

The EEMEA Equity Strategist

Keep up that holiday mood

Christmas rally after all

Soft US macro data in late Dec gave more support to hopes that the peak in US rates is behind us, allowing the market to end the year on an optimistic note. Positive market moves are consistent with our constructive baseline view into 2024 (see: Global soft landing = EM take-off 19 November 2023), where EEMEA equities are well positioned to benefit the most. However, more robust data at the start of the year, as well as a new spike in geopolitical tensions, offered a good reminder of remaining risks: either resilient inflation/rates or a hard landing, which may create market pressures near-term. Within the global market cycle, South Africa usually offers the highest returns with a lower USD and stronger commodities, but we mind risks from approaching budget and elections. Further policy normalization in Türkiye may start to support investor positioning.

Flows: taking a break from pessimism

Monthly data continued to show persistent outflows from the region, but a wave of market optimism at the end of the year triggered the first weekly EEMEA equity inflows since early September. Geopolitics/global macro concerns kept outflows from the main markets – Türkiye, South Africa, Israel and Saudi – while flows to Central & Eastern Europe and the rest of the GCC (Gulf Cooperation Council) were neutral to positive. Positioning remains light to neutral across the whole region, with South Africa the main overweight vs Saudi Arabia the main underweight, both in the region and globally. The EEMEA earnings revision ratio (ERR) rose further above 1, vs. weakness in other regions.

Hungary takes the lead, Türkiye slides further

Improving valuations have pushed Hungary to the top of our screen this month. Strong earnings, positioning and dividends have also pushed Egypt and Kuwait into the top three, as our long-time leader Türkiye has slipped further to fourth. Saudi Arabia remains at the bottom, pressured by a deterioration in positioning. Rampant inflation means Türkiye still has the highest equity risk premium. Based on a Z-score, Hungary remains the cheapest on P/E, while Czech is now cheapest on EV/EBITDA. South Africa is still cheapest in terms of P/B and Qatar on EV/Sales. Egypt and Türkiye continue to offer the highest return on equity in the whole of EM, followed by Brazil.

Financials focus in the top screen, SAR in the bottom

A list of our top-20 ranked names (based on the weighted average of six quantitative screens) is now well diversified by country (nine countries represented), but is still focused on financials. Mytilineos, OTP Bank, Saudi Investment Bank, Arab National Bank, Netcare and Eastern Tobacco are new joiners. On the other hand, 11 of our bottom-20 screen are Saudi names, mainly from materials.

09 January 2024

Macro & Equity Strategy
EEMEA

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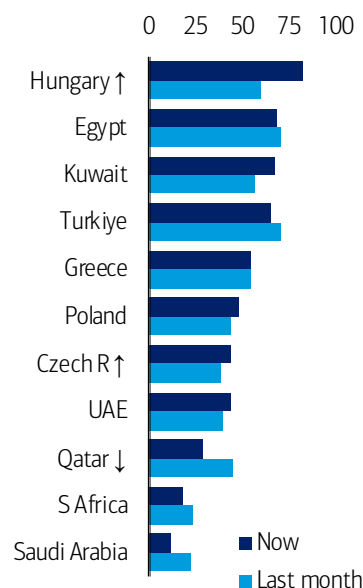
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Exhibit 1: EEMEA markets ranking

Top-down ranking of markets (100 = best, 0 = worst)



Source: BofA Global Research

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Refer to important disclosures on page 26 to 27.

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Timestamp: 08 January 2024 11:00PM EST

Top of the Pops

Exhibit 2: EMEA markets – Top-down ranking of markets (100 = best, 0 = worst)

Hungary at the top of our country quant screen

Country	Current valuations (10%)	Valuations vs history (10%)	Earnings growth (20%)	Price/EPS momentum (20%)	Dividends (20%)	GEM funds positioning upside (20%)	Weighted av of ranks
Hungary	100	100	70	100	80	60	82.0
Egypt	10	10	100	90	40	100	68.0
Kuwait	20	70	80	60	100	50	67.0
Türkiye	90	80	50	20	90	80	65.0
Greece	70	20	90	80	40	20	55.0
Poland	80	60	0	70	70	30	48.0
Czech R	60	40	10	50	40	70	44.0
UAE	50	30	60	20	10	90	44.0
Qatar	20	50	30	10	30	40	29.0
S Africa	40	80	10	0	20	0	18.0
Saudi Arabia	0	0	30	20	0	10	12.0

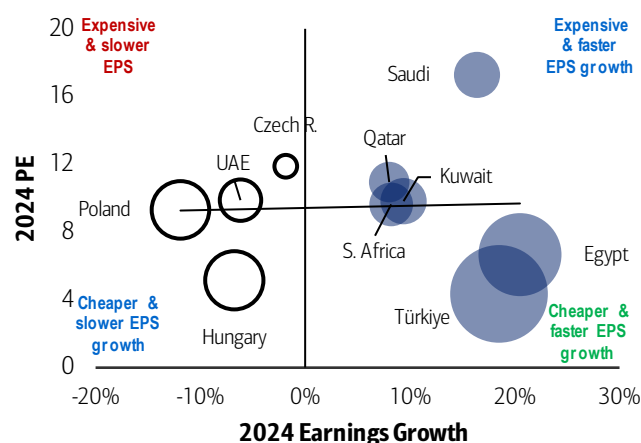
Market-level GEMs funds positioning data for the end of November. 100=best, 0=worst. See Methodology for details of calculations. **Source:** DataStream, FactSet, Bloomberg, EPFR, BofA Global Research

This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision

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Exhibit 3: 2024 growth/value snapshot

Saudi is still the most expensive

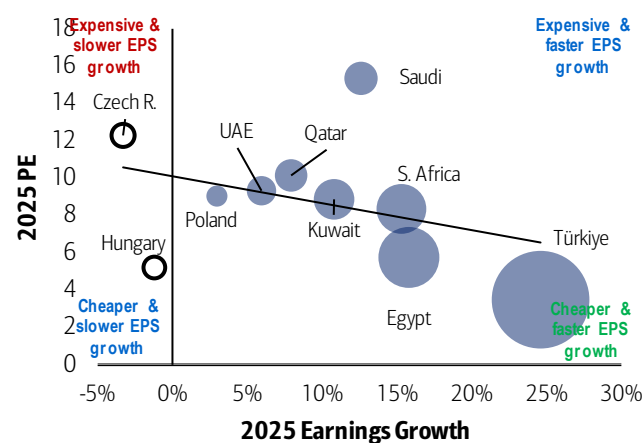


Source: IBES, DataStream, BofA Global Research. Note: The size of the bubbles in the chart represents the ratio (Y/X) except for markets with negative earnings growth

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Exhibit 4: 2025 growth/value snapshot

Türkiye the cheapest and fastest growing

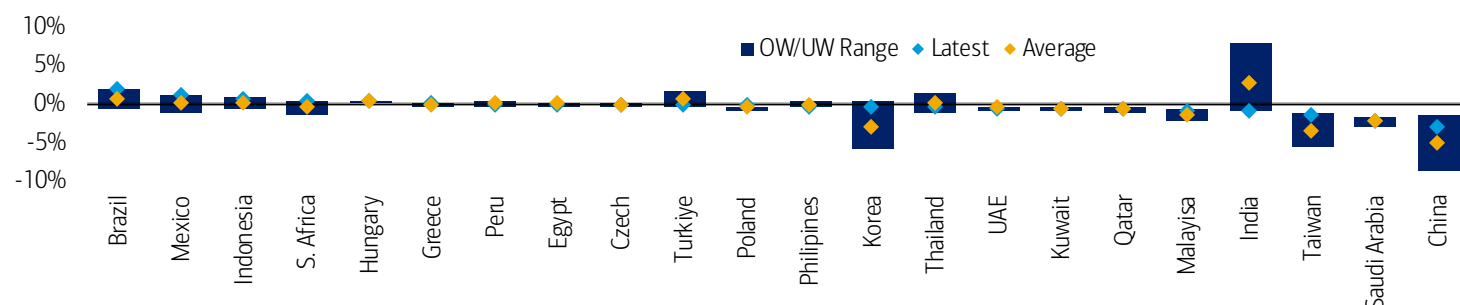


Source: IBES, DataStream, BofA Global Research. Note: The size of the bubbles in the chart represents the ratio (Y/X) except for markets with negative earnings growth

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Exhibit 5: GEM funds positioning vs MSCI EM- Markets

Brazil and Mexico are the largest OWs, while China remains UW versus the benchmark, Saudi – biggest UW in EEMEA



For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Average since 2013 for Greece, 2014 for UAE and Qatar, 2019 for Saudi, 2020 for Kuwait and 2012 for the rest. **Source:** EPFR, DataStream, BofA Global Research

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Exhibit 6: Top 20 stocks ranked by 6 screening factors

New names in our top 20 screen: Mytilineos, OTP Bank, Saudi Investment Bank, Arab National Bank, Netcare and Eastern Tobacco

Company	Country	Sector	Rating	Current valuations (10%)	Valuations vs history (10%)	Earnings growth (20%)	Price/EPS momentum (20%)	DY (20%)	GEM funds positioning upside (20%)	Weighted average of ranks
PKO BP	Poland	Financials	Neutral	71	80	88	96	93	92	88.9
Anadolu Efes	Türkiye	Cons. S.	Buy	70	87	88	88	80	81	83.1
Pekao S.A.	Poland	Financials	Buy	83	86	75	96	98	48	80.3
Erste Bank**	CEE	Financials	Buy	94	90	70	74	79	81	79.2
Coca-Cola İçecek	Türkiye	Cons. S.	Buy	35	91	91	91	58	73	75.2
PZU	Poland	Financials	No rating	81	90	75	92	93	26	74.3
Isbank	Türkiye	Financials	Buy	90	77	66	71	84	57	72.3
Koc Holding	Türkiye	Industrials	No rating	88	96	81	52	62	70	71.4
LPP SA	Poland	Cons. D.	Underperform	33	56	97	95	57	63	71.3
Yapi Kredi Bank	Türkiye	Financials	Buy	94	87	51	72	90	48	70.3
Ford Otosan	Türkiye	Cons. D.	No rating	52	99	90	40	99	46	70.1
Mytilineos	Greece	Industrials	No rating	75	23	82	85	58	73	69.4
OTP Bank	Hungary	Financials	Neutral	82	87	80	97	81	3	69.1
NEPI Rockcastle**	S Africa	Real Estate	No rating	48	62	50	69	77	93	68.8
Tofas	Türkiye	Cons. D.	No rating	83	95	94	37	97	27	68.8
Saudi Investment Bank	Saudi Arabia	Financials	No rating	71	51	72	64	83	61	68.2
Arab National Bank	Saudi Arabia	Financials	No rating	67	69	46	58	71	96	67.8
Netcare	S Africa	Health Care	Buy	75	82	60	44	92	63	67.5
Emaar Development	UAE	Real Estate	Buy	84	21	56	88	58	81	67.1
Eastern Tobacco	Egypt	Cons. S.	No rating	56	25	82	100	67	44	66.7

GEM funds stock-level positioning data with an average lag of 3 months, others as of November. Numbers in brackets show weights we have allocated to each factor. 100=best, 0=worst. **Stocks with resilient dividends, see more in Exhibit 89. This screen is not a recommended list either individually or as a group of stocks and may not be consistent with our fundamental view. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision. **Source:** IBES, DataStream, Bloomberg, BofA Global Research.

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Exhibit 7: Equity Risk Premium

Türkiye at the top, followed by Hungary and Egypt from EEMEA

GEMs	Equity risk premium	Earnings Yield		Dividend Yield		10yr Govt Bond Yield	Inflation
	2024E	2024E	2025E	2024E	2025E	Current	2024E
Türkiye	54.6%	23.0%	28.7%	5.1%	6.4%	25.2%	56.8%
Hungary	18.4%	19.4%	19.2%	5.3%	5.6%	6.1%	5.0%
Colombia	15.9%	18.4%	19.7%	7.0%	7.6%	10.0%	7.4%
Egypt	15.3%	15.0%	17.4%	4.1%	5.5%	24.7%	25.0%
Poland	11.0%	10.7%	11.1%	4.6%	4.6%	5.3%	5.5%
Chile	10.9%	12.5%	11.1%	7.4%	6.6%	5.5%	3.9%
China	10.4%	11.5%	13.2%	2.9%	3.2%	2.5%	1.4%
Greece	9.6%	10.8%	11.3%	5.6%	6.1%	3.2%	2.0%
Kuwait	9.0%	10.2%	11.3%	5.0%	5.7%	4.3%	3.1%
UAE	8.3%	10.1%	10.7%	4.4%	4.6%	4.1%	2.3%
Korea	7.9%	8.9%	11.1%	2.2%	2.3%	3.3%	2.3%
Qatar	7.2%	9.1%	9.9%	4.8%	5.2%	4.2%	2.3%
Taiwan	7.1%	6.4%	7.7%	3.1%	3.5%	1.2%	2.0%
Czech Republic	7.1%	8.4%	8.1%	6.8%	6.6%	3.8%	2.5%
Malaysia	6.4%	7.5%	8.0%	4.3%	4.6%	3.8%	2.8%
Brazil	5.7%	12.3%	12.8%	6.0%	6.5%	10.4%	3.8%
Philippines	5.5%	8.3%	9.1%	2.7%	2.8%	6.1%	3.3%
Thailand	5.1%	6.1%	6.9%	3.1%	3.5%	2.7%	1.7%
Peru	4.1%	8.0%	9.3%	4.0%	4.9%	6.8%	2.8%
South Africa	3.9%	10.4%	12.0%	4.3%	4.8%	11.5%	5.0%
Indonesia	3.5%	7.2%	7.9%	4.2%	4.6%	6.6%	2.9%
Mexico	3.0%	7.7%	8.5%	4.3%	5.3%	9.1%	4.4%
Saudi Arabia	3.0%	5.8%	6.5%	3.5%	3.7%	4.8%	2.0%
India	2.5%	4.8%	5.5%	1.4%	1.6%	7.2%	4.9%

Source: IBES, DataStream, Bloomberg, BofA Global Research

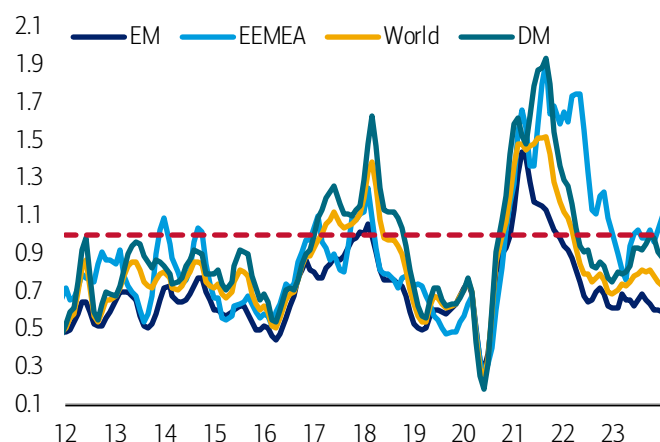
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Top-down analysis

