genial | Equity Research

BRF

2Q25 Review: Merger approved, what to do with the shares now?

LatAm Meatpackers

Main takeaways:

(i) Brazil: Net revenue of **R$8.1bn** (+18.9% vs. Genial Est.; +8.7% q/q; +17.6% y/y), driven by stronger volumes (**615Kt**, +10.1% vs. Genial Est.; +5.6% q/q; +5.7% y/y) and higher-than-expected prices (**R$13.1/kg**, +8.1% vs. Genial Est.; +2.7% q/q), with a higher penetration of processed products; **COGS/kg** of **R$9.2/kg** (-0.6% vs. Genial Est.; flat q/q; +7.8% y/y), reflecting FIFO discounts at historically low levels, even in the face of high corn and oil costs; **EBITDA** of **R$1.3bn** (+46.5% vs. Genial Est.; +3.9% q/q; +23.1% y/y); and **margin** of **16.4%** (+3.1p.p. vs. Genial Est.; -0.7p.p. q/q; +0.8p.p. y/y); **(ii) International: Net revenue** of **R$6.7bn** (-18.2% vs. Genial Est.; -9.2% q/q; -1.9% y/y), pressured by lower volumes (**499kt**, -20.6% vs. Genial Est.; -9.0% q/q; -14.2% y/y) due to export bans caused by avian flu, partially offset by higher prices (**R$13.5/kg**, +3.0% vs. Genial Est.; flat q/q); **COGS/kg** of **R$10.2/kg** (-0.6% vs. Genial Est.; +0.9% q/q; +20.5% y/y), benefiting from control, despite input pressures and inflation; **EBITDA** of **R$1.2bn** (-10.1% vs. Genial Est.; -18.1% q/q; -21.4% y/y); and **margin** of **17.3%** (+1.6p.p. vs. Genial Est.; -1.9p.p. q/q; -4.3p.p. y/y); **(iii) Consolidated: Net revenue** of **R$15.4bn** (-2.2% vs. Genial Est.; -0.9% q/q; +2.9% y/y), impacted by lower-than-expected volumes; **COGS/kg** of **R$9.2/kg** (-7.7% vs. Genial Est.; -0.3% q/q; +2.5% y/y), reflecting reduced FIFO discounts, efficiency gains and dilution of fixed costs in Brazil; **EBITDA** of **R$2.5bn** (+11.9% vs. Genial Est.; -9.1% q/q; -4.5% y/y); and **margin** of **16.3%** (+2.1p.p. vs. Genial Est.; -0.3p.p. q/q; -0.1p.p. y/y); **(iv)** Despite the one-off impacts of avian flu, strong operating performance reinforces the attractiveness; However, the merger, in an exchange ratio perceived as a discount, maintains uncertainties that limit the visibility of the case in the short term; given the low probability of rejection by CADE and the trend toward delisting, we reiterate our **NEUTRAL rating**, with a **12M Target Price** of **R$19.50**, implying an **upside** of **+3.3%**.

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Company

BRFS3 BZ Equity
Neutral

Price: R$ 18.87 (14-Aug-2025)
Target Price 12M: R$ 19.50

Table 1. Income Statement BRF (2Q25 vs. Genial Est.)

	2Q25 Reported	2Q25E Genial Est.	% R/E	1Q25 Reported	% q/q	2Q24 Reported	% y/y
Net Revenue	**15.365**	**15.714**	**-2,2%**	**15.512**	**-0,9%**	**14.930**	**2,9%**
COGS	(11.271)	(12.216)	-7,7%	(11.459)	-1,6%	(11.000)	2,5%
Adjusted EBITDA	**2.502**	**2.236**	**11,9%**	**2.753**	**-9,1%**	**2.621**	**-4,5%**
EBITDA Margin (%)	16,3%	14,2%	2,1p.p	17,7%	-1,5p.p	17,6%	-1,3p.p
EBIT	**1.580**	**1.361**	**16,1%**	**1.885**	**-16,2%**	**1.703**	**-7,2%**
EBIT Margin (%)	10,3%	8,7%	1,6p.p	12,1%	-1,9p.p	11,4%	-1,1p.p
D&A	(884)	(896)	-1,3%	(839)	5,4%	(866)	2,1%
Financial Result	(696)	(503)	38,3%	(457)	52,2%	(390)	78,4%
Net Income	**735**	**641**	**14,7%**	**1.185**	**-38,0%**	**1.094**	**-32,8%**
Net Margin (%)	4,8%	4,1%	0,7p.p	7,6%	-2,9p.p	7,3%	-2,5p.p

