

## WCT Holdings

WCTHG MK / WCTE.KL

## FLASH NOTE

➤ **Market Cap**  
**US\$726.0m**  
 RM2,382m

➤ **Avg Daily Turnover**  
**US\$1.50m**  
 RM4.93m

➤ **Free Float**  
**60.2%**  
 971.2 m shares

Current **RM2.18**  
 Target ➤ **RM2.24**  
 Prev. Target **RM2.24**  
 Up/Downside **2.7%**

### STOCK RATING

ADD

**HOLD**

REDUCE

### CIMB Analyst(s)



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### Share price info

Share price perf. (%)	1M	3M	12M
Relative	3.6	-11.2	-13.6
Absolute	5.3	-9.2	-0.9
Major shareholders		% held	
WCT Capital		19.6	
EPF		13.9	
KWAP		6.2	

## New game plan

WCT's 4Q13 results briefing held no major surprises but we were encouraged by the group's new game plan for its construction division. The main drawback to the plan is that the Gulf region has become more competitive, with weak visibility for potential new bids. Although WCT dropped out of at least three bids recently, it intends to focus on domestic construction. However, we think that WCT is unlikely to get any sizeable jobs (more than RM1bn). Our FY14-16 EPS is intact and our RM800m base-case job wins in 2014 looks achievable. We maintain our target price, still pegged to a 40% RNAV discount, and Hold rating. Switch to Mudajaya for the likely recovery in power plants theme.

### What Happened ➤

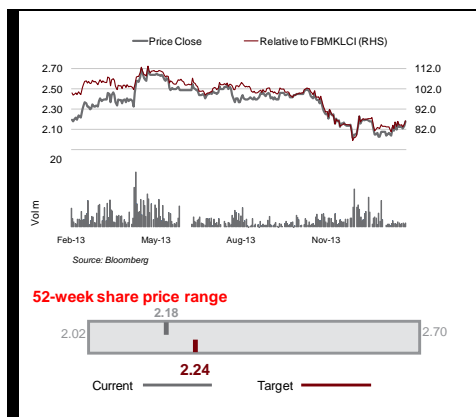
**4Q13 results briefing.** WCT's briefing today was attended by more than 50 analysts and fund managers. Management was represented by the head of corporate finance, Mr Chong Kian Fah. The main highlights were the group's tender strategies for 2014 and its plans for repositioning itself in the domestic market. The job outlook in the Gulf region has become more competitive, even for a well-known "F1 circuit" contractor like WCT. Management concurred that the domestic job replenishment prospects remain challenging and stated that it will only pursue jobs with lucrative margins. The risk of lumpy profits for construction could still be mitigated by property development and investments.

### What We Think ➤

**Time to buck up.** Management's less bullish guidance on its FY14 job flow outlook was not unexpected. However, we were encouraged by the company's main focus on expanding its domestic tender book size from around RM1bn-2bn (based on our estimates) to over RM2bn by mid-2014. There could be upside to our base-case new jobs estimate of RM800m in FY14. However, the group's top three target projects are expected to be awarded in 2H14. The top target projects are the RM400m-500m subcontract works for the West Coast Expressway (WCE), the RM300m-400m infrastructure works for the RRI land and the RM200-300m KL Sentral Linkway, which is an additional new tender. We are not banking on the group winning any sizeable projects in Qatar in 2014 and removed our order win assumptions for the Gulf region in our forecast downgrade following the results announcement yesterday.

### What You Should Do ➤

**Stay on the sidelines.** Despite the still-buoyant prospects for WCT's property division, construction newsflow is unlikely to be exciting in the medium term.