Exhibit 8: 3m Earnings Revision Ratio (ERR)

EEMEA above 1

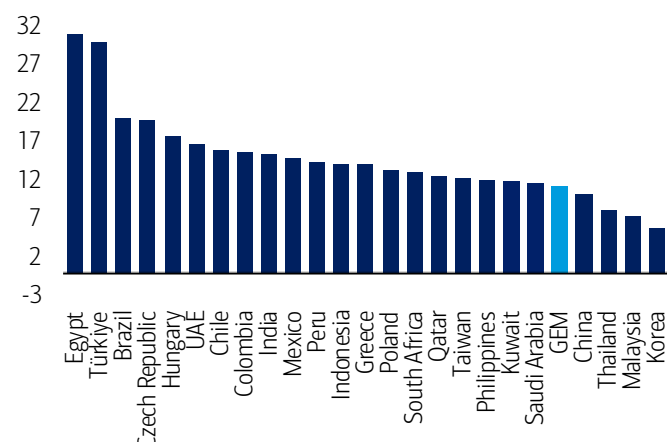


Source: IBES, DataStream and Bloomberg, BofA Global Research

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Exhibit 9: Return on equity (%)

Egypt has the highest return at 31%; Korea the lowest at c.6%



Source: IBES, DataStream and Bloomberg, BofA Global Research

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Exhibit 10: GEM funds positioning vs MSCI EM (OW/UW in %pt)

OW SA, Hungary and Greece, UW most of other EEMEA

	Average	Latest	1m ago	Latest - Average	Weight in MSCI EM
Korea	-2.89%	-0.37%	-0.16%	2.52%	12.70%
China	-4.96%	-2.87%	-2.71%	2.10%	28.39%
Brazil	0.77%	2.05%	1.90%	1.28%	5.67%
Mexico	0.17%	1.13%	1.02%	0.96%	2.57%
S. Africa	-0.37%	0.47%	0.42%	0.83%	3.08%
Poland	-0.45%	-0.22%	-0.24%	0.24%	0.94%
Greece	-0.07%	0.02%	-0.04%	0.09%	0.50%
Qatar	-0.70%	-0.66%	-0.67%	0.04%	0.88%
Saudi Arabia	-2.26%	-2.24%	-2.34%	0.02%	4.05%
Hungary	0.31%	0.30%	0.30%	0.00%	0.25%
Czech	-0.09%	-0.11%	-0.12%	-0.02%	0.16%
Egypt	0.06%	-0.04%	-0.04%	-0.10%	0.11%
UAE	-0.44%	-0.58%	-0.58%	-0.14%	1.30%
Türkiye	0.60%	-0.20%	0.42%	-0.80%	3.08%
India	2.81%	-0.96%	-0.84%	-3.76%	15.68%

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Exhibit 11: GEM funds positioning – change in OW/UW vs MSCI EM

Adding to South Africa, Saudi and Greece

	Change in OW/UW in November	3-month change in OW/UW	6-month change in OW/UW
	1m change	3m change	6m change
Brazil	0.15%	0.48%	0.62%
Mexico	0.11%	0.33%	0.48%
S. Africa	0.05%	0.21%	0.45%
Saudi Arabia	0.11%	0.15%	0.10%
Türkiye	-0.01%	0.13%	0.10%
Hungary	0.00%	-0.01%	0.06%
Greece	0.05%	0.04%	0.05%
Qatar	0.01%	0.04%	0.02%
Czech	0.00%	0.00%	0.01%
UAE	0.00%	0.04%	0.01%
Egypt	-0.01%	-0.01%	-0.02%
Poland	0.02%	0.05%	-0.02%
China	-0.16%	-0.20%	-0.36%
Korea	-0.22%	-0.06%	-0.45%
India	-0.12%	-0.74%	-1.00%

For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Average since 2013 for Greece, 2014 for UAE and Qatar, 2019 for Saudi, 2020 for Kuwait and 2012 for the rest. Source: EPFR, DataStream, BofA Global Research

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Exhibit 12: Weekly inflows into equity markets (USD mn)

Outflows slowed down in recent weeks

	EEMEA	S. Africa	Turkiye	Czech R.	Hungary	Poland	Israel	Egypt	Saudi	UAE	Kuwait	Qatar
25-Oct-23	-150.0	-30.8	-29.3	0.9	11.3	50.8	-19.2	-2.7	-78.4	-12.1	-1.7	-2.7
01-Nov-23	-365.0	-99.3	-10.2	-4.4	-12.1	-25.4	-5.9	-5.5	-61.3	-31.1	-5.2	-7.4
08-Nov-23	-110.3	1.2	-59.7	0.9	0.5	1.6	4.9	-3.6	-6.0	-7.9	-1.2	-1.8
15-Nov-23	-86.6	-40.1	3.0	-0.5	0.7	2.6	-8.2	0.0	-29.0	-0.6	-0.1	-0.3
22-Nov-23	-43.1	14.5	-86.9	2.0	1.8	17.0	15.4	0.3	-0.2	-0.2	0.0	-0.2
29-Nov-23	-173.9	-46.7	-57.2	-1.2	-2.4	-4.7	0.6	-2.3	-13.1	-7.0	-1.4	-1.7
06-Dec-23	-134.3	-61.8	-23.2	-0.4	-0.5	-2.4	-7.8	-3.1	-9.8	-8.6	-1.7	-2.3
13-Dec-23	-109.0	-37.4	-35.6	-2.2	-0.7	3.2	-15.0	-0.6	-14.1	-6.0	-1.2	-1.8
20-Dec-23	-134.9	3.1	-43.2	-1.9	10.5	4.3	-42.0	-4.0	-54.0	9.1	7.8	5.0
27-Dec-23	28.4	0.6	29.6	-1.8	-1.2	-4.6	-11.3	0.0	3.0	0.8	-0.1	0.1

As of 27 Dec 2023 (reported on 28 Dec). We obtain country flows from all "equity" category in EPFR, spanning funds representing a total of US\$4.2tn (equities). **Source:** EPFR Global, BofA Global Research

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Exhibit 13: Monthly inflows into equity markets (USD mn)

Outflows from EEMEA continue

	EEMEA	S. Africa	Turkiye	Czech R.	Hungary	Poland	Israel	Egypt	Saudi	UAE	Kuwait	Qatar
Nov-22	214.2	39.6	73.1	11.0	8.8	-3.4	19.1	9.6	93.5	33.9	11.0	13.5
Dec-22	-615.4	-172.7	104.3	-2.8	-3.5	-14.6	-83.0	0.6	-173.1	-30.7	-65.5	-14.6
Jan-23	1305.6	516.9	-27.5	18.9	29.4	104.0	72.3	29.0	125.5	94.4	22.6	29.2
Feb-23	1047.0	129.0	375.1	10.5	14.6	36.0	43.4	4.7	120.3	58.6	36.2	20.1
Mar-23	798.0	60.4	610.9	1.3	0.7	24.4	19.2	0.9	53.2	18.1	7.8	7.9
Apr-23	-40.2	-7.2	-47.2	0.7	-1.5	-26.3	19.2	4.5	21.7	8.7	2.5	4.9
May-23	-1.9	-0.2	195.6	-13.6	-27.0	-69.2	20.4	0.4	-17.4	-7.3	3.7	-1.4
Jun-23	-162.0	26.6	-117.1	-3.6	-2.5	23.7	15.5	-0.1	50.1	2.7	1.9	3.9
Jul-23	-14.5	92.6	-49.2	1.5	14.5	23.6	25.4	0.4	-42.7	-3.1	-0.5	-0.2
Aug-23	-737.3	-167.6	-160.7	-5.9	-11.8	-48.7	26.6	-9.3	-49.9	-43.7	-15.3	-3.9
Sep-23	-599.2	-86.9	-148.6	-3.4	-21.0	-55.1	10.7	-7.7	-32.7	-42.1	-7.3	-5.9
Oct-23	-853.8	-61.2	-130.7	-6.8	-8.1	6.8	-34.5	-12.7	-336.4	-49.1	-9.0	-22.5
Nov-23	-779.0	-170.4	-211.0	-3.2	-11.5	-8.8	6.8	-10.9	-109.6	-46.8	-7.9	-11.5
Dec-23	-350.0	-95.6	-72.3	-6.2	8.1	0.6	-76.1	-7.7	-74.9	-4.7	4.8	1.0

As of 27 Dec 2023 (reported on 28 Dec). We obtain country flows from all "equity" category in EPFR, spanning funds representing a total of US\$4.2tn (equities). **Source:** EPFR Global, BofA Global Research

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Exhibit 14: Latest EEMEA valuations, growth, and earnings momentum

Czech dividends the highest at 10% yield followed by Greece at 6.1%

Country	12m trailing dividend yield	12m forward EPS yield	12m forward EPS growth	3m change in 12m forward EPS
Turkiye	4.1%	23.2%	18.5%	9.4%
S Africa	3.9%	10.6%	13.9%	1.2%
Poland	3.9%	11.0%	-11.9%	6.9%
Hungary	4.8%	19.4%	-6.8%	14.3%
Czech R	10.0%	8.3%	-1.9%	2.7%
Greece	6.1%	10.7%	-2.3%	11.3%
UAE	4.4%	10.0%	-6.2%	3.0%
Qatar	4.4%	9.1%	8.0%	0.8%
Egypt	2.9%	14.5%	23.2%	15.4%
Saudi Arabia	3.3%	5.8%	16.4%	-0.4%
Kuwait	3.1%	14.6%	9.4%	3.4%

Data as of 04 January 2024. Greece is excluding banks **Source:** IBES, BofA Global Research

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Exhibit 15: EEMEA 12m fwd. EV/EBITDA†: latest vs avg (ordered by z-score)

Czech Republic the cheapest based on z-score

	Latest fwd. EV/EBITDA	Avg	Min	Max	% above / Below Average	Zscore	History Since
Czech R	5.0	7.0	4.1	10.5	-29%	-1.9	07/09/2005
Hungary	3.3	5.5	2.7	11.7	-40%	-1.8	15/07/2005
Türkiye	4.2	6.2	3.1	8.7	-32%	-1.7	14/07/2005
UAE	7.4	9.4	2.3	19.8	-21%	-0.7	10/01/2007
Poland	5.1	5.7	1.0	7.8	-10%	-0.6	22/07/2005
Kuwait	5.9	7.1	3.8	17.1	-16.8%	-0.6	18/09/2006
S Africa	7.0	7.9	3.5	15.0	-12%	-0.4	18/07/2005
Greece	6.1	5.7	3.1	9.2	7%	0.3	06/01/2005
Egypt	5.5	4.6	0.9	11.6	20%	0.5	03/07/2006
Qatar	10.1	8.4	3.7	12.9	20%	1.0	16/01/2007
Saudi	10.9	9.5	6.1	14.1	15%	1.1	00/01/1900

Data as of 04 Jan 2024. †Ex financials for all countries, as this is not a relevant indicator. **Source:** IBES, Bloomberg, BofA Global Research

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Exhibit 16: EEMEA 12m fwd. EV/Sales†: latest vs avg (ordered by z-score)

Qatar the cheapest based on z-score

	Latest EV/Sales	Avg	Min	Max	% above / Below Average	Zscore	History Since
Qatar	2.1	3.6	1.7	6.8	-43%	-1.8	16/01/2007
S Africa	1.5	1.9	1.0	2.9	-20%	-1.2	18/07/2005
Hungary	0.5	0.9	0.5	3.8	-38%	-1.1	15/07/2005
Czech R	2.0	2.5	1.6	4.6	-20%	-0.9	07/09/2005
Türkiye	0.6	0.7	0.4	1.7	-14%	-0.8	14/07/2005
Kuwait	1.6	2.3	1.2	9.4	-31%	-0.5	18/09/2006
Poland	0.6	0.7	0.3	1.2	-10%	-0.4	04/07/2005
UAE	2.8	3.2	0.7	7.2	-13.6%	-0.4	10/01/2007
Greece	1.0	1.1	0.5	2.1	-5%	-0.1	06/01/2005
Saudi	3.1	4.9	0.5	3.1	-37%	0.6	10/05/2007
Egypt	2.7	1.6	0.2	4.0	73%	2.0	03/07/2006

Data as of 04 Jan 2024. †Ex financials for all countries, as this is not a relevant indicator. **Source:** IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 17: EEMEA 12m fwd. P/E: latest vs avg (ordered by z-score)

Hungary the cheapest based on z-score

	Latest fwd. P/E	Avg	Min	Max	% above / Below Average	Zscore	History Since
Hungary	5.1	9.4	4.2	17.0	-45%	-2.2	31/12/1999
Türkiye	4.3	8.5	3.5	18.7	-49%	-1.7	31/12/1999
Kuwait	9.8	16.2	6.8	28.4	-39%	-1.4	03/01/2005
Egypt	6.5	9.6	4.3	17.6	-32%	-1.2	15/07/2004
Poland	9.3	11.9	5.7	25.1	-22%	-1.0	31/12/1999
S Africa	9.6	11.3	6.7	17.3	-15%	-0.7	31/12/1999
Greece	9.6	12.0	2.7	52.5	-20%	-0.5	17/02/2000
Qatar	10.9	12.4	6.2	27.9	-12%	-0.4	03/01/2005
UAE	9.9	11.1	5.3	26.7	-11%	-0.4	02/01/2006
Czech R	11.9	12.6	6.7	18.4	-5%	-0.3	20/04/2000
Saudi	17.3	16.0	9.8	35.6	8%	0.3	03/01/2005

Data as of 04 Jan 2024. †Ex financials for all countries, as this is not a relevant indicator. **Source:** IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 18: EEMEA 12m fwd. P/B: latest vs avg (ordered by z-score)

S. Africa the cheapest based on z-score

	Latest fwd. P/B	Avg	Min	Max	% above / Below Average	Zscore	History Since
S Africa	1.4	1.9	0.9	2.8	-23.5%	-1.3	15/01/2004
Hungary	0.9	1.3	0.6	2.6	-30%	-0.8	15/01/2004
Qatar	1.4	2.1	1.1	6.9	-35%	-0.7	03/01/2005
Poland	1.1	1.4	0.7	2.5	-15%	-0.5	15/01/2004
Kuwait	1.7	1.9	1.1	4.0	-12%	-0.4	03/01/2005
Türkiye	1.1	1.3	0.7	2.0	-9%	-0.4	20/01/2005
UAE	1.3	1.5	0.5	5.9	-14%	-0.2	03/01/2005
Saudi	2.1	2.4	1.2	9.1	-13%	-0.2	03/01/2005
Greece	1.8	1.8	0.3	12.8	1%	0.0	31/05/2001
Czech R	1.7	1.6	0.9	3.0	3%	0.1	15/01/2004
Egypt	2.1	2.0	0.5	5.1	7%	0.1	18/11/2004

