC</b>	<b>7.6 %</b>

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This research report has been prepared by OP Corporate Bank plc. OP Corporate Bank plc is an authorised commercial bank in accordance with the act on credit institutions and under the supervision of The European Central Bank and the Finnish Financial Supervisory Authority.

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The information concerning the analysis was not sent to the issuer of the security subject to analysis for approval before the analysis was released.

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OP Corporate Bank plc mainly uses the following valuation methods when determining target prices on shares: DCF = Discounted Cash Flow, peer group valuation, analysis based on absolute valuation parameters, analysis based on historical valuation parameters, sum-of-parts, analysis based on market and company outlook, analysis based on news flow.

OP's Research team has abandoned the Neutral recommendation as of 1 October 2020 and started to use a new four-rank recommendation structure: Buy, Accumulate, Reduce and Sell. The recommendation is relative to the expected return of the share within the next 12 months. If the return of the share is expected to exceed 15% within the next 12 months, the recommendation is Buy. If the expected return is 5–15% within the next 12 months, the recommendation is Accumulate. If the expected return is (-5)–(5)% within the next 12 months, the recommendation is Reduce. If the expected return is below (-5%), the recommendation is Sell. Expected return is measured as upside potential of a stock calculated as a percentage difference between target price and current price. This includes dividends.

The recommendations and target prices of OP Corporate Bank plc for shares are principally updated four times a year in connection with the quarterly earnings of the companies. It is always possible to change the recommendations and target prices also at other times, whenever motivated. The updating frequency of recommendations and target prices has not been restricted.

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Recommendations and target price history			Scanfil	
Recommendation	Target price (€)	Price (€)	Date	
ACCUMULATE	8.50	7.96	13.12.2021	Target price change
ACCUMULATE	8.70	7.78	27.10.2021	Target price change
ACCUMULATE	8.80	8.30	9.8.2021	Target price change
ACCUMULATE	8.50	8.06	14.6.2021	Recommendation and target price change
REDUCE	8.40	8.08	26.4.2021	Recommendation and target price change
ACCUMULATE	7.70	6.90	19.2.2021	Recommendation and target price change
BUY	6.10	5.16	20.10.2020	Recommendation and target price change
ACCUMULATE	6.30	5.62	10.8.2020	Recommendation and target price change
BUY	6.20	5.02	3.8.2020	Target price change
BUY	5.70	4.55	6.5.2020	Target price change
BUY	5.20	4.05	28.8.2019	Target price change
BUY	5.50	4.47	26.10.2018	Recommendation change
ACCUMULATE	5.50	4.98	23.4.2018	Recommendation and target price change
BUY	5.10	4.33	18.10.2017	Target price change
BUY	4.90	3.45	9.8.2016	Target price change
BUY	4.00	3.12	28.10.2015	Target price change
BUY	3.50	2.63	11.8.2015	Target price change

The recommendation breakdown of OP Corporate Bank plc for all companies under its coverage and for the aforementioned\* companies OP Corporate Bank plc or another company pertaining to the same group has been party to an agreement with concerning the provision of investment banking services:

Share recommendation breakdown (as of 5 November 2021)				
Recommendation	All Companies		Inv. Banking Relationships*	
	Count	%	Count	%
BUY	19	26	3	27
ACCUMULATE	39	53	6	55
REDUCE	12	16	1	9
SELL	3	4	1	9
	73	100	11	100

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