

**HOLD**  
 TP: Rs 2,600 | ▲ 3%

**THERMAX**

| Capital Goods

| 02 August 2023

**Good quarter, healthy order flows**

- **Good Q1 performance though legacy orders continue to weigh on infrastructure margins**
- **Order inflow and execution improves along with stronger pipeline commentary; new energy investments to continue**
- **Outlook mixed; retain HOLD with a revised TP of Rs 2,600 (vs. Rs 2,400) on rollover**

Vinod Chari | Swati Jhunjunwala  
 research@bobcaps.in

**Good Q1 but infrastructure margin remains soft:** TMX's Q1FY24 revenue grew 17% YoY to Rs 19.3bn, with the industrial products business up 26% to Rs 8.4bn, industrial infrastructure up 13% to Rs 9.2bn, green solutions up ~2x to Rs 1.1bn and chemicals rising 7% to Rs 1.6bn. EBITDA grew 38% YoY to Rs 1.3bn but the margin was muted at 6.8% (+105bps) due to legacy infrastructure orders under execution. Going forward, TMX will commence more lucrative projects, aiding full-year margins. Adj. PAT increased 88% YoY to Rs 1bn in Q1, excluding one-time provisioning of Rs 500mn for an arbitration award that went against the company.

**Stronger order pipeline commentary:** After plateauing over the past two quarters, TMX's order book has risen from Rs 97bn in Q4FY23 to Rs 105bn. The Q1 order inflow stood at Rs 25.7bn, with base orders forming 70-75% and growing in double digits. Management expects a healthy pipeline across most end-customer segments, albeit comprising smaller orders worth Rs 500mn-1,000mn. The company sees potential for only 4-5 big-ticket projects and even these may not materialise in FY24.

**International business a mixed bag:** Management indicated that international subsidiaries had fallen short of order intake and operating margin expectations in Q1, with cost runups in some projects. While the company expects both overseas subsidiaries, Danstoker and PTTI, to be profitable in 15-18 months as guided previously, the turnaround is likely to be faster for Danstoker than PTTI in FY24.

**Continued investment in new energy initiatives:** TMX indicated that it continues to invest in the solar business under subsidiary FEPL and in biomass-to-hydrogen under TOESL, though these will take time to evolve. Management plans to infuse equity worth Rs 5bn-6bn in both subsidiaries and expects these two entities to take on combined debt of Rs 15bn-20bn without recourse to TMX's balance sheet.

**Retain HOLD:** Though order inflows were healthy and the outlook is improving, weak infrastructure margins from legacy orders remain a drag. We retain HOLD and roll valuations forward to Jun'25E for a revised TP of Rs 2,600 (earlier Rs 2,400). Our TP is set at an unchanged 40x P/E multiple, in line with the stock's 5Y average.

**Key changes**

Target	Rating
▲	◀ ▶

Ticker/Price	TMX IN/Rs 2,516
Market cap	US\$ 3.6bn
Free float	32%
3M ADV	US\$ 1.7mn
52wk high/low	Rs 2,729/Rs 1,831
Promoter/FPI/DII	62%/12%/16%

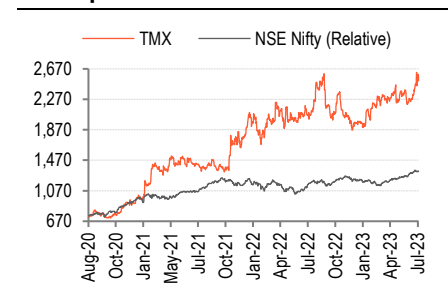
Source: NSE | Price as of 1 Aug 2023

**Key financials**

Y/E 31 Mar	FY23A	FY24E	FY25E
Total revenue (Rs mn)	80,898	95,857	1,09,346
EBITDA (Rs mn)	5,976	6,758	8,684
Adj. net profit (Rs mn)	4,507	5,334	7,135
Adj. EPS (Rs)	37.8	44.8	59.9
Consensus EPS (Rs)	37.8	43.3	60.1
Adj. ROAE (%)	12.2	13.3	16.2
Adj. P/E (x)	66.5	56.2	42.0
EV/EBITDA (x)	51.2	44.8	36.0
Adj. EPS growth (%)	44.3	18.4	33.7