Data as of 04 Jan 2024. †Ex financials for all countries, as this is not a relevant indicator. **Source:** IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 19: EEMEA sectors US\$ performance, change in P/E multiple and earnings growth

Performance

Performance (US\$)	Türkiye	South Africa	Hungary	Poland	Czech R.	Greece*	UAE	Qatar	Egypt	Saudi	Kuwait	EM
2020A	-10%	-6%	-12%	-12%	-6%	5%	-6%	-6%	-25%	-2%	-14%	16%
2021A	-31%	1%	11%	6%	49%	3%	44%	12%	6%	34%	28%	-5%
2022A	84%	-7%	-34%	-29%	-19%	-1%	-9%	-10%	-25%	-7%	7%	-22%
2023A	-9%	-2%	45%	45%	22%	36%	-3%	-3%	38%	7%	-10%	7%
2024A	-2%	-6%	-1%	-4%	-1%	0%	-1%	-1%	3%	0%	2%	-2%
Fwd. P/E ch.	Türkiye	South Africa	Hungary	Poland	Czech R.	Greece*	UAE	Qatar	Egypt	Saudi	Kuwait	EM
2021E	-20%	-9%	-25%	-15%	7%	-18%	31%	-8%	1%	-12%	9%	-17%
2022E	-10%	-9%	-35%	-41%	-25%	-27%	-23%	-11%	-2%	-21%	-38%	-8%
2023E	-13%	8%	-1%	33%	8%	8%	-14%	-3%	-6%	25%	-24%	1%
2024E	-20%	-12%	1%	-3%	3%	-3%	-6%	-7%	-12%	-11%	-10%	-13%
2025E	-2%	-2%	-1%	-9%	0%	2%	-1%	-16%	6%	-2%	55%	1%
Fwd. earnings ch.(US\$)	Türkiye	South Africa	Hungary	Poland	Czech R.	Greece*	UAE	Qatar	Egypt	Saudi	Kuwait	EM
2021E	-13%	11%	47%	22%	38%	26%	7%	21%	5%	50%	18%	17%
2022E	99%	4%	5%	19%	9%	35%	21%	2%	-24%	15%	71%	-15%
2023E	7%	-13%	45%	10%	12%	24%	10%	-2%	44%	-11%	17%	3%
2024E	24%	10%	-2%	1%	-4%	4%	6%	8%	14%	13%	11%	15%
2025E	1%	4%	2%	8%	3%	-2%	2%	20%	1%	2%	-33%	0%
Earnings growth	Türkiye	South Africa	Hungary	Poland	Czech R.	Greece*	UAE	Qatar	Egypt	Saudi	Kuwait	EM
2020A	16%	5%	-39%	-9%	-49%	7%	-27%	-16%	-11%	-15%	-28%	-3%
2021A	171%	51%	144%	132%	61%	24%	24%	23%	26%	82%	116%	53%
2022A	290%	-3%	42%	-4%	226%	118%	28%	11%	14%	12%	2%	16%
2023A	15%	4%	4%	8%	-41%	-2%	24%	0%	85%	-15%	14%	-4%
2024E	15%	4%	4%	8%	-41%	-2%	24%	0%	85%	-15%	14%	-4%
2025E	19%	8%	-7%	-12%	-2%	4%	-6%	8%	20%	16%	9%	18%

Data as of 04 January 2024. Source: IBES, DataStream, BoFA Global Research. * Excluding Banks

BoFA GLOBAL RESEARCH

Exhibit 20: EEMEA sectors US\$ performance, change in P/E multiple and earnings growth

Performance

Performance (US)	Energy	Materials	Financials	Cons. Staples	Cons. Discr	Industrials	Utilities	Health Care	Comm. Svcs.
2020A	-28%	10%	-17%	6%	14%	-5%	1%	-8%	-5%
2021A	26%	9%	26%	-7%	-22%	15%	14%	35%	13%
2022A	-76%	-34%	-18%	-23%	-7%	30%	-18%	-13%	-36%
2023A	10%	-13%	8%	21%	4%	-4%	22%	23%	-6%
2024A	-1%	-3%	-1%	-2%	-4%	-1%	-2%	1%	-1%
Fwd. P/E ch.	Energy	Materials	Financials	Cons. Staples	Cons. Discr	Industrials	Utilities	Health Care	Comm. Svcs.
2021E	-45%	-8%	1%	-5%	-21%	-10%	22%	32%	16%
2022E	28%	3%	-7%	-15%	-5%	-53%	-5%	-8%	-31%
2023E	39%	48%	-6%	9%	-22%	-8%	42%	15%	0%
2024E	5%	-14%	-9%	-14%	-21%	-12%	-7%	-15%	-11%
2025E	1%	4%	0%	1%	2%	40%	-19%	2%	-17%
Fwd. earnings ch.(US\$)	Energy	Materials	Financials	Cons. Staples	Cons. Discr	Industrials	Utilities	Health Care	Comm. Svcs.
2021E	129%	19%	25%	-2%	1%	31%	-8%	3%	-4%
2022E	-82%	-37%	-13%	-9%	-5%	163%	-14%	-8%	-8%
2023E	-21%	-41%	13%	7%	27%	5%	-14%	8%	-7%
2024E	-5%	17%	9%	16%	26%	14%	7%	18%	12%
2025E	-1%	-3%	2%	2%	3%	-27%	25%	1%	3%
Earnings growth	Energy	Materials	Financials	Cons. Staples	Cons. Discr	Industrials	Utilities	Health Care	Comm. Svcs.
2020A	-24%	-9%	-1%	9%	-3%	-12%	15%	5%	13%
2021A	-48%	11%	-18%	1%	3%	-5%	-26%	3%	12%
2022A	245%	181%	28%	0%	14%	439%	168%	13%	11%
2023A	50%	-16%	28%	47%	-15%	32%	79%	17%	9%
2024E	-29%	-47%	24%	23%	92%	11%	-26%	0%	6%
2025E	-22%	25%	5%	22%	21%	18%	2%	24%	6%

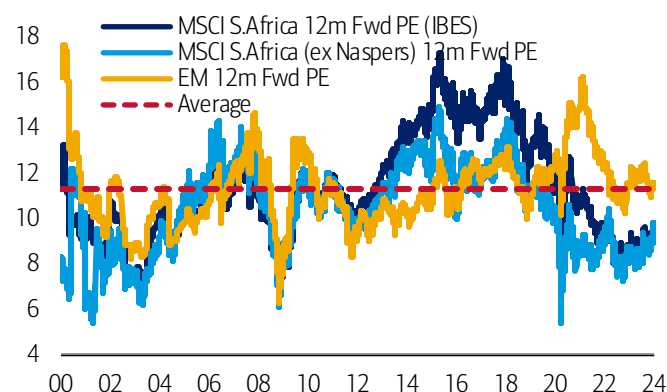
Data as of 04 January 2024. Source: IBES, DataStream, BoFA Global Research

BoFA GLOBAL RESEARCH

South Africa

Exhibit 21: S. Africa 12m fwd. P/E rel. to MSCI EM

Below average

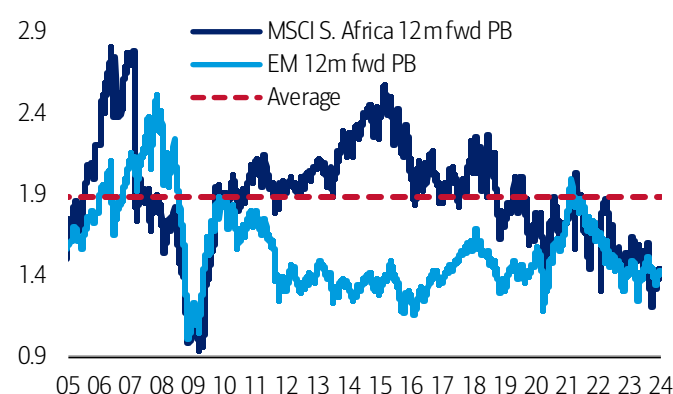


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 22: S. Africa 12m fwd. P/B rel. to MSCI EM

Below historical average

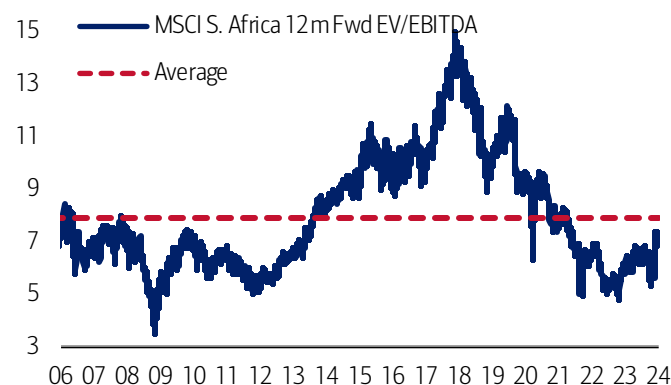


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 23: S. Africa 12m fwd EV/EBITDA

Below historical average



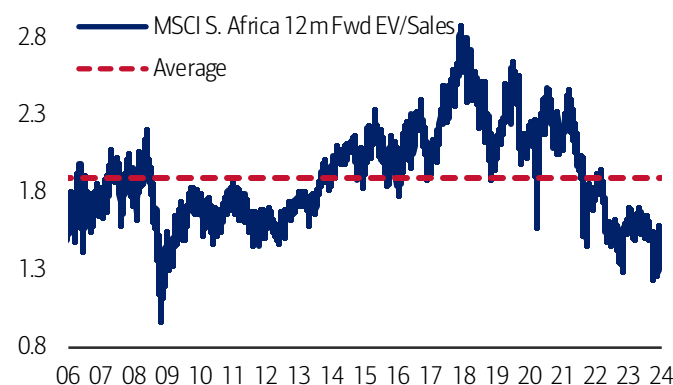
Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 24: S. Africa 12m fwd EV/Sales

Below historical average



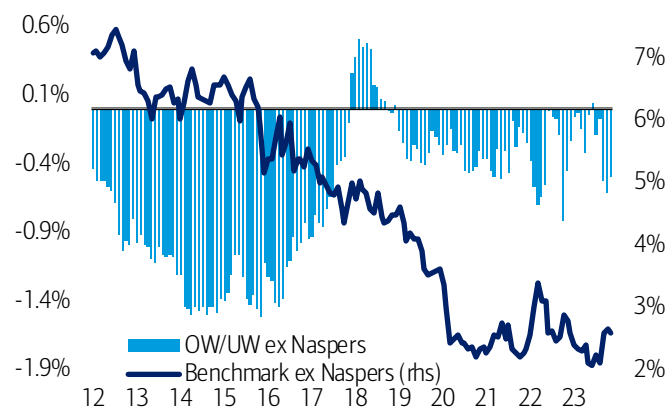
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 25: GEM fund positioning in S. Africa ex. Naspers

UW

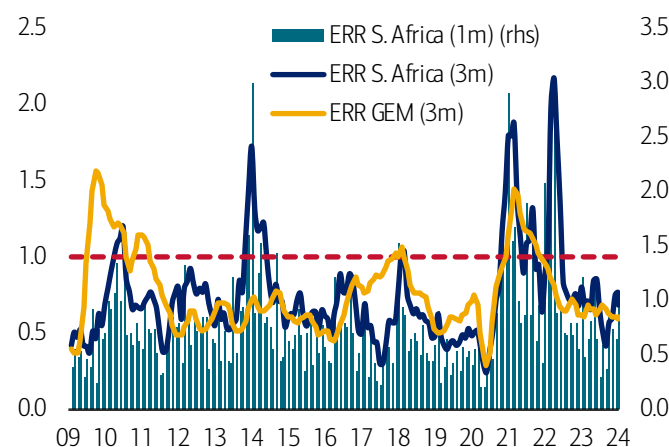


Stock-level positioning data is based on our sample of 28 active GEM funds with US\$ 114bn AUM with an MSCI benchmark. Source: EPFR, DataStream, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 26: S. Africa's 3m earnings revision ratio

Below 1



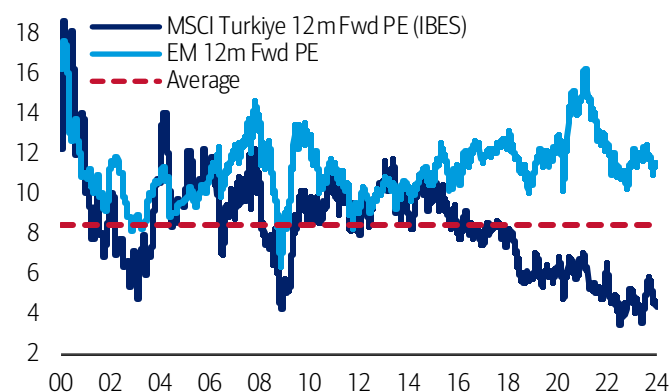
Source: DataStream, IBES, BofA Global Research

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Türkiye

Exhibit 27: Türkiye 12m fwd. P/E vs. EM

Below historical average

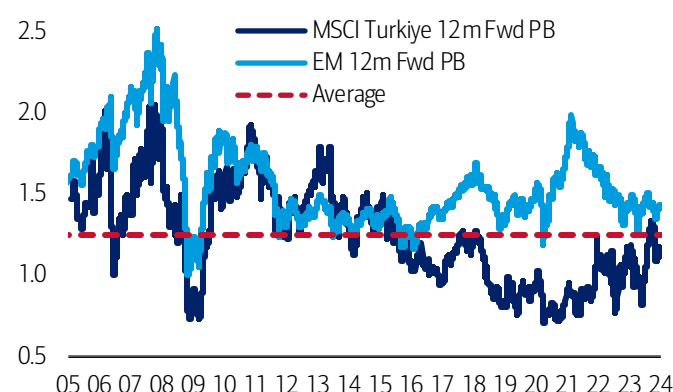


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 28: Türkiye 12m fwd. P/B rel. to MSCI EM

Close to average

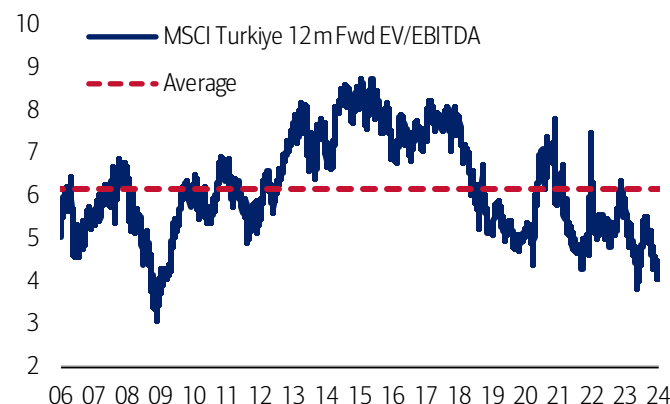


Source: DataStream, IBES, BofA Global Research

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Exhibit 29: Türkiye 12m fwd EV/EBITDA