Source: BRF, Genial Investimentos

BRF released its **2Q25 results** yesterday, Aug. 14, after the market closed. We highlight that, although the figures suffered negative **interference from avian flu**, both **EBITDA** and **margin exceeded expectations**. The major positive highlight was profitability, given a **stronger margin expansion,** clocking in at **16.3%** (+0.6p.p. vs. BBG consensus; +2.1p.p. vs. Genial Est.). Although we are **bullish about the results**—supported by strong FCF generation and higher-than-expected margins—we maintain a **Neutral bias** for the company's shares. In our view, the **equity swap on the deal with Marfrig continues to negatively weigh** on the investment thesis.

The merger, approved at the EGM on Aug. 5, consolidates the exchange ratio at 0.8521 MRFG3 for each BRFS3 share, a proportion that we consider **below fair value for minority shareholders.** The lack of adjustments to the original terms, even after questions and attempts to take the matter to court, led to the **departure of relevant investors**, reinforcing our understanding that, despite the potential gains in scale, synergies, and tax benefits of the new MBRF, there is still **asymmetry in the exchange ratio**. In view of the imminent merger to create New Co (MBRF), we have identified **3 situations** that influence **what should be done with the shares**. We will explore this point further down.

In the consolidated results, **Net revenue** reached **R$15.4bn** (-2.2% vs. Genial Est.), a decline of -0.9% q/q and an increase of +2.9% y/y, falling below the projection due to lower performance in both volumes and prices. Total **shipments** (Brazil + International + Others) reached **1,228Kt** (-0.9% vs. Genial Est.; -2.5% q/q; -0.5% y/y), with a sharp **decline** in the **international segment** — impacted by **temporary export bans** to relevant destinations after the confirmation of a case of **avian flu**. The consolidated **realized price** clocked in at **R$12.5/kg** (+3.3% vs. Genial Est.; -2.0% q/q; +5.8% y/y), favored by the greater penetration of processed foods in Brazil (which have higher margins than fresh products) and the broader weight of higher value-added items in the international sales mix.

The **Adjusted EBITDA** totaled **R$2.5bn** (+11.9% vs. Genial Est.), down **-9.1% q/q** and **-4.5% y/y**, with a margin of **16.3%** (+2.1p.p. vs. Genial Est.), compressing -1.5p.p q/q and -1.3p.p. y/y. We believe that the positive deviation was sustained by **COGS/kg** of **R$9.2/kg** (-7.7% vs. Genial Est.; -0.3% q/q; +2.5% y/y), reflecting **(i)** historically low FIFO discounts, **(ii)** efficiency gains via BRF+ and **(iii)** dilution of fixed expenses in domestic operations, which partially offset pressure from inputs — especially corn and soybean oil, still at historically high levels.

Net income reached **R$735mn** (+14.7% vs. Genial Est.), slowing down **-38.0% q/q** and **-32.8% y/y**. Despite some compression in the bottom line, the better-than-expected result was due to **stronger operating performance**, which offset the **deterioration in net financial income**, which reached **-R$696mn** (+52.2% q/q; +78.4% y/y), reflecting higher interest expenses due to a upscaled quarterly interest rates-CDI (2Q25: 3.3% vs. 2.5% in 2Q24), as well as more prominent contingency, lease costs, and also negative effect of FX rate variations on monetary assets and liabilities, especially related to the operations in Turkey.

2Q25 Review: In detail!

Brazil: Top line above expectations, costs in line. The Brazil segment reported net revenue of R$8.1bn (+18.9% vs. Genial Est.), advancing +8.7% q/q and +17.6% y/y. We believe that the result reflected significantly stronger shipments, which totaled 615Kt (+10.1% vs. Genial Est.; +5.6% q/q; +5.7% y/y), supported by **(i)** higher plant utilization rates, **(ii)** expanded distribution capillarity — with a client base exceeding 332,5 thousand — and **(iii)** gains in shelf space in food retail. In addition, the realized price also exceeded projections, reaching R$13.1/kg (+8.1% vs. Genial Est.), up +2.7% q/q and +11.1% y/y, driven by higher penetration of processed products, whose volume grew +7.0% q/q and +7.4% y/y, in addition to the contribution of the fresh category to margins.