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE

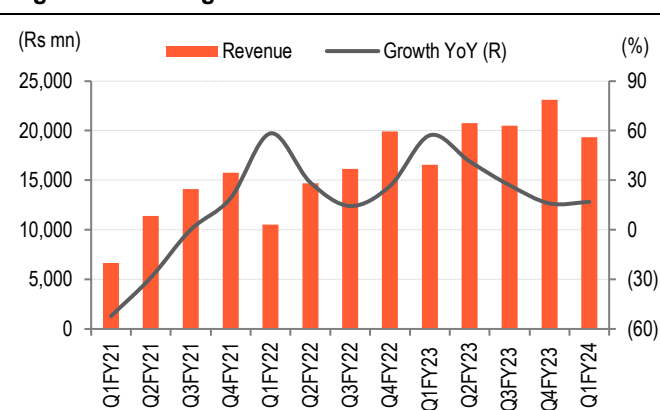


**Fig 1 – Quarterly performance**

Particulars (Rs mn)	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)
Revenue	19,330	16,545	16.8	23,108	(16.4)
EBITDA	1,322	960	37.7	1,999	(33.9)
EBITDA margin (%)	6.8	5.8	104bps	8.7	(181bps)
Depreciation	294	286	3.0	294	(0.1)
Interest	134	66	103.5	139	(4.0)
Other Income	531	205	158.3	575	(7.7)
PBT	1,425	815	74.9	2,140	(33.4)
Tax	315	224	40.5	581	(45.8)
Adjusted PAT	1,106	590	87.6	1,562	(29.2)
Exceptional item	506	0	0.0	0	0.0
Reported PAT	600	590	1.7	1,562	(61.6)
Adj. PAT margin (%)	5.7	3.6	216bps	6.8	(104bps)
EPS (Rs)	9.9	5.2	88.0	13.8	(28.8)