### Financial Summary

	Dec-12A	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue (RMm)	1,560	1,672	2,157	2,361	2,665
Operating EBITDA (RMm)	262.4	323.0	312.6	346.8	347.2
Net Profit (RMm)	364.6	197.5	159.0	181.7	187.9
Core EPS (RM)	0.19	0.24	0.16	0.19	0.19
Core EPS Growth	16.0%	22.2%	(30.9%)	14.3%	3.4%
FD Core P/E (x)	11.91	9.74	14.09	12.33	11.93
DPS (RM)	0.070	0.083	0.090	0.090	0.090
Dividend Yield	3.21%	3.78%	4.13%	4.13%	4.13%
EV/EBITDA (x)	10.52	9.05	9.38	8.51	8.53
P/FCFE (x)	17.97	10.48	7.63	8.80	9.43
Net Gearing	39.8%	29.9%	26.6%	23.1%	19.9%
P/BV (x)	1.17	1.25	1.16	1.05	0.93
ROE	11.8%	13.1%	9.0%	9.4%	8.8%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			0.81	0.81	0.92

SOURCE: CIMB, COMPANY REPORTS

## Highlights from 4Q13 results briefing ►

**Kitchen sinking and weak property billing in 4Q13.** Management explained that the provision for the markdown in the 4Q13 construction margin took into consideration the rising costs. WCT booked provisions of c.RM40m in 4Q13, of which RM30m was for the margin write-down and RM10m was for the additional provisions for local jobs. The construction EBIT margin fell to c.3% in 4Q13 from 9-11% in the previous quarters. We expect the blended construction margin in FY14 to fall to mid-to-high single digits as local contracts constitute 70% of the outstanding domestic order book of RM2.1bn (RM3.4bn including internal jobs). The weakness in WCT's 4Q13 results was also due to the slowdown in progress billing for the group's property development jobs, including the ventures in Medini (due to the delay in approvals and labour issues). These matters are expected to be resolved in 2014.

**Gulf region becoming more competitive.** Management confirmed that it lost the bid for a c.RM1bn road/infrastructure project in Qatar after the second round of tenders that started in late-2013. WCT emerged as the second-highest bidder after a foreign contractor. This was a disappointment to us. The securing of this job would trigger a turnaround in WCT's job flow in 2014, after a weak 2013. Management explained that the operating landscape in the Gulf region has become more competitive in the past 12-18 months amid rising costs. The good news is that the group has prequalified for another two undisclosed projects in Qatar. However, it does not appear likely that any of them will be awarded in 2014. In the past, we had high expectations that WCT would secure sizeable jobs, especially in Qatar, given its track record as an "F1 circuit" contractor in the Gulf region.

**Domestic market is key.** The sizeable internal construction works for WCT's property ventures (RM1.3bn outstanding, 38% of total order book) are likely to enable WCT to remain selective in its tenders. However, job depletion will become more evident in 2014, based on our estimates. This may explain the reason that the group's game plan is to target domestic projects in 2014, although the value of each job is not likely to exceed RM800m. The group revealed that the top three contracts on its radar are: 1) the RM400m-500m subcontract works for the West Coast Expressway (WCE), 2) the RM300m-400m infrastructure works for the Rubber Research Institute (RRI) land, and 3) the RM200m-300m KL Sentral Linkway, which is an additional new tender. The bids for these jobs will be submitted by mid-2014 and will raise WCT's domestic tender book size to over RM2bn by 2H14, based on our estimates. We maintain our RM800m new jobs assumption for 2014. WCT's total outstanding order book stood at RM3.4bn at end-FY13.

## Time to buck up ►

**2014 is a crucial year.** Although there were no major surprises during the briefing, we are encouraged by the group's plan to reposition itself for the expected recovery in the construction segment in 2014. However, with the new tenders in the Gulf region still in the early stages, WCT's main focus will be on domestic order replenishment, which we expect will be concentrated in 2H14. We continue to believe that the stock lacks catalysts in the medium term. Share price support is likely to come from its property development and investment divisions, most likely through new land acquisitions, the recovery in property sales in Iskandar and the commencement of Gateway's commercial operations in KLIA 2. We maintain our Hold rating. For exposure to the mid-cap contractors, we advocate that investors switch to Mudajaya for the likely recovery in power plants theme.