On the cost side, COGS/kg stood at R$9.2/kg (-0.6% vs. Genial Est.), flat sequentially and up +7.8% y/y, reflecting higher grain and oil prices, inflation on goods and services, higher purchases of raw materials from third parties to meet demand for processed products, and the mix effect, partially offset by efficiency gains through the BRF+ program. We highlight that, even in a scenario still pressured by high corn costs — whose recent relief from the off-season harvest has not yet been captured due to the lead time for purchases —, the company-maintained FIFO discounts at historically low levels, which helped preserve profitability.

Brazil: EBITDA exceeds our estimates, margin almost flat q/q. We note that adjusted EBITDA for the Brazil division reached R$1.3bn (+46.5% vs. Genial Est.), up +3.9% q/q and +23.1% y/y, improving the margin to 16.4% (+3.1p.p. vs. Genial Est.; -0.7p.p. q/q; +0.8p.p. y/y). We believe that the positive margin deviation from our projection was sustained not only by consistent cost management, but by assertive demand planning, chain sizing, and commercial execution.

In the sector, we believe that the impacts of avian flu — which temporarily restricted exports to key destinations — are a one-off event, without altering the structural trend of resilience in the domestic market. The trade down movement, favoring more affordable proteins such as chicken and processed meats, remains in effect in the face of high beef prices (+23% y/y in the IPCA for selected cuts), while brand strength and promotional activations continue to stimulate consumption. In the domestic scenario, employment and income indicators reached historic highs in Jun. — unemployment rate of 5.8% and average real income of R$3,477 per capita (+1.1% q/q; +3.3% y/y) — reinforcing signs of warming demand and sustaining the segment's solid performance.

International: Despite the effects of avian flu, margins exceed expectations. The segment reported net revenue of R$6.7bn (-18.2% vs. Genial Est.), down -9.2% q/q and -1.9% y/y. Performance was pressured by a significant drop in shipments, which totaled 499Kt (-20.6% vs. Genial Est.; -9.0% q/q; -14.2% y/y), a direct result of temporary bans on chicken exports imposed by relevant markets — such as the EU, China, Saudi Arabia, South Korea, Mexico, and Chile — after the confirmation of a case of avian flu in Brazil in May. Despite this, the company obtained 11 new export licenses during the quarter, notably in Argentina and Canada, reinforcing its geographical diversification. The realized price stood at R$13.5/kg (+3% vs. Genial Est.), flat q/q and with a significant increase of +14.4% y/y, favored by the greater weight of higher value-added products in the mix, despite the average appreciation of the FX rate (R$5.67 vs. R$5.85 in 1Q25).

Looking at the cost dynamics, COGS/t reached R$10.2/kg (-0.6% vs. Genial Est.), accelerating +0.9% q/q and +20.5% y/y, mainly reflecting **(i)** higher grain and oil costs; **(ii)** inflationary pressures on inputs and services; **(iii)** increased production costs in the Turkish platform; and **(iv)** a less favorable mix in some destinations, partially offset by efficiency gains via BRF+. Adjusted EBITDA totaled R$1.2bn (-10.1% vs. Genial Est.), down -18.1% q/q and -21.4% y/y, with a margin of 17.3% (+1.6p.p. vs. Genial Est.), with a compression of -1.9p.p. q/q and -4.3p.p. y/y, but still at a healthy level given the context of depressed volumes. We believe that the positive deviation from our projection was due to more efficient cost control than anticipated and a more favorable sales mix, supported by a higher share of processed products in the GCC and Turkey, as well as new approvals in Europe and Latin America.

Our Take on BRF

FCF driven by M&A proceeds and resilient operations. FCF reached **R$1.3bn** (+2x vs. Genial Est.), despite a decline of **-28.5% q/q** and **-24.6% y/y**. The positive deviation from the forecast was explained by: **(i)** EBITDA of R$2.5bn (+11.9% vs. Genial Est.), supported by a more benign COGS/kg and consistent operational execution; **(ii)** release of **working capital** (WC) of **+R$40mn** (vs. estimated consumption of -R$150mn), reflecting better inventory turnover and lower pressure on receivables; and **(iii) M&A** inflows of +**R$255mn** (not accounted for in our estimates). On the other hand, **CAPEX** totaled **R$1.3bn** (vs. R$1.0bn Genial Est.), in line with the strategy of maintaining a high pace of disbursements related to manufacturing facility upgrades. Although CAPEX outflows increased, FCF inflows from operations more than offset this, with EBITDA still at a very robust level — even showing signs of cooling due to the softening of the chicken cycle — is up +70% vs. the average for the last 5Y for 2Qs.