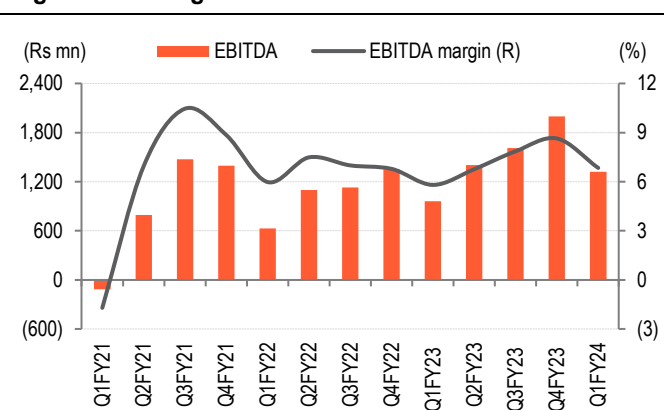
Source: Company, BOBCAPS Research

**Fig 2 – Revenue growth trend**



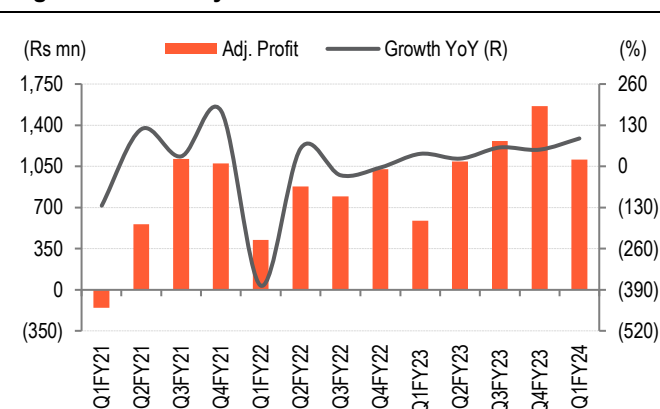
Source: Company, BOBCAPS Research

**Fig 3 – EBITDA growth trend**



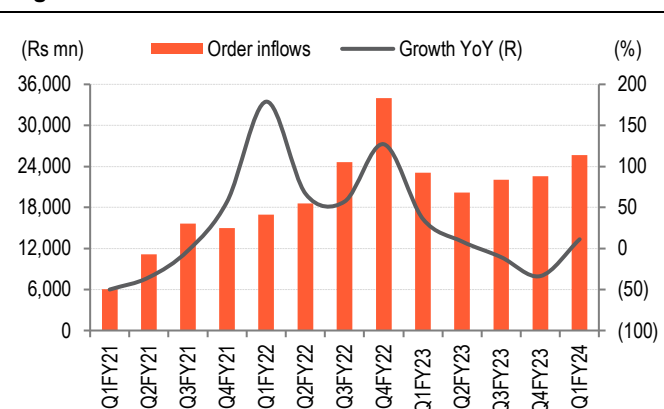
Source: Company, BOBCAPS Research

**Fig 4 – Profitability trend**



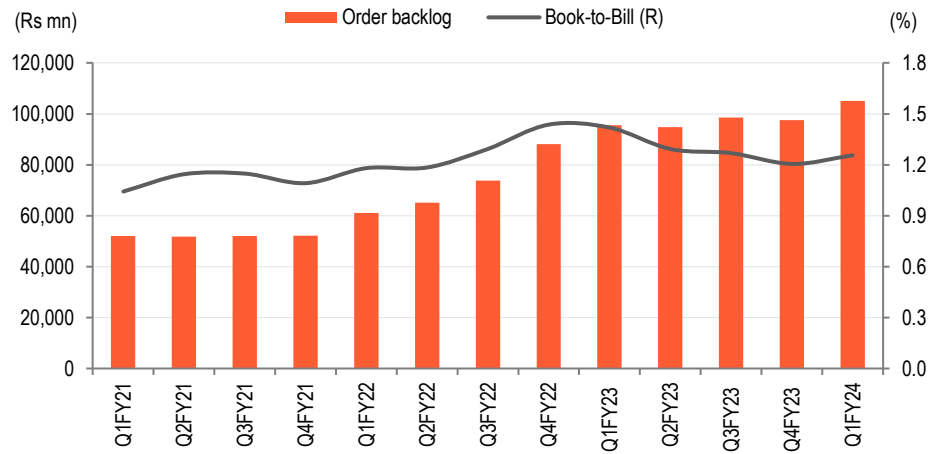
Source: Company, BOBCAPS Research

**Fig 5 – Order inflow trend**



Source: Company, BOBCAPS Research

**Fig 6 – Order backlog trend**



Source: Company, BOBCAPS Research

## Valuation methodology

Though order inflows were healthy and the outlook is improving, weak infrastructure margins from legacy orders remain a drag. We retain HOLD and roll valuations forward to Jun'25E for a revised TP of Rs 2,600 (earlier Rs 2,400). Our TP is set at an unchanged 40x P/E multiple, in line with the stock's five-year average

## Key risks

Key upside risks to our estimates are:

- swift recovery in the chemicals segment translating to higher margins, and
- faster payback from newly incubated businesses.

Key downside risks to our estimates are:

- inability to scale up new businesses, and
- cyclical in the end-user market.

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
ABB India	ABB IN	11.7	4,520	3,700	HOLD
AIA Engineering	AIAE IN	3.9	3,376	3,500	BUY
Cummins India	KKC IN	6.5	1,927	2,000	BUY
Hitachi Energy	POWERIND IN	2.0	3,965	4,400	HOLD
KEC International	KECI IN	2.0	625	550	HOLD
Larsen & Toubro	LT IN	45.6	2,667	3,000	BUY
Siemens India	SIEM IN	16.9	3,891	3,700	HOLD
Thermax	TMX IN	3.6	2,516	2,600	HOLD

Source: BOBCAPS Research, NSE | Price as of 1 Aug 2023

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
<b>Total revenue</b>	<b>47,913</b>	<b>61,283</b>	<b>80,898</b>	<b>95,857</b>	<b>1,09,346</b>
EBITDA	3,552	4,214	5,976	6,758	8,684
Depreciation	1,146	1,132	1,169	1,138	1,080
EBIT	2,406	3,081	4,807	5,620	7,603
Net interest inc./(exp.)	206	252	376	350	301
Other inc./(exp.)	1,077	1,270	1,602	1,842	2,210
Exceptional items	0	0	0	0	0
EBT	3,277	4,100	6,033	7,112	9,513
Income taxes	686	978	1,524	1,778	2,378
Extraordinary items	525	0	0	506	0
Min. int./Inc. from assoc.	0	1	(2)	0	0
<b>Reported net profit</b>	<b>2,066</b>	<b>3,123</b>	<b>4,507</b>	<b>4,828</b>	<b>7,135</b>
Adjustments	525	0	0	506	0
<b>Adjusted net profit</b>	<b>2,591</b>	<b>3,123</b>	<b>4,507</b>	<b>5,334</b>	<b>7,135</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
Accounts payables	11,380	14,598	14,979	19,697	20,970
Other current liabilities	16,497	20,002	25,181	27,575	31,456
Provisions	0	0	0	0	0
Debt funds	3,051	3,596	8,158	5,000	4,300
Other liabilities	1,627	1,491	1,367	1,620	1,847
Equity capital	225	225	225	225	225
Reserves & surplus	32,289	34,700	38,456	41,594	46,231
Shareholders' fund	32,514	34,925	38,702	41,840	46,478
<b>Total liab. and equities</b>	<b>65,069</b>	<b>74,611</b>	<b>88,386</b>	<b>95,732</b>	<b>1,05,051</b>
Cash and cash eq.	20,545	9,535	11,316	17,540	19,633
Accounts receivables	12,371	14,237	17,621	22,323	25,464
Inventories	4,047	7,270	7,556	7,879	8,987
Other current assets	7,702	16,336	24,309	18,384	19,473
Investments	1,192	7,034	2,168	2,569	2,931
Net fixed assets	12,451	12,014	12,645	12,707	12,827
CWIP	211	443	4,338	4,338	4,338
Intangible assets	0	0	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	6,550	7,743	8,433	9,992	11,398
<b>Total assets</b>	<b>65,069</b>	<b>74,611</b>	<b>88,386</b>	<b>95,732</b>	<b>1,05,051</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY21A	FY22A	FY23A	FY24E	FY25E
<b>Cash flow from operations</b>	<b>7,695</b>	<b>3,247</b>	<b>4,596</b>	<b>13,980</b>	<b>8,030</b>
Capital expenditures	(834)	(838)	(6,499)	(1,200)	(1,200)
Change in investments	(5,789)	(4,263)	(993)	(401)	(362)
Other investing cash flows	266	885	696	(1,307)	(1,178)
<b>Cash flow from investing</b>	<b>(6,357)</b>	<b>(4,216)</b>	<b>(6,797)</b>	<b>(2,908)</b>	<b>(2,740)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	947	762	4,481	(3,158)	(700)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(174)	(968)	(996)	(1,690)	(2,497)
<b>Cash flow from financing</b>	<b>772</b>	<b>(206)</b>	<b>3,485</b>	<b>(4,848)</b>	<b>(3,197)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>2,110</b>	<b>(1,175)</b>	<b>1,284</b>	<b>6,224</b>	<b>2,093</b>
<b>Closing cash &amp; cash eq.</b>	<b>20,545</b>	<b>9,535</b>	<b>11,316</b>	<b>17,540</b>	<b>19,633</b>