**Figure 1: Outstanding order book**

Gulf States		Malaysia - Civil Engineering & Infrastructure		Malaysia – Building		Total
	RM(mil)		RM(mil)		RM(mil)	RM(mil)
Government Administrative Office, Qatar	628	PLUS Widening	322	KK Medical Centre	248	
New Doha Int'l Airport, Qatar	2	Vale Industrial Civil Works	23	Putrajaya Commercial Office	315	
		Tun Razak Exchange*	162	Ministry of Int'l Trade (MITI)	237	
		Others	67	Tuaran Hospital, Sabah	8	
				Others	75	
<b>Total External</b>	<b>630</b>		<b>574</b>		<b>883</b>	<b>2,087</b>
	<b>30%</b>		<b>28%</b>		<b>42%</b>	<b>100%</b>
<b>Total Internal</b>				Property investment		
				-Kelana Jaya	123	
				-Johor Bahru	651	
				Property development		
				-Kelana Jaya	183	<b>1,322</b>
				1Medini High-rise	365	
<b>TOTAL</b>					<b>2,205</b>	<b>3,409</b>

SOURCE: COMPANY PRESENTATION SLIDES

**Figure 2: RNAV**

<b>Concessions</b>	<b>DCF value</b>		<b>WCT's stake</b>	<b>Value</b>
	<b>(RM m)</b>			<b>(RM m)</b>
PPH, India	230.1		30.0%	69.0
DE, India	147.3		30.0%	44.2
KLIA2 Integrated Complex (25-year, 13% WACC)	433.0		70.0%	303.1
Property - land	<b>Acres</b>	<b>RM/psf</b>		
Bandar Bukit Tinggi 1	16.9	60.00	100.0%	44.2
Bandar Bukit Tinggi 2	35.2	60.00	100.0%	91.9
Bandar Bukit Tinggi 3	126.8	70.00	100.0%	386.7
56-acre new land near BBT 3	56.0	60.00	100.0%	146.4
Bukit Jelutong Commercial Centre	2.3	50.00	100.0%	4.9
1 Medini Residences	11.0	40.00	100.0%	19.2
Medini Commercial	10.3	40.00	100.0%	17.9
Bandar Serendah, Ulu Selangor	39.0	10.00	100.0%	17.0
Rawang Land	437.5	40.00	100.0%	762.3
OUG - mixed development	56.8	45.00	100.0%	111.3
Johor land acquisition (Jalan Skudai)	12.4	40.00	100.0%	21.6
New land in Medini	18.1	40.00	100.0%	31.5
	<b>2015 PAT</b>	<b>P/E</b>		
<b>Construction</b>	102.9	15.9	100.0%	1,635.5
Associated companies & investments				443.3
Net current assets less dev. properties				1,114.6
Total debt (4QFY13)				(1,922.1)
Investment properties				653.0
<b>Total RNAV</b>				<b>4,113.9</b>
No. of shares (m)				951.6
No. of outstanding warrants (WB) (m)				139.3
Proceeds from warrants (WB)				348.3
No. of outstanding warrants (WC) (m)				157.2
Proceeds from warrants (WC)				432.3
No. of outstanding warrants (WD) (m)				164.8
Proceeds from warrants (WD)				379.0
<b>Fully-diluted RNAV</b>				<b>5,273.4</b>
Enlarged no. of shares (m)				1,412.9
<b>FD RNAV/share (RM)</b>				<b>3.73</b>
RNAV discount				30%
<b>Target price (RM)</b>				<b>2.24</b>

SOURCES: CIMB, COMPANY REPORTS

### Profit & Loss

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>Total Net Revenues</b>	<b>1,672</b>	<b>2,157</b>	<b>2,361</b>	<b>2,665</b>
<b>Gross Profit</b>	<b>441</b>	<b>2,157</b>	<b>2,361</b>	<b>2,665</b>
<b>Operating EBITDA</b>	<b>323</b>	<b>313</b>	<b>347</b>	<b>347</b>
Depreciation And Amortisation	(10)	(19)	(21)	(24)
<b>Operating EBIT</b>	<b>313</b>	<b>293</b>	<b>325</b>	<b>323</b>
Total Financial Income/(Expense)	(34)	(46)	(46)	(47)
Total Pretax Income/(Loss) from Assoc.	19	10	10	10
Total Non-Operating Income/(Expense)	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>298</b>	<b>257</b>	<b>289</b>	<b>287</b>
Exceptional Items	(44)	0	0	0
<b>Pre-tax Profit</b>	<b>254</b>	<b>257</b>	<b>289</b>	<b>287</b>
Taxation	(64)	(57)	(61)	(58)
Exceptional Income - post-tax				
<b>Profit After Tax</b>	<b>190</b>	<b>201</b>	<b>228</b>	<b>229</b>
Minority Interests	8	(42)	(47)	(42)
Preferred Dividends	0	0	0	0
FX Gain/(Loss) - post tax				
Other Adjustments - post-tax				
<b>Net Profit</b>	<b>197</b>	<b>159</b>	<b>182</b>	<b>188</b>
Recurring Net Profit	230	159	182	188
<b>Fully Diluted Recurring Net Profit</b>	<b>230</b>	<b>159</b>	<b>182</b>	<b>188</b>