In addition, the company ended the quarter with net debt of R$4.7bn, down -R$1.2bn vs. 1Q25, reflecting efficient debt management. Leverage stood at **0.4x Net Debt/EBITDA** (-0.1x q/q) — an **amazingly comfortable level** and significantly **below the average of its peers**. Furthermore, we believe that the debt profile remains favorable, with an average maturity of 8.2Y and strong diversification of financing sources, which ensures ample flexibility to sustain the more intense investment cycle (CAPEX should rise by double digits in 25E vs. 24A), in addition to any strategic moves.

Formation of MBRF: Approval at the EGM basically removes the overhang for Marfrig. Both BRF's and Marfrig's EGMs were **finally approved on Aug. 5**, which **removes an important overhang** for the **structuring of New Co**., which will be named **MBRF**. As the merger is ratified, a **30-day period to exercise** the right to dissent has already begun, followed by a resolution on the estimated extraordinary dividend of up to R$3.25bn, after which the transaction will be closed — estimated to occur **~40 days after the EGM** (2H of Sep.). The exchange ratio remains fixed at 1 BRFS3 for 0.8521 MRFG3, based on the closing price on the day prior to the swap. Final approval is still pending with CADE, which referred to the case for detailed analysis.

Even so, we do not see a significant chance of CADE blocking the transaction, even though the regulatory agency has elevated the level of analysis to a full review (vs. fast-track previously), especially after **Minerva's appeal**, which questioned **potential conflicts** of interest related to the **Saudi fund SALIC** and the possible market imbalance that the merger could bring.

Strategically, the deal consolidates a company that is strong in chicken and beef in Brazil—but with the new MBRF's profile designed to be highly exposed to the chicken cycle. Such concentration, despite offering significant gains in FCF, scale generation, and **estimated synergies** of **~R$805mn/year** (in addition to R$3bn in tax benefits), brings greater vulnerability if the chicken cycle reverses. Its viability will depend on the ability to quickly integrate different systems, chains, and cultures. In short, the deal continues with the support of the controlling shareholder, without significant minority resistance. However, final convergence depends on the resolution of the proceedings at CADE and the new company's ability to capitalize on synergies without losing resilience in a cyclical and competitive sector.

Formation of MBRF: Implications for BRF minority shareholders. Despite intense **initial opposition** from **some minority shareholders** of BRF — motivated by the **implicit discount in the exchange ratio** (0.8521 MRFG3 for 1 BRFS3, at the time -15% vs. the closing price on the day of the announcement) —, the EGM on Aug. 5 consolidated the deal without changes to the original terms (after being postponed 2x). Attempts by some shareholders, via requests to the CVM or legal action (17th Federal Court of São Paulo – SP), did not result in any effective changes to the proposed exchange ratio. As a result, a significant portion of the shareholder base — including Previ (~7% stake of the total capital) and members of the Sadia founding family — opted to liquidate their positions.

Therefore, as we believe that CADE should not block the acquisition, scenarios must be considered when analyzing what investors should do with their positions. For this reason, we have prepared a table of scenarios presented in this report, considering the perspective of shareholders who **took long positions one day before the deal announcement** (May 14): for this minority position, exercising the **right to dissent would yield R$19.89/share**, while remaining long in the shares and accepting the proposed exchange ratio would require **a valuation of at least +8% in Marfrig's shares to equal the return**.

Table 2. Minority Shareholder Standpoint

Scenarios	BRFS3		MRFG3	
Closing Price at The Pre-Deal Announcement (14-May)	19,68			
Exercising The Right (14-Aug)	19,89	1%		
Not Exercising The Right (14-Aug)	18,46	-6%	21,70	
How Much MRFG3 Has to Rise to Add 1% Value to BRFS3?	19,88	1%	23,38	8%

Source: BRF, Genial Investimentos

We believe that, from this perspective, the decision is purely a question of the probability of capturing this upside, as we will explain further down.