### Per Share

Y/E 31 Mar (Rs)	FY21A	FY22A	FY23A	FY24E	FY25E
Reported EPS	17.3	26.2	37.8	40.5	59.9
Adjusted EPS	21.7	26.2	37.8	44.8	59.9
Dividend per share	7.0	8.0	10.0	11.0	12.0
Book value per share	272.9	293.1	324.6	351.0	389.9

### Valuations Ratios

Y/E 31 Mar (x)	FY21A	FY22A	FY23A	FY24E	FY25E
EV/Sales	6.5	5.2	3.8	3.2	2.9
EV/EBITDA	87.5	75.3	51.2	44.8	36.0
Adjusted P/E	115.7	96.0	66.5	56.2	42.0
P/BV	9.2	8.6	7.8	7.2	6.5

### DuPont Analysis

Y/E 31 Mar (%)	FY21A	FY22A	FY23A	FY24E	FY25E
Tax burden (Net profit/PBT)	79.1	76.2	74.7	75.0	75.0
Interest burden (PBT/EBIT)	136.2	133.1	125.5	126.5	125.1
EBIT margin (EBIT/Revenue)	5.0	5.0	5.9	5.9	7.0
Asset turnover (Rev./Avg TA)	76.9	87.7	99.3	104.1	108.9
Leverage (Avg TA/Avg Equity)	2.0	2.1	2.2	2.3	2.3
Adjusted ROAE	8.3	9.3	12.2	13.3	16.2

### Ratio Analysis

Y/E 31 Mar	FY21A	FY22A	FY23A	FY24E	FY25E
<b>YoY growth (%)</b>					
Revenue	(16.4)	27.9	32.0	18.5	14.1
EBITDA	(12.6)	18.6	41.8	13.1	28.5
Adjusted EPS	22.0	20.5	44.3	18.4	33.7
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	7.4	6.9	7.4	7.1	7.9
EBIT margin	5.0	5.0	5.9	5.9	7.0
Adjusted profit margin	5.4	5.1	5.6	5.6	6.5
Adjusted ROAE	8.3	9.3	12.2	13.3	16.2
ROCE	7.0	8.3	10.9	12.4	15.5
<b>Working capital days (days)</b>					
Receivables	94	85	80	85	85
Inventory	31	43	34	30	30
Payables	87	87	68	75	70
<b>Ratios (x)</b>					
Gross asset turnover	2.0	2.5	3.1	3.5	3.8
Current ratio	1.5	1.3	1.4	1.3	1.3
Net interest coverage ratio	11.7	12.2	12.8	16.1	25.3
Adjusted debt/equity	(0.5)	(0.2)	(0.1)	(0.3)	(0.3)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

## Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Recommendation scale: Recommendations and Absolute returns (%) over 12 months**

**BUY** – Expected return >+15%

**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

### Ratings and Target Price (3-year history): THERMAX (TMX IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

#### Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

#### General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS’s prior written consent.

#### **Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014**

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company, except for Research Analyst Vinod Chari having 55 shares of Larsen & Toubro (LT IN). BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS’s associates may have financial interest in the subject company. BOBCAPS’s associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

#### **Other disclaimers**

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS’s judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

#### **Distribution into the United Kingdom (“UK”):**

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK’s legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

#### **No distribution into the US:**

This report will not be distributed in the US and no US person may rely on this communication.

#### **Other jurisdictions:**

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.