### Cash Flow

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>EBITDA</b>	<b>323.0</b>	<b>312.6</b>	<b>346.8</b>	<b>347.2</b>
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(76.1)	21.3	(76.7)	(99.3)
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	23.3	23.3	23.3	23.3
Net Interest (Paid)/Received	0.0	0.0	0.0	0.0
Tax Paid	(58.4)	(71.4)	(55.6)	(59.8)
<b>Cashflow From Operations</b>	<b>211.8</b>	<b>285.8</b>	<b>237.8</b>	<b>211.4</b>
Capex	(88.4)	(91.1)	(91.1)	(91.1)
Disposals Of FAs/subsidiaries	51.2	55.4	59.9	64.9
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0
Other Investing Cashflow	0.0	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(37.2)</b>	<b>(35.7)</b>	<b>(31.1)</b>	<b>(26.2)</b>
Debt Raised/(repaid)	39.3	43.6	47.9	52.4
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0
Dividends Paid	(42.5)	(42.5)	(42.5)	(42.5)
Preferred Dividends				
Other Financing Cashflow	96.4	(183.9)	(141.4)	(121.0)
<b>Cash Flow From Financing</b>	<b>93.3</b>	<b>(182.8)</b>	<b>(136.0)</b>	<b>(111.1)</b>
Total Cash Generated	267.9	67.3	70.6	74.2
<b>Free Cashflow To Equity</b>	<b>214.0</b>	<b>293.7</b>	<b>254.6</b>	<b>237.7</b>
<b>Free Cashflow To Firm</b>	<b>174.6</b>	<b>250.1</b>	<b>206.6</b>	<b>185.3</b>

### Rolling FD P/E (x)



### Balance Sheet

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>Total Cash And Equivalents</b>	<b>1,346</b>	<b>1,413</b>	<b>1,484</b>	<b>1,558</b>
<b>Total Debtors</b>	<b>1,622</b>	<b>1,427</b>	<b>1,561</b>	<b>1,762</b>
Inventories	86	90	95	100
<b>Total Other Current Assets</b>	<b>305</b>	<b>335</b>	<b>368</b>	<b>405</b>
<b>Total Current Assets</b>	<b>3,358</b>	<b>3,265</b>	<b>3,508</b>	<b>3,824</b>
Fixed Assets	521	612	706	803
<b>Total Investments</b>	<b>1,102</b>	<b>1,157</b>	<b>1,217</b>	<b>1,282</b>
Intangible Assets	0	0	0	0
<b>Total Other Non-Current Assets</b>	<b>631</b>	<b>631</b>	<b>631</b>	<b>631</b>
<b>Total Non-current Assets</b>	<b>2,254</b>	<b>2,400</b>	<b>2,554</b>	<b>2,715</b>
<b>Short-term Debt</b>	<b>662</b>	<b>640</b>	<b>619</b>	<b>600</b>
<b>Current Portion of Long-Term Debt</b>				
Total Creditors	1,152	1,013	1,109	1,252
Other Current Liabilities	72	57	61	58
<b>Total Current Liabilities</b>	<b>1,886</b>	<b>1,710</b>	<b>1,789</b>	<b>1,910</b>
<b>Total Long-term Debt</b>	<b>1,305</b>	<b>1,370</b>	<b>1,439</b>	<b>1,511</b>
Hybrid Debt - Debt Component				
<b>Total Other Non-Current Liabilities</b>	<b>332</b>	<b>332</b>	<b>332</b>	<b>332</b>
<b>Total Non-current Liabilities</b>	<b>1,637</b>	<b>1,702</b>	<b>1,771</b>	<b>1,843</b>
Total Provisions	10	11	12	13
<b>Total Liabilities</b>	<b>3,533</b>	<b>3,423</b>	<b>3,572</b>	<b>3,765</b>
Shareholders' Equity	1,700	1,823	2,023	2,268
Minority Interests	378	420	466	508
<b>Total Equity</b>	<b>2,078</b>	<b>2,243</b>	<b>2,490</b>	<b>2,776</b>