Formation of the MBRF: 3 situations that BRF minority shareholders may face. We believe that there are different shareholder profiles and, therefore, **3 tatical interpretations that we have identified**, mainly in relation to timing: **(i) entered pre-deal (May 14)** — If this is the case, investors should assess whether Marfrig shares have the potential to rise by at least +8% in the short term vs. yesterday's closing price (Aug. 14), in order to match the return to the opportunity cost of the dissenting right, considering that BRF shares are trading at R$18.87 (vs. R$19.89 reimbursed in the dissent). Scenario **(ii)** consists of investors who **purchased shares at the all-time high** between **May-Dec.** of last year (pricing the cycle peak in 3Q24). We believe that in this situation, the most rational option would be to accept the share swap and dilute their stake in New Co. (MBRF), since exercising the exit right would crystallize significant losses. Here, the gain lies in the opportunity to participate in a more robust combined company (with a strong increase in EPS). The last scenario we have outlined is **(iii),** when the investor **took a position before the all-time high,** mainly between Apr.23-Apr.24 — They will likely not remain in the new structure, as they rode the previous stock appreciation and have a high opportunity to unwind their position with returns already realized within the dissent right, making it less attractive to remain in BRF.

From Marfrig's perspective, the transaction is highly accretive: our **EPS 25E** projection jumps from to **R$2.31** (vs. R$0.93 previously), implying an increase of +148% considering the average price of the last 52 weeks, or to **R$1.94** (+109% vs. previously) at the May 15 price. This value creation potential, added to estimated synergies of ~R$805mn/year (in addition to tax benefits of ~R$3bn in NPV, not included in our EPS calculation), supports the plausibility of a valuation sufficient to offset the initial discount perceived by the minority shareholder.

We remain constructive on volumes in 2025. Despite the restrictive effects of avian flu, which at its peak led several countries to suspend Brazilian chicken imports partially or totally, we maintain a constructive outlook for volume performance throughout 2025. The health situation has evolved positively: with Brazil declared free of the disease on June 18, Mexico and the United Kingdom have completely lifted their barriers, bringing the number of markets with unrestricted access to 26. Other important destinations, such as Japan and South Africa, already accept the regionalization of restrictions, allowing shipments from unaffected regions. There are still countries that maintain total bans (e.g., China, the EU, and Canada) and others that restrict only Rio Grande do Sul or specific areas, but the picture points to a clear normalization in 2H25, gradually favoring the recovery of volumes in the international market.

Even against this backdrop, we recognize the likelihood of moderation in domestic consumption in 2H25. The persistence of an inflationary environment — with the **IPCA** at **5.2% Est.** coupled with the **SELIC at a restrictive level** (15%, expected to remain stable until the end of the cycle) **should compress household disposable income**, cooling the real gains observed in wages in 2024 and introducing additional pressures on the labor market in 2H25.

In this context, we reinforce our view that the lower average ticket protein portfolio — chicken, pork, and processed meats — is strategically positioned to capture **migratory demand for beef**, whose cuts in the IPCA accumulated a high of **+23.48% y/y** through July, double the variation recorded by whole chicken of **+10.5% y/y** and chicken pieces of **+11.7% y/y** in the same period. This price difference, added to the **trade downturn already underway**, should favor both the sustainability of volumes and the preservation of margins.

And costs? Should go down in 2H25. We anticipate margin accommodation in the short term due to the still high costs of corn — whose relief, even with the **-7.4% q/q** decline in 2Q25, should only be **fully captured in the company's P&L starting in 3Q25**, given the natural lag in the purchase lead time. It is worth noting that this correction trajectory had already been anticipated in our previous projections, based on the reading that the good progress of the second crop — with 83% of planting completed by Week 7, above the historical average according to IMEA — would boost **productivity to 114.5 bags/ha** (+3.2% vs. previous) and trigger a downward movement in prices. Since the beginning of the year, the price per bag has fallen **-12.8% YTD**, a trend that should intensify as the harvest progresses, allowing BRF to rebuild stocks at more competitive costs as early as 3Q25 and thus ease pressure on margins that should be seen in 2Q25.