Below historical average

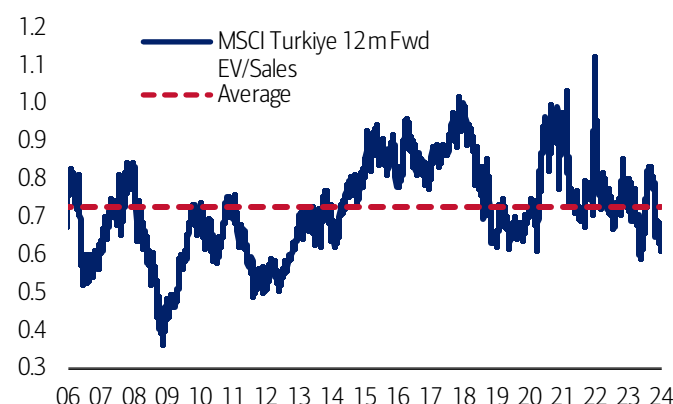


Note: Cumulative EV-EBITDA is calculated using non-financials stocks Source: : DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 30: Türkiye 12m fwd EV/Sales

Below historical average

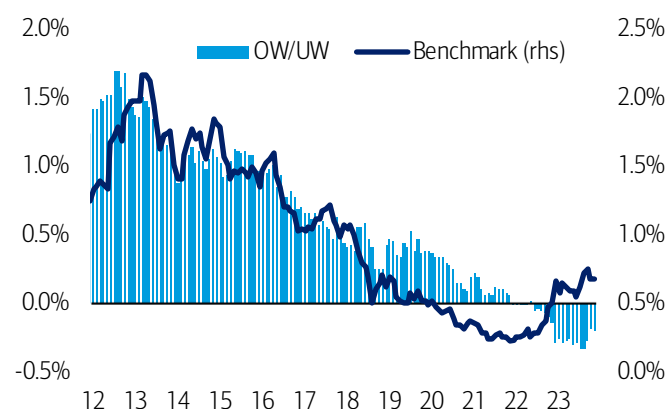


Note: Cumulative EV-Sales is calculated using non-financials stocks Source: : DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 31: GEM fund positioning in Türkiye

UW

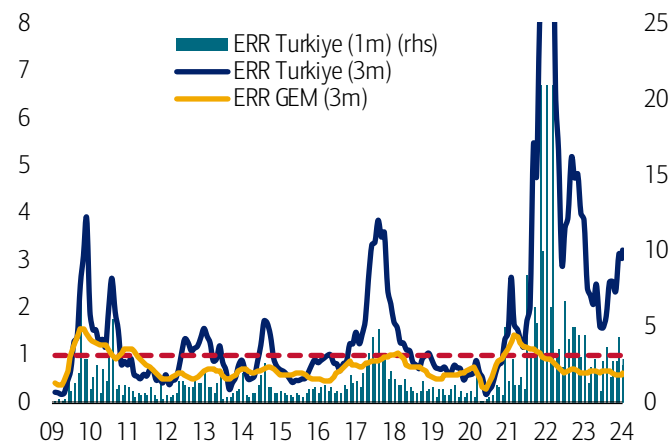


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 32: Türkiye's 3m earnings revision ratio

ERR high at around 3



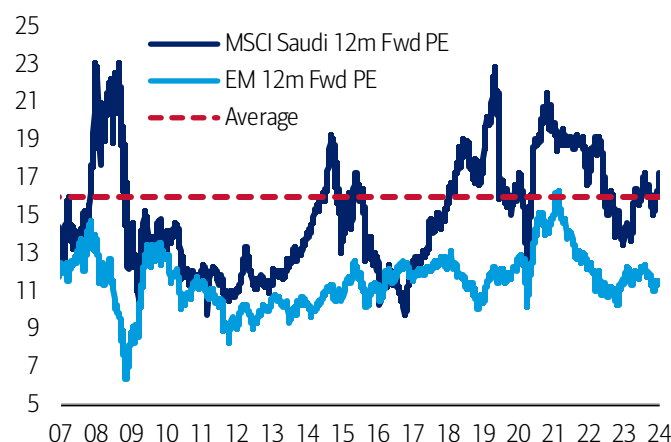
Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Saudi Arabia

Exhibit 33: Saudi 12m fwd. P/E vs. EM

Above historical average

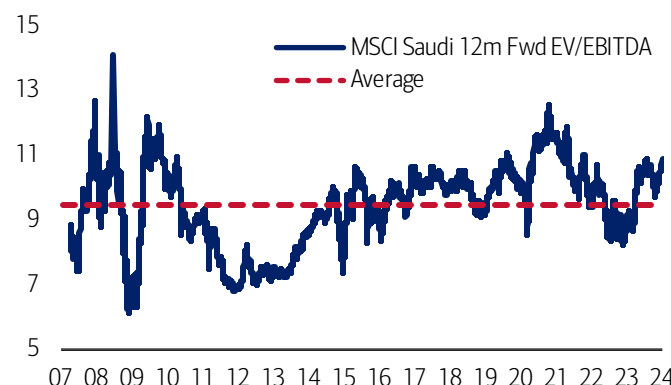


Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 35: Saudi 12m fwd. EV/EBITDA

Above historical average



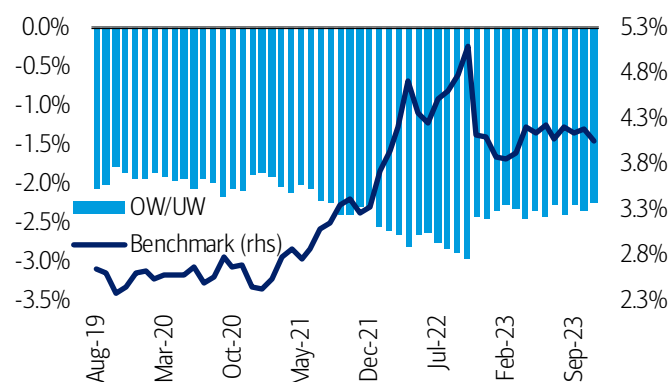
Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 37: GEM fund allocation in Saudi

Structurally UW

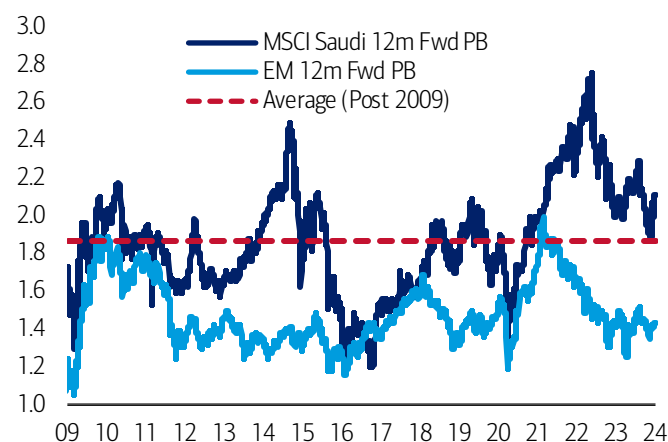


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 34: Saudi 12m fwd. P/B vs. EM

Above historical average

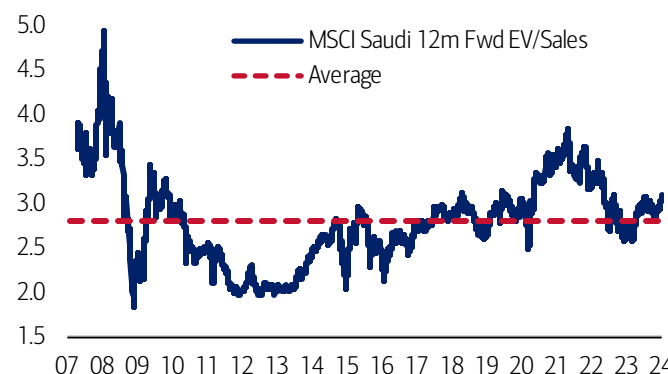


Source: DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 36: Saudi 12m fwd. EV/Sales

Above historical average



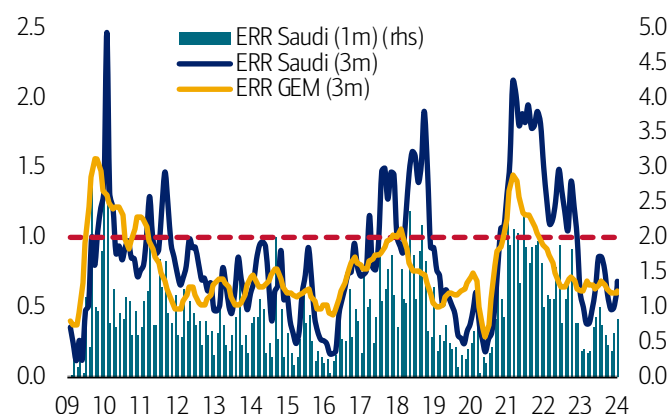
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 38: Saudi's 3m earnings revision ratio

Below 1



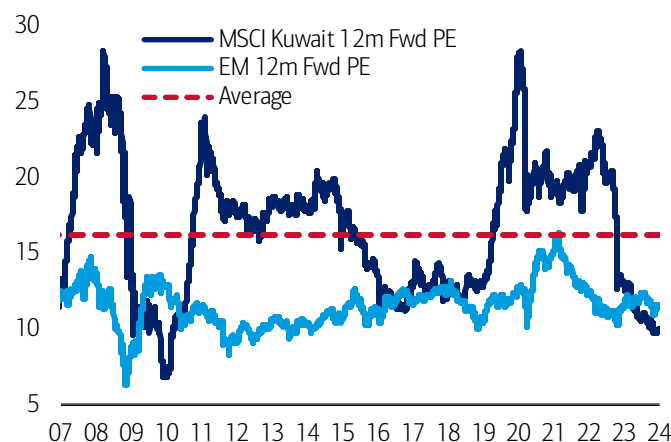
Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Kuwait

Exhibit 39: MSCI Kuwait 12m fwd PE rel. to MSCI EM

Below historical average

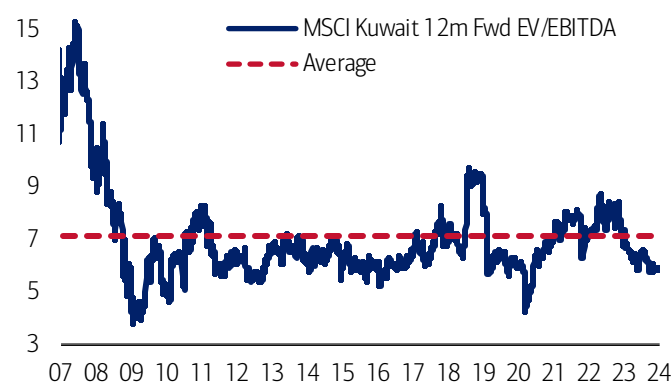


Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 41: MSCI Kuwait 12m fwd EV/EBITDA

Below historical average



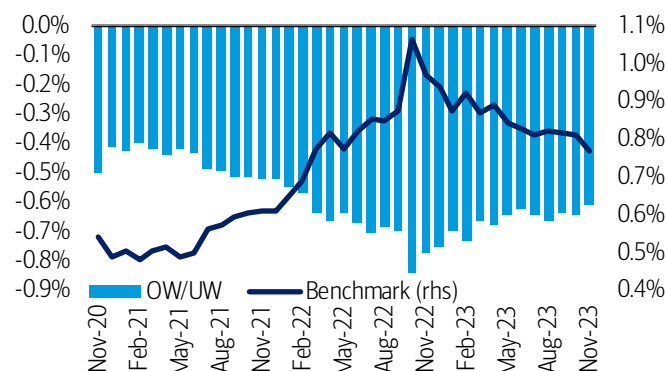
Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 43: GEM fund allocation in Kuwait

Structurally UW

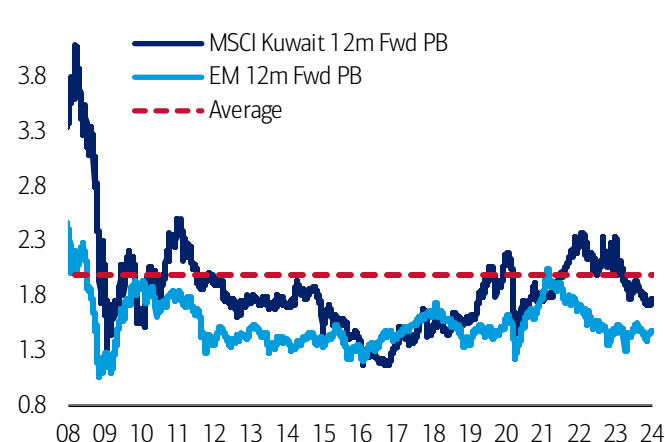


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 40: MSCI Kuwait 12m fwd PB rel. to MSCI EM

Below historical average

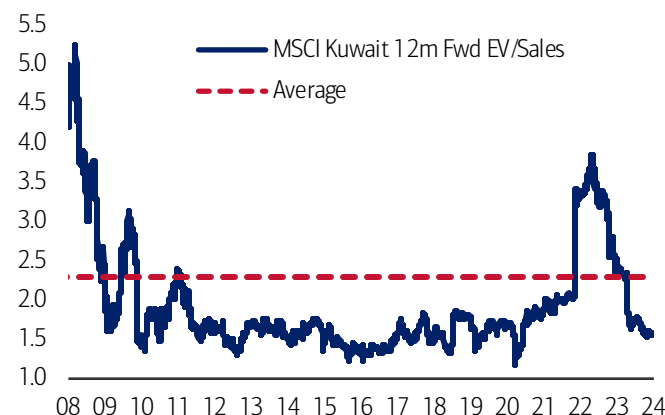


Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 42: MSCI Kuwait 12m fwd EV/Sales

Below historical average



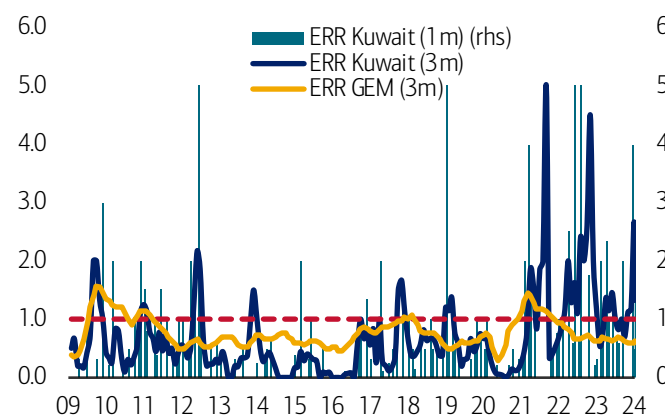
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 44: Kuwait's 3m earnings revision ratio