### Key Ratios

	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue Growth	7.2%	29.0%	9.4%	12.9%
Operating EBITDA Growth	23.1%	(3.2%)	10.9%	0.1%
Operating EBITDA Margin	19.3%	14.5%	14.7%	13.0%
Net Cash Per Share (RM)	(0.64)	(0.62)	(0.59)	(0.57)
BVPS (RM)	1.75	1.88	2.08	2.34
Gross Interest Cover	4.63	4.84	5.26	5.13
Effective Tax Rate	25.4%	22.0%	21.0%	20.1%
Net Dividend Payout Ratio	33.7%	51.1%	44.7%	43.2%
Accounts Receivables Days	208.9	195.1	174.7	172.6
Inventory Days	23.7	N/A	N/A	N/A
Accounts Payables Days	268	N/A	N/A	N/A
ROIC (%)	13.4%	10.9%	11.6%	10.6%
ROCE (%)	8.88%	7.41%	7.73%	7.19%

### Key Drivers

(RMm)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>Outstanding Orderbook</b>	<b>2,543</b>	<b>3,043</b>	<b>2,843</b>	<b>2,843</b>
<b>Order Book Depletion</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Orderbook Replenishment</b>	<b>1,500</b>	<b>800</b>	<b>1,000</b>	<b>1,000</b>
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% main prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CIMBS does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 – 100	80 – 89	70 – 79	Below 70 or	No Survey Result
<b>Description:</b>		Excellent	Very Good	Good	N/A

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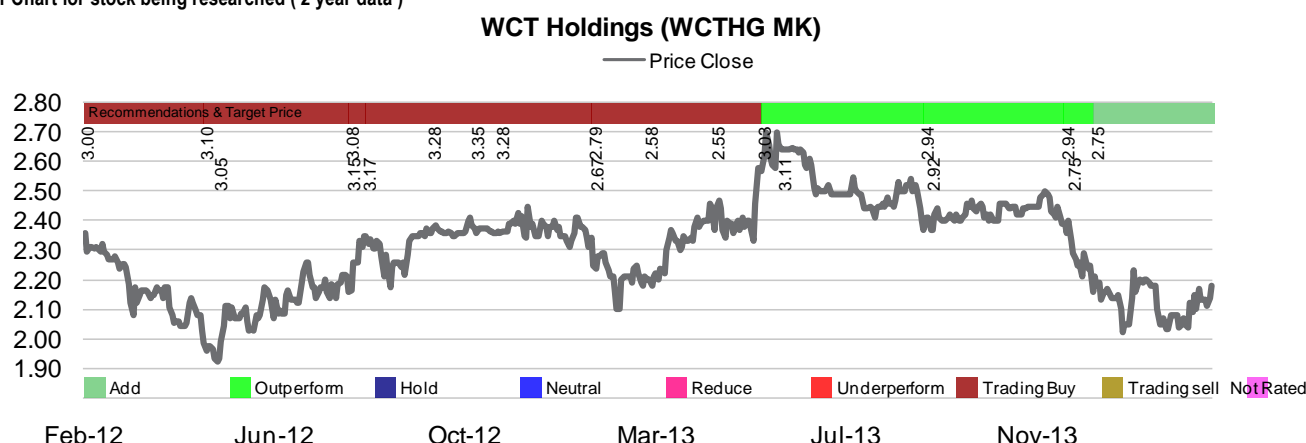
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Distribution of stock ratings and investment banking clients for quarter ended on 31 January 2014		
1336 companies under coverage for quarter ended on 31 January 2014		
	Rating Distribution (%)	Investment Banking clients (%)
Outperform/Buy/Trading Buy/Add	51.1%	6.9%
Neutral/Hold	32.7%	6.0%
Underperform/Sell/Trading Sell/Reduce	16.2%	5.5%

Spitzer Chart for stock being researched ( 2 year data )



As at the time of publishing this report CIMB is phasing in an absolute recommendation structure for stocks (Framework #1). Please refer to all frameworks for a definition of any recommendations stated in this report.