We anticipate margin accommodation in the short term due to the still high costs of corn — whose relief, even with the **-7.4% q/q** decline in 2Q25, should only be fully captured in the company's P&L starting in 3Q25, given the natural lag in the purchase lead time. It is worth noting that this correction trajectory had already been anticipated in our previous projections, based on the reading that the good progress of the second crop — with **83% of planting completed by Week 7**, above the historical average according to IMEA — would boost productivity to 114.5 bags/ha (+3.2% vs. previous) and trigger a downward movement in prices. Since the beginning of the year, the **price per bag** has fallen **-12.8% YTD**, a trend that should intensify as the harvest progresses, allowing BRF to rebuild stocks at more competitive costs as early as 3Q25 and thus ease pressure on margins that should be seen in 2Q25.

Merger approved, what to do with the shares now? Although we believe that the effects of avian flu on 2Q25—and, to a lesser extent, impacts may carry over to 3Q25E—were limited, the corporate context resulting from the merger with Marfrig adds a significant **vector of uncertainty to the equity story**. On operational standpoint, the combination of **(i)** partial resumption of exports to key markets, **(ii)** recovery in domestic prices for fresh chicken, and **(iii)** resilience in domestic demand — sustained by the trade down movement in the face of higher beef prices — reinforces that, from a **fundamental perspective**, BRF maintains an **attractive valuation**.

On the other hand, the incorporation by Marfrig in an exchange ratio with a discount perceived by the minority shareholders keeps potential legal and strategic developments that could limit the case visibility on the radar. Considering that the EGM has already approved the transaction and that **we do not see the risk** of a **blockade by CADE** as material, the trend is for **BRF delisting on B3**.

Therefore, as we assessed throughout the report, although the exchange ratio does not represent the ideal scenario, the decision **depends heavily on the timing** — and, reverberating on the price — at which investors **established their long positions**. So on and so forth, in **2/3 of the scenarios evaluated**, we see **plausible justification** for **accepting** the conditions and **becoming a shareholder of MBRF.** On the other hand, the balance between solid fundamentals and corporate uncertainties leads us to reiterate our **NEUTRAL rating,** with a **12M Target Price** of **R$19.50**, implying an **upside** of **+3.3%.**

Appendix: BRF

Figure 1. BRF – Income Statement in R$ Millions (Genial Est. 2025-2028)

Income Statement	2025E	2026E	2027E	2028E
Net Revenue	**65.804**	**68.894**	**70.151**	**75.458**
(-) COGS	(49.939)	(52.973)	(54.641)	(58.774)
Gross Profit	**15.865**	**15.921**	**15.510**	**16.684**
(-) Expenses	(9.285)	(10.065)	(9.898)	(10.647)
Adjusted EBITDA	**10.200**	**9.645**	**9.821**	**10.564**
(-) D&A	(3.619)	(3.789)	(4.209)	(4.527)
EBIT	**6.580**	**5.856**	**5.612**	**6.037**
(+/-) Financial Result	(1.724)	(1.526)	(1.492)	(1.347)
(-) Taxes	(1.434)	(1.229)	(823)	(1.067)
Net Income	**3.422**	**3.100**	**3.297**	**3.622**
Profitability				
Net margin (%)	5,2%	4,5%	4,7%	4,8%

Figure 2. BRF – Cash Flow in R$ Millions (Genial Est. 2025-2028)

Cash Flow (FCFF)	2025E	2026E	2027E	2028E
Net Revenue	**65.804**	**68.894**	**70.151**	**75.458**
(-) COGS	(49.939)	(52.973)	(54.641)	(58.774)
Adjusted EBITDA	**10.200**	**9.645**	**9.821**	**10.564**
EBIT	**6.580**	**5.856**	**5.612**	**6.037**
(-) Taxes	(1.434)	(1.229)	(823)	(1.067)
(+) D&A	3.619	3.789	4.209	4.527
(+/-) Δ WK	(523)	(578)	(592)	(587)
(-) Capex	(4.006)	(3.742)	(3.737)	(3.830)
FCFF	**4.236**	**4.096**	**4.670**	**5.080**

Disclosure Section

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Genial Rating

	Definition	Coverage
Buy	Expected return above +10% in relation to the Company's sector average	**49%**
Neutral	Expected return between +10% and -10% relative to the Company's industry average	**41%**
Sell	Expected return below -10% in relation to the Company's sector average	**5%**
under Review	Under review	**5%**

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