Above 1



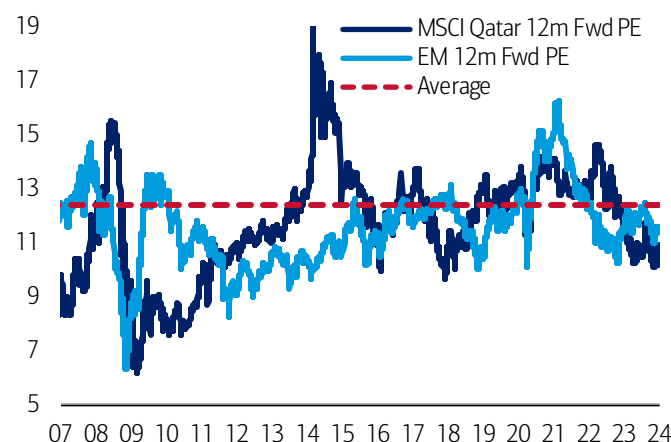
Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Qatar

Exhibit 45: MSCI Qatar 12m fwd PE rel. to MSCI EM

Below historical average



Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 47: MSCI Qatar 12m fwd EV/EBITDA

Above historical average



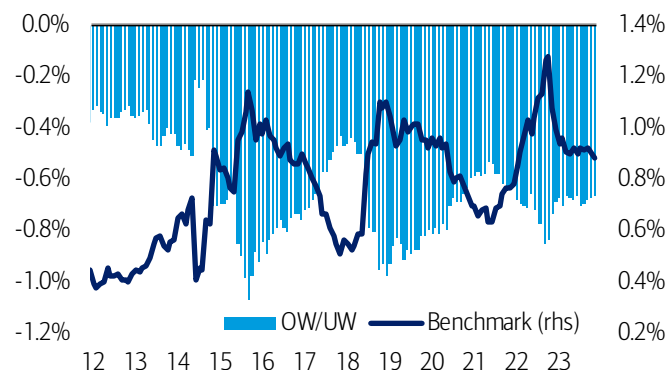
Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 49: GEM fund positioning in Qatar (asset-weighted)

Underweight

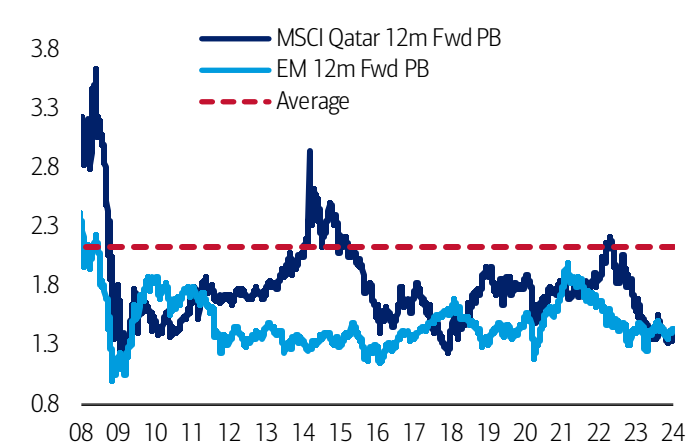


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 46: MSCI Qatar 12m fwd PB rel. to MSCI EM

Below historical average



Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 48: MSCI Qatar 12m fwd EV/Sales

Below historical average



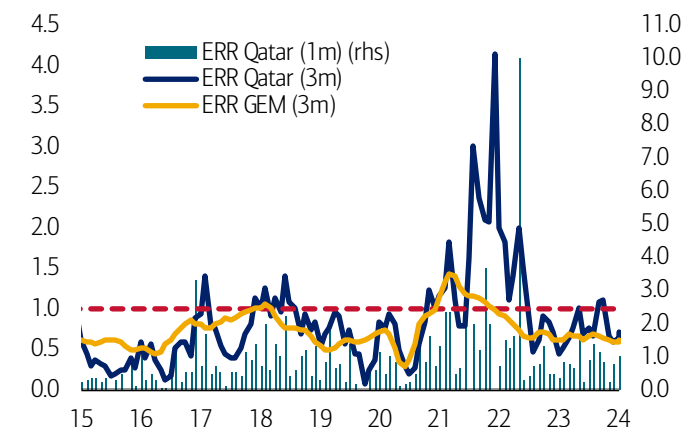
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 50: Qatar's 3m earnings revision ratio

Below 1



Source: DataStream, IBES, BofA Global Research

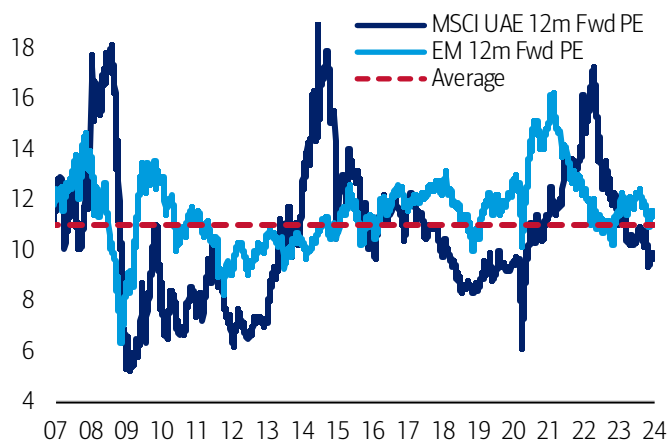
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UAE

Exhibit 51: MSCI UAE 12m fwd PE rel. to MSCI EM

Below historical average

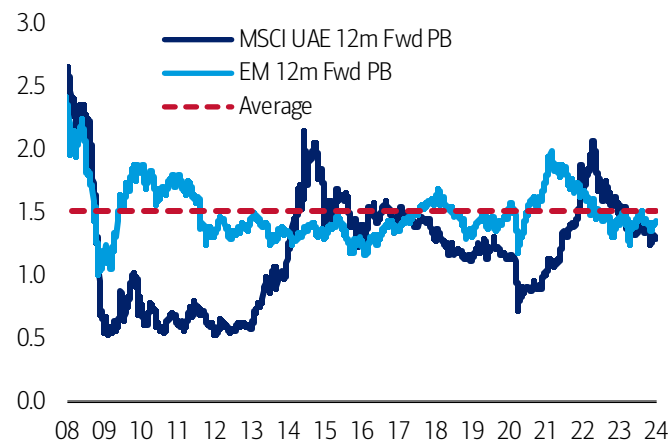


Source: DataStream, IBES, BofA Global Research

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Exhibit 52: MSCI UAE 12m fwd PB rel. to MSCI EM

Close to historical average

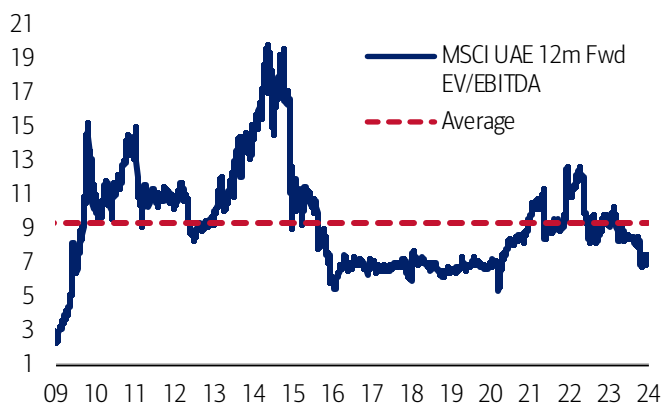


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 53: MSCI UAE 12m fwd EV/EBITDA

Below historical average



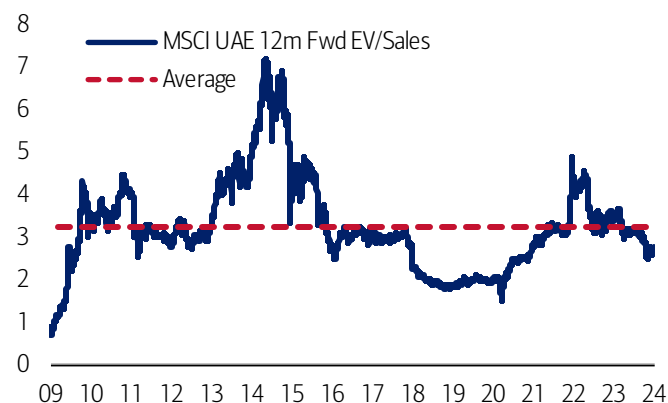
Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 54: MSCI UAE 12m fwd EV/Sales

Close to historical average



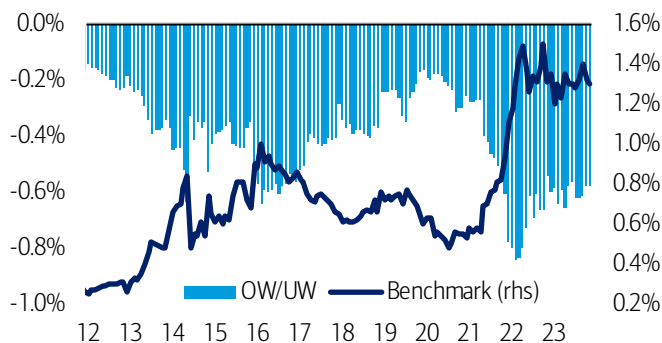
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 55: GEM fund positioning in UAE (asset-weighted)

Underweight

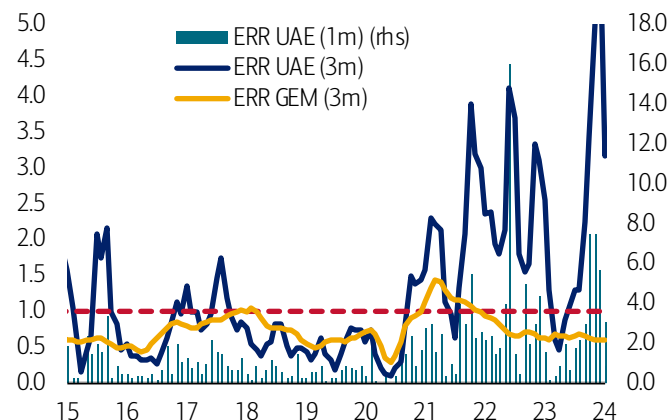


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 56: UAE's 3m earnings revision ratio

Around 3



Source: DataStream, IBES, BofA Global Research

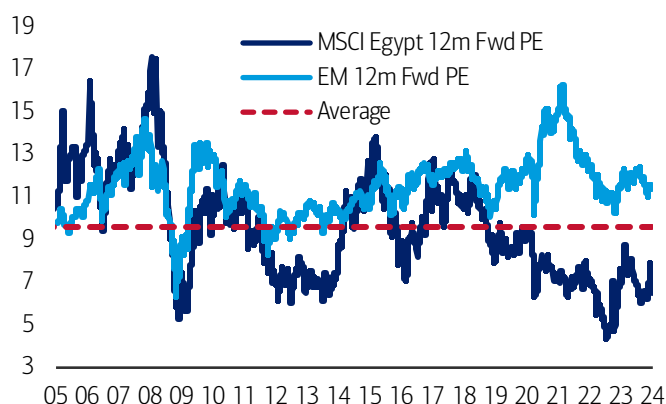
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Egypt

Exhibit 57: MSCI Egypt 12m fwd PE rel. to MSCI EM

Below historical average

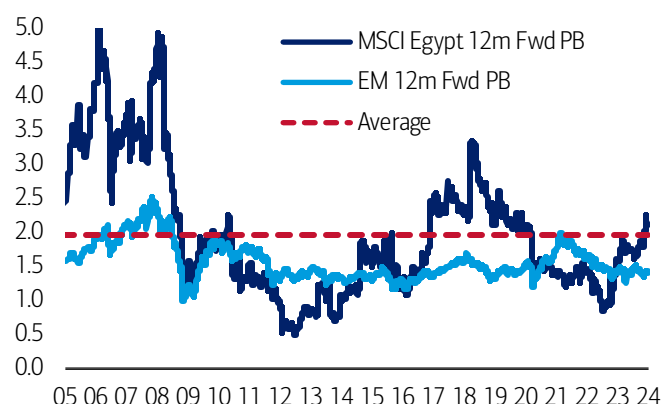


Source: DataStream, IBES, BofA Global Research

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Exhibit 58: MSCI Egypt 12m fwd PB rel. to MSCI EM

Close to historical average

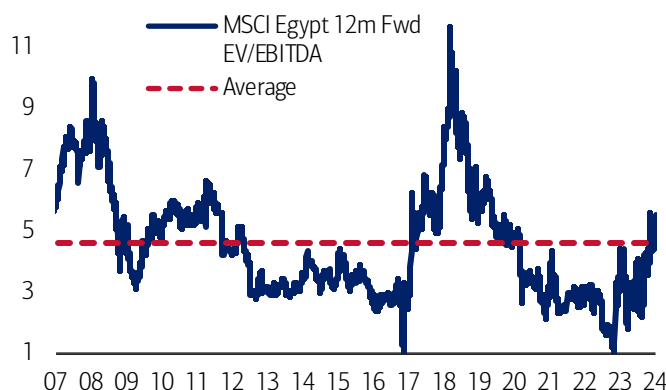


Source: DataStream, IBES, BofA Global Research

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Exhibit 59: MSCI Egypt 12m fwd EV/EBITDA

Above historical average



Note: Cumulative EV-EBITDA is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 60: MSCI Egypt 12m fwd EV/Sales

Above historical average



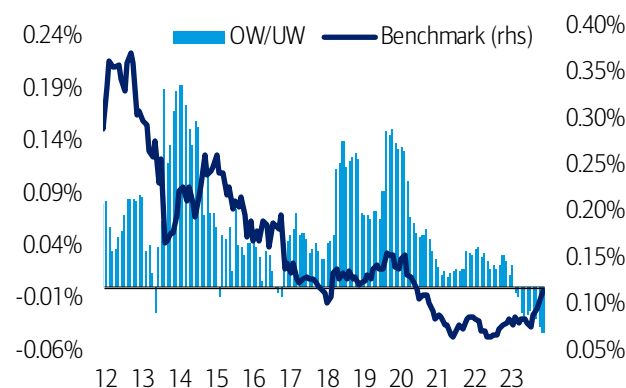
Note: Cumulative EV-Sales is calculated using non-financials stocks

Source: DataStream, IBES, Bloomberg, BofA Global Research

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Exhibit 61: GEM fund positioning in Egypt (asset-weighted)

UW recently

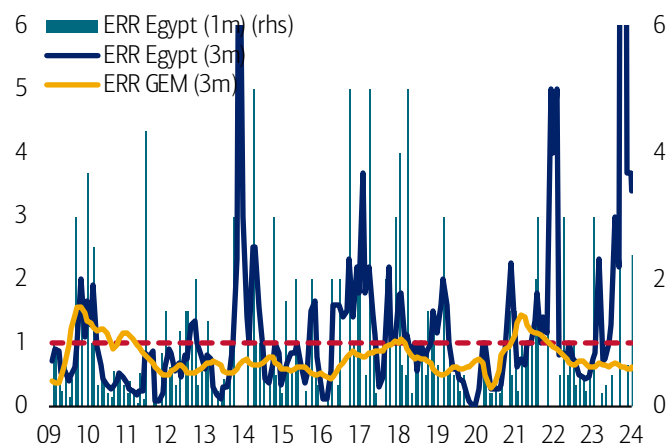


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 62: Egypt's 3m earnings revision ratio