### CIMB Recommendation Framework #1

Stock Ratings	Definition
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock.

Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

### CIMB Stock Recommendation Framework #2 \*

Outperform	The stock's total return is expected to exceed a relevant benchmark's total return by 5% or more over the next 12 months.
Neutral	The stock's total return is expected to be within +/-5% of a relevant benchmark's total return.
Underperform	The stock's total return is expected to be below a relevant benchmark's total return by 5% or more over the next 12 months.



<b>Trading Buy</b>	The stock's total return is expected to exceed a relevant benchmark's total return by 3% or more over the next 3 months.
<b>Trading Sell</b>	The stock's total return is expected to be below a relevant benchmark's total return by 3% or more over the next 3 months.

*\* This framework only applies to stocks listed on the Singapore Stock Exchange, Bursa Malaysia, Stock Exchange of Thailand, Jakarta Stock Exchange, Australian Securities Exchange, Taiwan Stock Exchange and National Stock Exchange of India/Bombay Stock Exchange. Occasionally, it is permitted for the total expected returns to be temporarily outside the prescribed ranges due to extreme market volatility or other justifiable company or industry-specific reasons.*  
CIMB Research Pte Ltd (Co. Reg. No. 198701620M)

### **CIMB Stock Recommendation Framework #3 \*\***

<b>Outperform</b>	Expected positive total returns of 10% or more over the next 12 months.
<b>Neutral</b>	Expected total returns of between -10% and +10% over the next 12 months.
<b>Underperform</b>	Expected negative total returns of 10% or more over the next 12 months.
<b>Trading Buy</b>	Expected positive total returns of 10% or more over the next 3 months.
<b>Trading Sell</b>	Expected negative total returns of 10% or more over the next 3 months.

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### **Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (IOD) in 2013.**

AAV – Good, **ADVANC** - Excellent, **AMATA** - Very Good, **ANAN** – Good, **AOT** - Excellent, **AP** - Very Good, **BANPU** - Excellent, **BAY** - Excellent, **BBL** - Excellent, **BCH** – Good, **BCP** - Excellent, **BEC** - Very Good, **BGH** - not available, **BJC** – Very Good, **BH** - Very Good, **BIGC** - Very Good, **BTS** - Excellent, **CCET** – Very Good, **CENDEL** – Very Good, **CK** - Excellent, **CPALL** - Very Good, **CPF** – Excellent, **CPN** - Excellent, **DELTA** - Very Good, **DTAC** - Excellent, **EGCO** – Excellent, **GLOBAL** - Good, **GLOW** - Very Good, **GRAMMY** – Excellent, **HANA** - Excellent, **HEMRAJ** - Excellent, **HMPRO** - Very Good, **INTUCH** – Excellent, **ITD** – Very Good, **IVL** - Excellent, **JAS** – Very Good, **KAMART** – not available, **KBANK** - Excellent, **KKP** – Excellent, **KTG** - Excellent, **LH** - Very Good, **LPN** - Excellent, **MAJOR** – Very Good, **MAKRO** – Very Good, **MCOT** - Excellent, **MINT** - Excellent, **PS** - Excellent, **PSL** - Excellent, **PTT** - Excellent, **PTTGC** - Excellent, **PTTEP** - Excellent, **QH** - Excellent, **RATCH** - Excellent, **ROBINS** - Excellent, **RS** – Excellent, **SAMART** – Excellent, **SC** – Excellent, **SCB** - Excellent, **SCC** - Excellent, **SCCC** - Very Good, **SIRI** – Very Good, **SPALI** - Excellent, **STA** - Good, **STEC** - Very Good, **TCAP** - Excellent, **THAI** - Excellent, **THCOM** – Excellent, **TICON** – Very Good, **TISCO** - Excellent, **TMB** - Excellent, **TOP** - Excellent, **TRUE** - Excellent, **TTW** – Excellent, **TUF** - Very Good, **VGI** – Excellent, **WORK** – Good.