Above 1



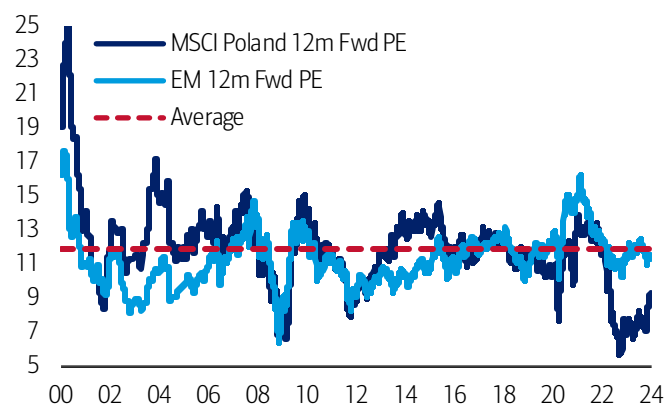
Source: DataStream, IBES, BofA Global Research

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Poland

Exhibit 63: Poland 12m fwd. P/E rel. to MSCI EM

Below historical average

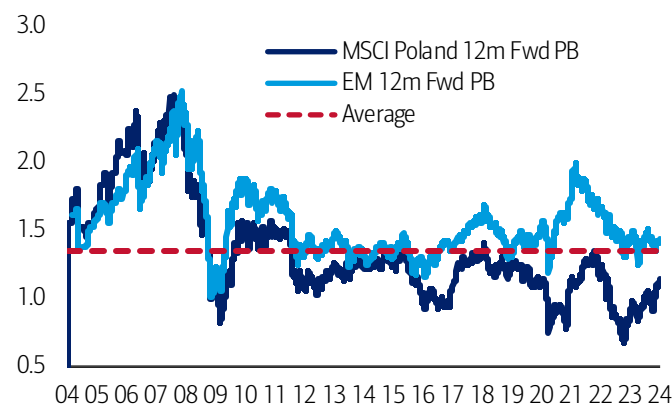


Source: DataStream, IBES, BofA Global Research

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Exhibit 64: Poland 12m fwd. P/B rel. to MSCI EM

Below historical average

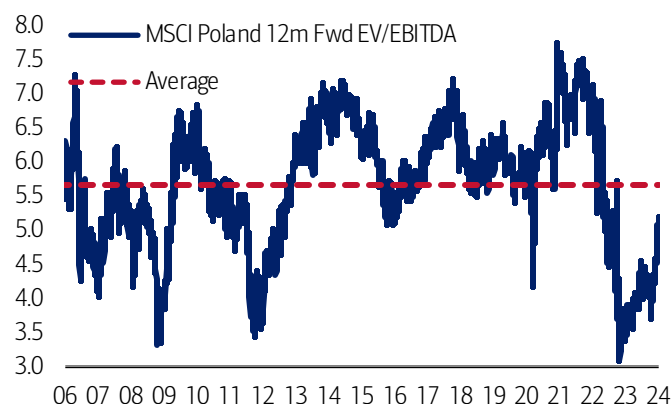


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 65: Poland 12m fwd EV/EBITDA

Below average

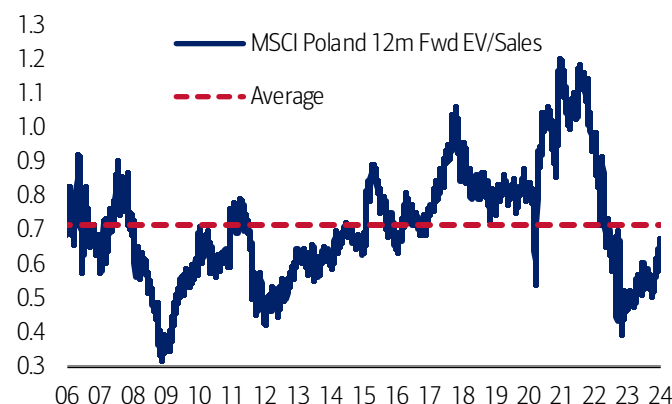


Source: DataStream, IBES, Bloomberg, BofA Global Research Note: Cumulative EV-EBITDA is calculated using non-financials stocks

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Exhibit 66: Poland 12m fwd EV/Sales

Below average

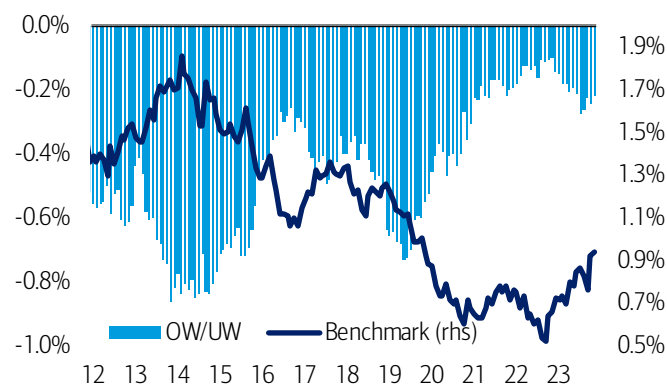


Source: DataStream, IBES, Bloomberg, BofA Global Research Note: Cumulative EV-Sales is calculated using non-financials stocks

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Exhibit 67: GEM fund positioning in Poland (asset-weighted)

Structurally UW

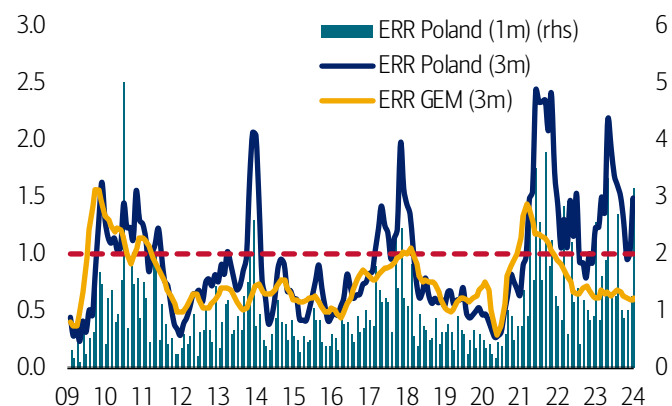


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 68: Poland's 3m earnings revision ratio

Above 1



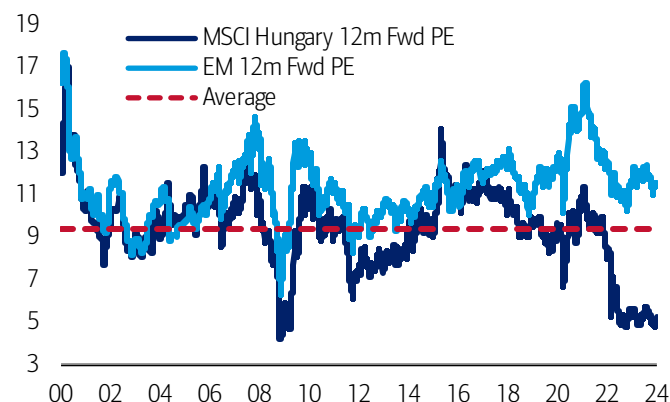
Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Hungary

Exhibit 69: Hungary 12m fwd. P/E rel. to MSCI EM

Below historical average

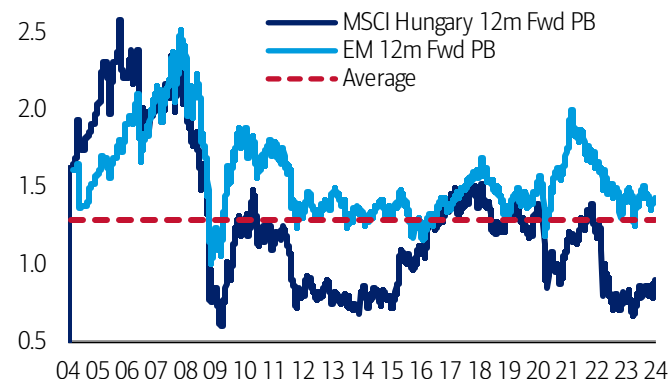


Source: DataStream, IBES, BofA Global Research

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Exhibit 70: Hungary 12m fwd. P/B rel. to MSCI EM

Below historical average

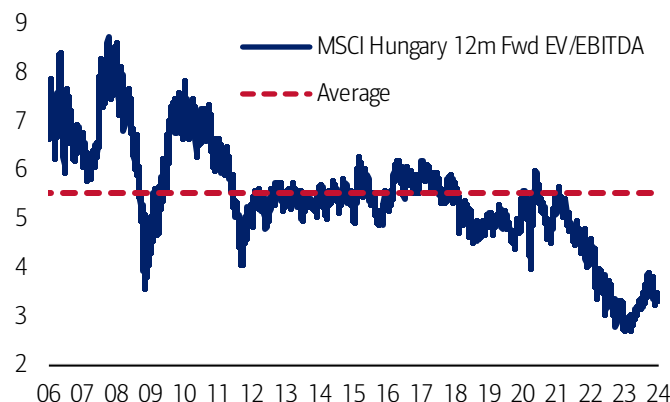


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 71: Hungary 12m fwd EV/EBITDA

Below historical average



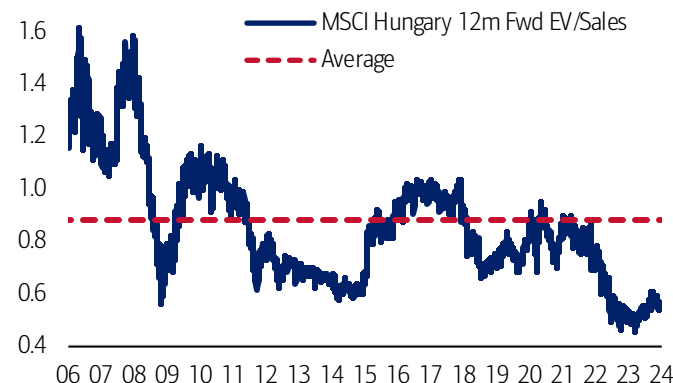
Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-EBITDA is calculated using non-financials' stocks

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Exhibit 72: Hungary 12m fwd EV/Sales

Below historical average



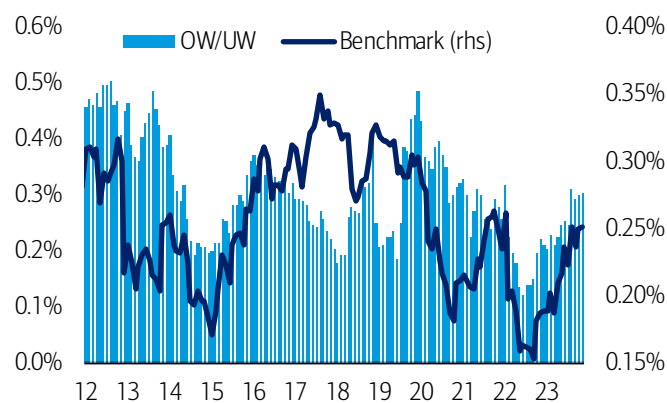
Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-Sales is calculated using non-financials' stocks

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Exhibit 73: GEM fund positioning in Hungary

OW

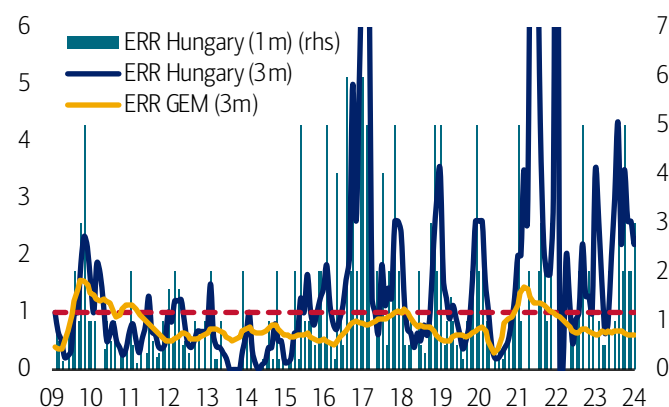


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 74: Hungary's 3m earnings revision ratio

Above 1



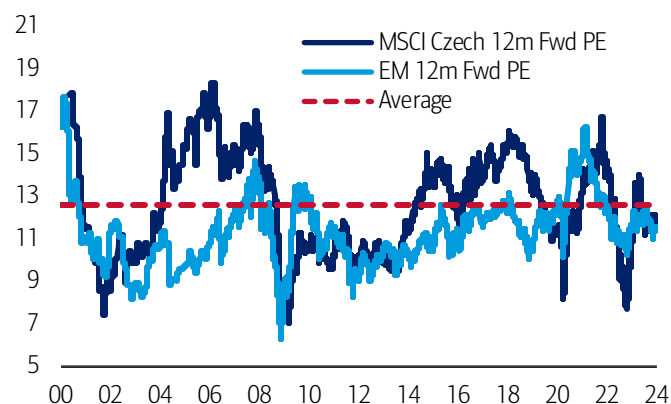
Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Czech Republic

Exhibit 75: Czech 12m fwd. P/E rel. to MSCI EM

Close to historical average

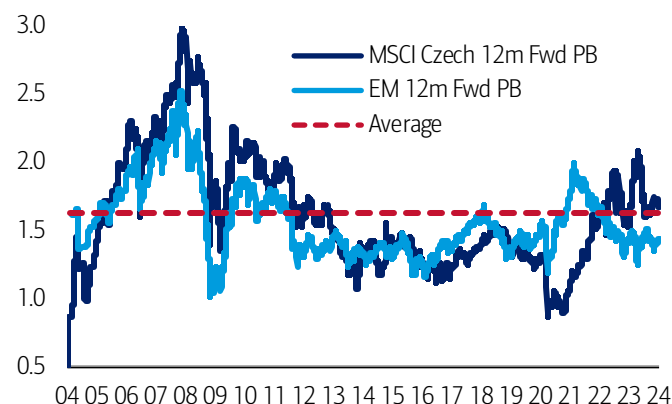


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 76: Czech 12m fwd. P/B rel. to MSCI EM

Close to historical average

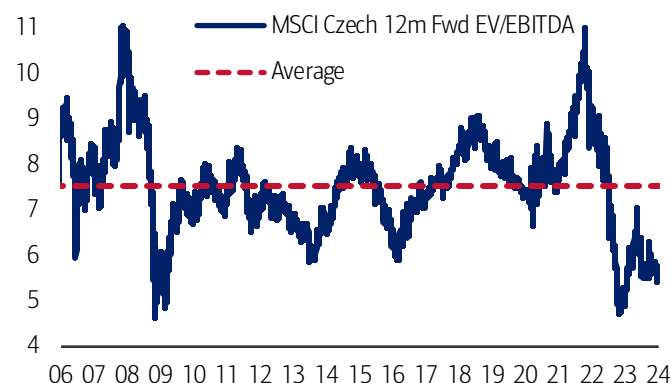


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 77: Czech 12m fwd EV/EBITDA

Below historical average



Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-EBITDA is calculated using non-financials stocks

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Exhibit 78: Czech 12m fwd EV/Sales

Below historical average



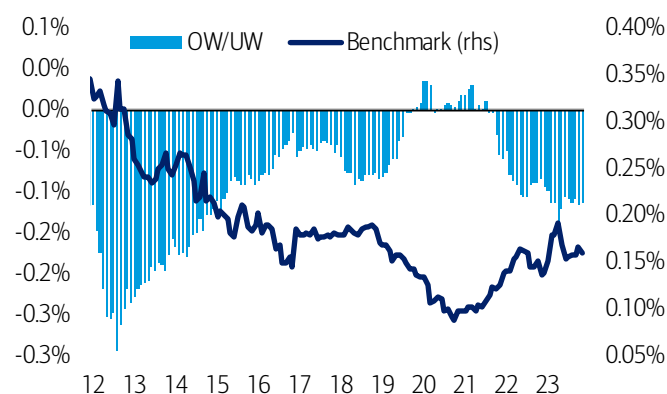
Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-Sales is calculated using non-financials stocks

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Exhibit 79: GEM fund positioning in the Czech Rep

UW

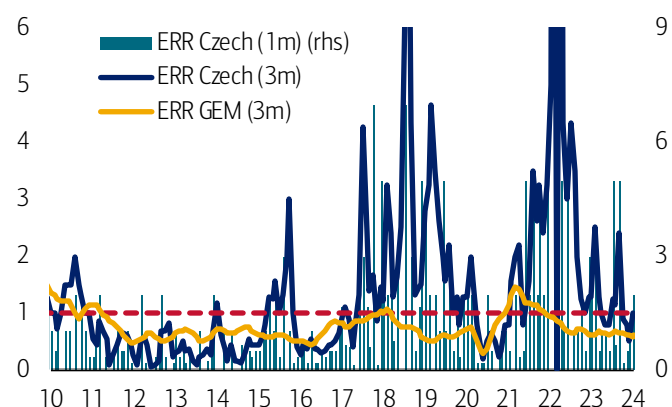


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 80: Czech 3m earnings revision ratio

Around 1



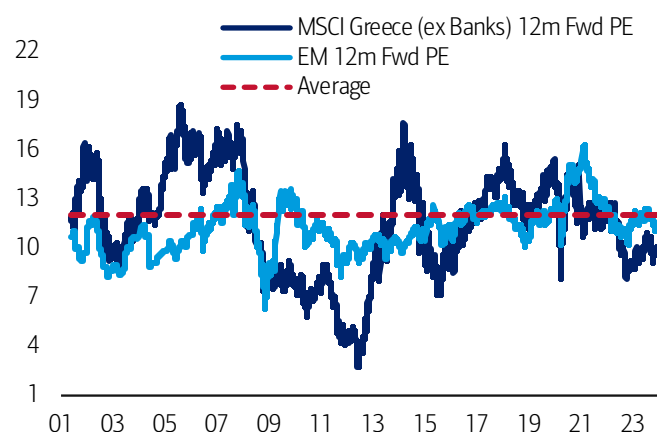
Source: DataStream, IBES, BofA Global Research

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Greece

Exhibit 81: MSCI Greece (exl banks) 12 m fwd P/E

Below historical average

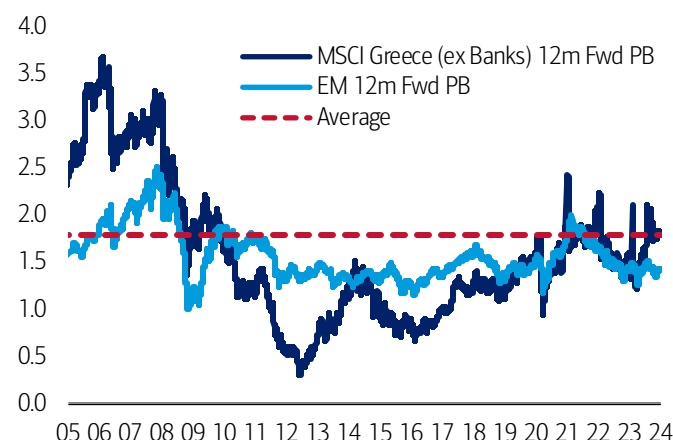


Source: DataStream, IBES, BofA Global Research

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Exhibit 82: MSCI Greece (exl banks) 12m fwd P/B

Close to historical average

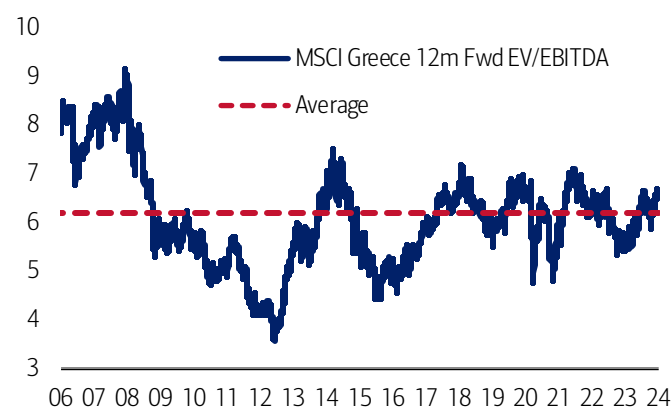


Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 83: MSCI Greece 12m fwd EV/EBITDA

Close to historical average



Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-EBITDA is calculated using non-financials stocks

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Exhibit 84: MSCI Greece 12m fwd EV/Sales

Close to historical average



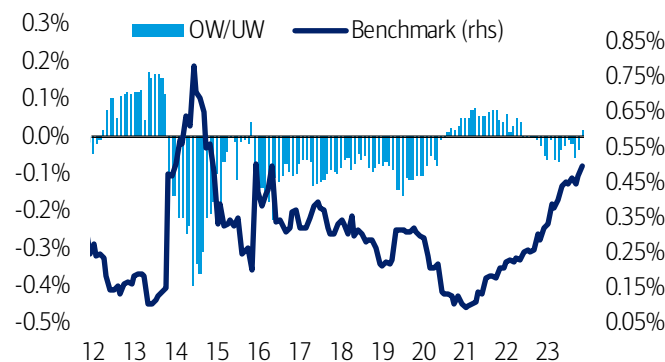
Source: DataStream, IBES, Bloomberg, BofA Global Research

Note: Cumulative EV-Sales is calculated using non-financials stocks

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Exhibit 85: GEM fund positioning in Greece (asset-weighted)

Close to the benchmark

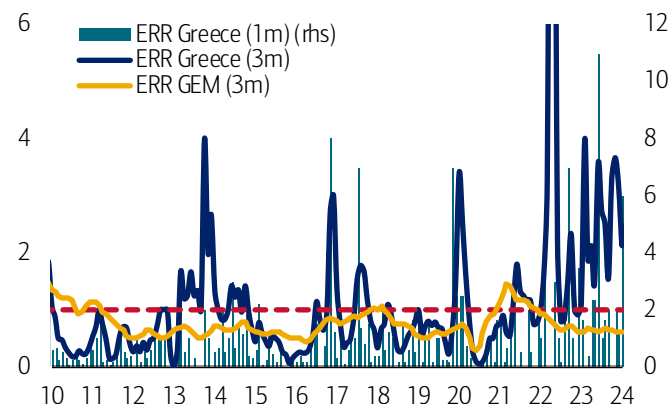


For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Source: EPFR, DataStream, BofA Global Research

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Exhibit 86: Greece's 3m earnings revision ratio

Around 3



Source: DataStream, IBES, BofA Global Research

BofA GLOBAL RESEARCH

Bottom-up analysis

Exhibit 87: EEMEA – Top 20 stocks ranked by 6 screening factors*

New names in our top 20 screen: Mytilineos, OTP Bank, Saudi Investment Bank, Arab National Bank, Netcare and Eastern Tobacco

Company	Country	Sector	Rating	Current valuations (10%)	Valuations vs history (10%)	Earnings growth (20%)	Price/EPS momentum (20%)	DY (20%)	GEM funds positioning upside (20%)	Weighted average of ranks
PKO BP	Poland	Financials	Neutral	71	80	88	96	93	92	88.9
Anadolu Efes	Turkiye	Cons. S.	Buy	70	87	88	88	80	81	83.1
Pekao S.A.	Poland	Financials	Buy	83	86	75	96	98	48	80.3
Erste Bank**	CEE	Financials	Buy	94	90	70	74	79	81	79.2
Coca-Cola Icecek	Turkiye	Cons. S.	Buy	35	91	91	91	58	73	75.2
PZU	Poland	Financials	No rating	81	90	75	92	93	26	74.3
Isbank	Turkiye	Financials	Buy	90	77	66	71	84	57	72.3
Koc Holding	Turkiye	Industrials	No rating	88	96	81	52	62	70	71.4
LPP SA	Poland	Cons. D.	Underperform	33	56	97	95	57	63	71.3
Yapi Kredi Bank	Turkiye	Financials	Buy	94	87	51	72	90	48	70.3
Ford Otosan	Turkiye	Cons. D.	No rating	52	99	90	40	99	46	70.1
Mytilineos	Greece	Industrials	No rating	75	23	82	85	58	73	69.4
OTP Bank	Hungary	Financials	Neutral	82	87	80	97	81	3	69.1
NEPI Rockcastle**	S Africa	Real Estate	No rating	48	62	50	69	77	93	68.8
Tofas	Turkiye	Cons. D.	No rating	83	95	94	37	97	27	68.8
Saudi Investment Bank	Saudi Arabia	Financials	No rating	71	51	72	64	83	61	68.2
Arab National Bank	Saudi Arabia	Financials	No rating	67	69	46	58	71	96	67.8
Netcare	S Africa	Health Care	Buy	75	82	60	44	92	63	67.5
Ermaar Development	UAE	Real Estate	Buy	84	21	56	88	58	81	67.1
Eastern Tobacco	Egypt	Cons. S.	No rating	56	25	82	100	67	44	66.7

GEM funds stock-level positioning data with an average lag of 3 months, others as of November. Numbers in brackets show weights we have allocated to each factor. 100=best, 0=worst.. This screen is not a recommended list either individually or as a group of stocks and may not be consistent with our fundamental view. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision. **Source:** DataStream, FactSet, Bloomberg, BofA Global Research. *The same table as Exhibit 6 from page 3

BofA GLOBAL RESEARCH

Exhibit 88: EEMEA – Bottom 20 stocks ranked by 6 screening factors

Koza Gold, CD Project Red and Saudi Kayan Petroch. as the bottom 3

Company	Country	Sector	Current valuations (10%)	Valuations vs history (10%)	Earnings growth (20%)	Price/EPS momentum (20%)	DY (20%)	GEM funds positioning upside (20%)	Weighted average of ranks
Koza Gold	Turkiye	Materials	13	12	18	1	0	25	11.3
CD Project Red	Poland	IT	2	30	26	18	7	13	16.0
Saudi Kayan Petroch.	Saudi Arabia	Materials	20	22	7	3	0	52	16.6
Cyfrowy Polsat Sa	Poland	Cons. D.	51	32	21	4	0	25	18.3
Rabigh Refining	Saudi Arabia	Energy	29	12	7	44	0	38	21.9
Implats	S Africa	Materials	92	73	0	8	18	12	24.1
Mabaneer	Kuwait	Real Estate	13	45	28	20	9	35	24.2
Adnoc	UAE	Cons. D.	38	15	10	9	56	21	24.5
Saudi Arabia Frtz.	Saudi Arabia	Materials	25	58	5	23	44	15	25.7
Al Rajhi Bank	Saudi Arabia	Financials	10	4	30	67	26	0	26.0
Saudi Arabian Mining	Saudi Arabia	Materials	2	8	23	44	0	61	26.6
Saudi Basic Industries	Saudi Arabia	Materials	44	33	25	6	21	46	27.3
Dar Al Arkan	Saudi Arabia	Real Estate	27	10	55	15	9	48	29.1
Shoprite	S Africa	Cons. S.	29	9	24	75	28	8	30.8
Anglo American	S Africa	Materials	84	32	2	0	21	73	30.8
Sipchem	Saudi Arabia	Materials	55	23	23	16	48	32	31.6
KGHM	Poland	Materials	66	35	42	9	24	36	32.3
Jarir	Saudi Arabia	Cons. D.	28	14	22	25	50	44	32.4
Advanced Petrochemicals Company	Saudi Arabia	Materials	7	17	32	7	84	30	33.0
Mouwassat Medical Svs.	Saudi Arabia	Health Care	3	8	68	14	21	57	33.1

Data as of 04 January 2024. This screen is not a recommended list either individually or as a group of stocks and may not be consistent with our fundamental view. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision. **Source:** DataStream, FactSet, Bloomberg, BofA Global Research.

BofA GLOBAL RESEARCH

Exhibit 89: Positioning screen

Ordered by best positioning

Best positioning (Least OW/owned) – Top 20					Worst positioning (Most OW/owned) – Bottom 20				
Company	Country	Sector	UW/OW (bp)	% of GEM funds	Company	Country	Sector	UW/OW (bp)	% of GEM funds
AngloGold Ashanti	S Africa	Materials	-91.9	0.0%	Dino	Poland	Cons. S.	240.0	46.4%
Emirates NBD	UAE	Financials	-63.5	21.4%	Al Rajhi Bank	Saudi Arabia	Financials	250.2	46.4%
Acwa Power	Saudi Arabia	Utilities	-37.9	17.9%	Saudi National	Saudi Arabia	Financials	273.1	39.3%
Remgro	S Africa	Financials	-28.7	14.3%	Clicks	S Africa	Cons. S.	127.6	42.9%
Absa Group	S Africa	Financials	-57.2	21.4%	Gedeon Richter	Hungary	Health Care	146.0	42.9%
Abu Dhabi Islamic Bank	UAE	Financials	-30.1	17.9%	Discovery	S Africa	Financials	187.4	39.3%
Arab National Bank	Saudi Arabia	Financials	-29.9	17.9%	OTP Bank	Hungary	Financials	127.6	39.3%
Gold Fields	S Africa	Materials	-79.0	24.2%	Naspers	S Africa	Cons. D.	90.1	42.4%
Kuwait Finance House	Kuwait	Financials	-127.6	25.0%	OPAP	Greece	Cons. D.	57.4	42.9%
e&	UAE	Comm. Svcs.	-128.7	25.0%	Natl Bank Greece	Greece	Financials	84.8	35.7%
Bank Albilad	Saudi Arabia	Financials	-32.6	21.4%	Dr Sulaiman Al Habib Medical	Saudi Arabia	Health Care	65.2	39.3%
NEPI Rockcastle	S Africa	Real Estate	-16.6	0.0%	Capitec	S Africa	Financials	236.9	32.1%
Reinet Investments (Jse) SCA	S Africa	Financials	-20.7	14.3%	Sanlam	S Africa	Financials	65.0	39.3%
PKO BP	Poland	Financials	-58.3	24.2%	Standard Bank	S Africa	Financials	37.3	39.4%
Riyad Bank	Saudi Arabia	Financials	-71.2	25.0%	Emaar	UAE	Real Estate	18.2	42.9%
Sasol Limited	S Africa	Materials	-55.0	24.2%	Alpha Bank	Greece	Financials	161.7	32.1%
MTN	S Africa	Comm. Svcs.	-55.9	25.0%	Shoprite	S Africa	Cons. S.	135.9	32.1%
CEZ	Czech R	Utilities	-48.0	25.0%	Americana Restaurant	UAE	Cons. D.	52.3	35.7%
QIB	Qatar	Financials	-55.2	25.0%	Alinma Bank	Saudi Arabia	Financials	124.4	32.1%
Old Mutual Limited	S Africa	Financials	-20.8	17.9%	BIM Birlesik Mag	Turkiye	Cons. S.	19.7	39.3%

Data as of the end of November 2023. This screen is not a recommended list either individually or as a group of stocks and may not be consistent with our fundamental view. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision. **Source:** DataStream, FactSet, Bloomberg, BoFA Global Research

BoFA GLOBAL RESEARCH

Exhibit 90: Earnings growth screen

Top 20 and bottom 20

High growth – Top 20						Low growth – Bottom 20					
Company	Country	Sector	12m forward EPS growth	12m trailing EPS growth	Forecast EPS change	Company	Country	Sector	12m forward EPS growth	12m trailing EPS growth	Forecast EPS change
Middle East Hcare	Saudi Arabia	Health Care	39%	100%	100%	Northam Platinum Hldgs	S Africa	Materials	-8%	-49%	-62%
Pegasus Airlines	Turkiye	Industrials	40%	100%	100%	Implats	S Africa	Materials	-33%	-66%	-76%
Harmony	S Africa	Materials	38%	64%	71%	Suppi	S Africa	Materials	-15%	-58%	-21%
InPost	Poland	Industrials	57%	48%	71%	Exaro	S Africa	Energy	-10%	-42%	-52%
LPP SA	Poland	Cons. D.	24%	95%	100%	PKN Orlen	Poland	Energy	-41%	-17%	-29%
Prosus	S Africa	Cons. D.	33%	81%	65%	Anglo American	S Africa	Materials	2%	-51%	-43%
Naspers	S Africa	Cons. D.	50%	60%	53%	Mondi Plc	S Africa	Materials	3%	-45%	-29%
Allegro.EU SA	Poland	Cons. D.	45%	39%	65%	Sibanye Stillwater	S Africa	Materials	8%	-74%	-77%
Turkcell	Turkiye	Comm. Svcs.	47%	64%	35%	Aramco	Saudi Arabia	Energy	1%	-27%	-18%
Mbank	Poland	Financials	64%	23%	84%	Saudi Arabia Frtz.	Saudi Arabia	Materials	9%	-62%	-42%
Tofas	Turkiye	Cons. D.	21%	61%	65%	MTN	S Africa	Comm. Svcs.	4%	-27%	-32%
Bupa Arabia For Cooperative	Saudi Arabia	Financials	32%	53%	46%	Motor Oil-Hellas	Greece	Energy	-37%	-16%	0%
The Company For Coop.In.	Saudi Arabia	Financials	32%	44%	53%	Komerční Banka	Czech R	Financials	-10%	-7%	-9%
Care	Saudi Arabia	Health Care	17%	52%	74%	Saudi Kayan Petroch.	Saudi Arabia	Materials	20%	-100%	-100%
AlDawaa	Saudi Arabia	Cons. S.	21%	34%	100%	Rabigh Refining	Saudi Arabia	Energy	20%	-100%	-100%
CIB	Egypt	Financials	24%	46%	51%	AngloPlat	S Africa	Materials	13%	-66%	-60%
Coca-Cola Icecek	Turkiye	Cons. S.	58%	35%	32%	MOL	Hungary	Energy	-6%	-24%	1%
Ford Otosan	Turkiye	Cons. D.	39%	31%	48%	Sasol Limited	S Africa	Materials	6%	-20%	-26%
Al-Elm Information Security Company	Saudi Arabia	IT	24%	42%	53%	Pepkor Holdings	S Africa	Cons. D.	5%	-17%	-16%
Dino	Poland	Cons. S.	29%	44%	41%	Adnoc	UAE	Cons. D.	4%	-16%	-13%

Data as of 04 January 2024. We exclude banks due to metric incomparability with other sectors. Components of the screen are equally weighted. **Source:** DataStream, IQ, BoFA Global Research. This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision

BoFA GLOBAL RESEARCH

Exhibit 91: Quality screen

Quality screen

Name	Country	Sector	Rating	Sales Growth CAGR (3 years)	EBIT Margin Improvement (bps)			ROE (%)			Net Debt/EBITDA	FCF Yield		
					FY0	FY1	FY2	FY0	FY1	FY2		Avg (3 years)	FY1	FY2
Anadolu Efes Biracilik ve Malt Sanayii AS	Türkiye	Cons. S.	BUY	82.7%	280	224	83	15	28	28	0.3	8.5	27.1	31.7
Elm Company	Saudi Arabia	IT	BUY	24.9%	505	263	155	34	40	39	-2.2	1.5	2.4	3.3
National Medical Care	Saudi Arabia	Health Care	BUY	17.9%	210	237	180	14	17	20	-1.8	0.8	5.4	0.0
Burjeel	UAE	Health Care	BUY	16.0%	195	181	121	47	38	36	0.6	2.8	5.3	5.2
Netcare	S Africa	Health Care	BUY	10.0%	129	125	94	14	18	20	1.7	7.9	7.6	7.4
AlDawaa Medical Services Co	Saudi Arabia	Cons. S.	BUY	7.6%	158	162	11	29	29	28	2.1	3.9	4.0	6.3
Etihad Etisalat	Saudi Arabia	Comm. Svcs.	BUY	6.0%	360	231	132	11	13	14	1.2	4.2	8.0	8.0
Americana Restaurants	UAE	Cons. D.	NEUTRAL	12.6%	46	110	111	125	78	63	0.6	2.0	2.6	3.5

Data as of 04 January 2024. We exclude banks due to metric incomparability with other sectors. Components of the screen are equally weighted. **Source:** DataStream, IQ, BofA Global Research. This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision

BofA GLOBAL RESEARCH

Methodology

Market-level screening

Market coverage: Our screen covers 11 EEMEA markets in MSCI EM, namely: Türkiye, South Africa, Poland, Hungary, Czech Republic, Greece, UAE, Qatar, Egypt, Saudi and Kuwait.

At the market level, we screen across valuations (current and vs history), earnings, dividends, momentum and positioning. Each market is given a percentile rank for each category (100=best, 0=worst), which is then used to calculate a weighted average score that determines the final ranking. We have assigned an equal weight (20%) for each of the 5 categories: valuations, earnings, dividends, momentum and positioning. Valuations category has two sub-components with 10% weight each, namely current valuations and valuation vs. history. Every category consists of equally weighted average of following indicators unless indicated otherwise:

- Current valuation (10%): 12m forward earnings yield, 12m trailing dividend yield, P/B, and P/S
- Valuation vs history (10%): z-scores of 12m forward P/E, 12m forward P/B, 12m forward EV/EBITDA and 12m forward EV/Sales
- Earnings growth (20%): 12m forward EPS growth, 12m trailing EPS growth, 12m forward EPS change
- Momentum (20%): 1m, 3m and 12m change in price (50% in total, equal weights each), 3m change in FY17 EPS (50%)
- Dividends (20%): 12m forward dividend yields, 12m dividend yields change
- Positioning (20%): 1m, 3m, 6m change in OW/UW (vs MSCI EM benchmark) position (50% in total, equally weighted each), difference between latest OW/UW and average OW/UW since 2006 (50%).

Data sources: At the market level, we use MSCI country aggregates from IBES, Bloomberg or FactSet, where available. Otherwise, we calculate bottom-up based on MSCI constituents for each country. Specifically, bottom-up calculations are used for non-price data for Saudi, UAE, Qatar, Egypt and Kuwait, and EV/EBITDA and EV/Sales for other EEMEA countries. Market-level positioning data are sourced from EPFR Global. For end of November data (reported on 24 December), the EPFR sample is based on 141 active Global EM (GEM) funds with an MSCI EM benchmark, with US\$119.9bn AUM, out of a total of 1119 funds with US\$1008bn AUM. Average since 2013 for Greece, 2014 for UAE and Qatar, 2019 for Saudi, 2020 for Kuwait and 2012 for the rest.

Stock-level screening

At the stock level, we screen across the same categories as at the market level above. Each stock is given a percentile rank for each category (100=best, 0=worst), which is then used to calculate a weighted average score that determines the final ranking. We have assigned an equal weight (20%) for each of the 5 categories, namely 'valuations', 'earnings', 'momentum', 'dividends', and 'positioning'. For the two metrics for 'valuations', we have weighed them at 10% each. For more details and definitions, please see below.

Current valuations rank: 'Forecast EPS yield', 'Dividend yield', 'Price to Book', and 'Price to Sales' are factors that are used to create a weighted-average percentile "Current valuations rank", from 0 (worst value) to 100 (best value). We require a minimum of data for three factors and weights are assigned equally across the available factors.

- Forecast EPS yield: 12m forward EPS divided by month-end price.
- Dividend yield: 12m trailing dividend per share divided by month-end price.
- Price to Book: month-end price divided by trailing 12m book value per share.
- Price to Sales: month-end price divided by trailing 12m sales per share.

Valuations vs history rank: Z-scores of 'Price to Earnings' and 'Price to Book' are factors that are used to create an equally weighted percentile 'Valuations vs history rank', from 0 (worst value) to 100 (best value). If one of the two factors is missing, the other gets a full weight of 100%.

- Price to Earnings: the latest share price divided by 12-month forward earnings per share.
- Price to Book: the latest share price divided by 12-month forward book value per share.
- Z-score: shows the number of standard deviations away from the long-run average, calculated as $(\text{Current} - \text{Average})/(\text{Standard deviation})$. Minimum five years of data is required.

Earnings growth rank: '12m forward EPS growth', '12m trailing EPS growth', and 'forecast EPS change' are factors that are used to create a weighted average percentile 'Earnings growth rank', from 0 (worst) to 100 (best) for each stock. We require a minimum of data for two factors, and weights are assigned equally across the available factors. for earnings growth screen based on this rank and detailed data on below factors.

- Forecast EPS growth: difference between 12m forward EPS and 12m trailing EPS, divided by absolute value of 12m trailing EPS.
- Trailing EPS growth: difference between trailing 12m EPS and trailing 12m EPS a year prior, divided by absolute value of trailing 12m EPS a year prior.
- Forecast EPS change: difference between 12m forward EPS and 12m forward EPS a year prior, divided by absolute value of 12m forward EPS a year prior.

Price & EPS momentum rank: '1m price change', '12m price change', and '3m EPS change' are factors that are used to create a weighted average percentile 'Price & EPS momentum rank', from 0 (worst) to 100 (best) for each stock. We have assigned equal weights (50%) for price and EPS momentum. The two measures of price change (1m and 12m) are thus weighed at 25% each.

- 1m price change: latest month-end price/price 1 month ago.
- 12m price change: latest month-end price/price 12 months ago.
- 3m EPS change: difference between 12m forward EPS and 12m forward EPS 3 months prior, divided by absolute value of 12m forward EPS 3 months prior.



Positioning rank: For stocks held by GEM funds that are in the MSCI EM Index, 'OW/UW position' and '% of GEM funds holding' are factors that are used to create an equally weighted average percentile 'Positioning rank', from 0 (most OW/owned) to 100 (most UW/least owned).

For stocks held by GEM funds that are not in the MSCI EM Index, 'OW/ UW position' is not available in the absence of an explicit benchmark weight. A 50% weight for '% of GEM funds holding' as for on-benchmark stocks would undermine the information provided by this factor for off-benchmark stocks, while a full 100% weight would "over-reward" a stock for not being in the MSCI index. We consequently assign a compromising 75% weight to the ranking of '% of GEM funds holding'.

- **OW/UW position:** We aggregate all \$ allocation to each stock by each fund at the time of reporting. We then calculate a hypothetical \$ allocation to each stock by each fund – as if the fund were to assign the MSCI EM benchmark weight applicable at the time of reporting to its portfolio. For the universe of reported stocks, the weights of actual allocation and of hypothetical allocation are calculated. This captures the idea that funds may not hold all of the stocks in the benchmark. The difference between the actual weight and hypothetical weight gives the OW/UW position.
- **% of GEM funds holding:** the percentage of global EM funds holding the stock as of the last reporting date. For resilient dividend screen, we define resilient dividend stocks as those with relatively high dividend yields and low estimate dispersion on both earnings and dividends. The stocks whose dividend yield ranks are at least 50 (100=highest yield), while dispersion ranks for both FY1 and FY2 earnings and dividend estimates are at most 40 (100=most dispersed)

Note that market level screen is based on country averages and stock rankings depend on individual stock performance metrics. Therefore, market level and stock level rankings may not always agree, i.e. a stock listed in a low ranked country could screen higher than stocks listed in a high ranked market.

Resilient dividend screen

For resilient dividend screen, we define resilient dividend stocks as those with relatively high dividend yields and low estimate dispersion on both earnings and dividends. Dividend yield and dispersion rank can only take values between 0 and 100 where 100 represents highest yield for dividends and highest level of dispersion for dispersion metrics. shows the stocks whose dividend yield ranks are at least 50 (out of), while dispersion ranks for both FY1 and FY2 earnings and dividend estimates are at most 40 (out of 100).

Stock Coverage: At the stock level, we screen for stocks in either MSCI Emerging EMEA market or BofA coverage in the 11 EEMEA markets. We also require an average daily turnover over the past 3 months of at least US\$1mn. Out of a total of 190 stocks in our universe, 190 fulfil the minimum liquidity criteria. Due to data availability, some screens may have fewer stocks. Stock-level positioning data is based on our sample of 28 active GEM funds with US\$ 114bn with an MSCI benchmark. We use IBES consensus estimates, and where not available, Bloomberg estimates.

Quality screen

Our quality screen is aimed at identifying stocks with sound fundamentals within the EEMEA space. It complements our resilient dividend screen. A stock qualifies if it is

under EEMEA coverage and satisfies each of the following criteria, according to fundamental BofA equity research: 1) 3-years sales CAGR (for FY0, FY1 and FY2) greater than 5%; 2) Yoy improvement in EBIT margin for FY0, FY1 and FY2; 3) Return on equity (ROE) greater than 10% for FY0, FY1 and FY2; 4) Average FCF yield is positive for last 3 reported years, for FY1 and FY2; 5) Net debt/EBITDA less than 3x for FY1; 6) BofA investment rating indicates “Buy” or “Neutral”.

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