## RESEARCH

### MARUTI SUZUKI | TARGET: Rs 12,965 | +2% | HOLD

Steady performance, but steep valuations; downgrade to HOLD

### HINDUSTAN UNILEVER | TARGET: Rs 2,617 | +18% | BUY

Subdued performance; expect gradual recovery

### BAJAJ FINANCE | TARGET: Rs 8,830 | +31% | BUY

Obstacles for a powerful player on a protracted journey

### SBI LIFE | TARGET: Rs 2,040 | +44% | BUY

Expect market dominance to continue

### SUPREME INDUSTRIES | TARGET: Rs 4,650 | +7% | HOLD

In-line Q4FY24; pipe volume guided to grow at healthy rate in FY25

### DALMIA BHARAT | TARGET: Rs 2,346 | +30% | BUY

Disappointments all over; but paving the way for growth

### UTI AMC | TARGET: Rs 925 | -5% | HOLD

Core profit in line; maintain HOLD

### GLENMARK LIFE SCIENCES | TARGET: Rs 790 | -3% | HOLD

Weak quarter; maintain HOLD

**Daily macro indicators**

| Indicator | 24-Apr | 25-Apr | Chg (%) |
|---|---|---|---|
| US 10Y yield (%) | 4.64 | 4.70 | 6bps |
| India 10Y yield (%) | 7.19 | 7.21 | 2bps |
| USD/INR | 83.32 | 83.33 | 0.0 |
| Brent Crude (US$/bbl) | 88.0 | 89.0 | 1.1 |
| Dow | 38,461 | 38,086 | (1.0) |
| Hang Seng | 17,201 | 17,285 | 0.5 |
| Sensex | 73,853 | 74,339 | 0.7 |
| **India FII (US$ mn)** | **23-Apr** | **24-Apr** | **Chg ($ mn)** |
| FII-D | (225.0) | (384.1) | (159.2) |
| FII-E | (414.8) | 507.5 | 922.2 |

Source: Bank of Baroda Economics Research

## SUMMARY

### MARUTI SUZUKI

- Q4 volumes grew 13% YoY driven by healthy demand for SUVs; rural demand for lower-end segment shows no signs of revival
- Realisation gains (+5% YoY), softening costs and higher volumes lifted EBITDA margin 180bps YoY to 12.3%, limited traction QoQ
- Downgrade from BUY to HOLD on run-up in valuations; TP raised to Rs 12,965 (from Rs 12,234) and EPS estimates 5%/6% for FY25/FY26

Click here **for the full report.**

**BOBCAPS Research**
research@bobcaps.in

## HINDUSTAN UNILEVER

- Volume growth remained at 2%; revenue growth flat owing to pricing action in key portfolios
- EBITDA margin impacted on account of termination of GSK consignment selling agreement and higher ad spends
- Expect a modest recovery in volume; maintain BUY with lower TP of Rs 2,617 (previously Rs 2,895)

**Click here for the full report.**

## BAJAJ FINANCE

- Rising cost of funds dent NIM; we factor in a further 43bps/13bps YoY decline in FY25/FY26
- AUM grew 34% YoY in FY24 but amidst pain in fewer segments and guidance we lower growth to 27%/25% for FY25/FY26
- Lower the TP to Rs 8,830 (Rs 10,105 earlier) to bake in the negatives with a lower target FY26E P/ABV of 4.7x (vs 5.5x) for standalone business

**Click here for the full report.**

## SBI LIFE

- FY24 APE growth strong at 17% YoY with ULIPs forming 60% of total; continues to lead the market with 23.3% share in individual APE
- VNB margin declined 200bps YoY, but remains comparatively better than listed peers at 28.1% at end FY24
- Our TP increased to Rs 2,040 (from Rs 1,970) on estimate revisions, based on an unchanged 2.5x FY26E P/EV; maintain BUY

**Click here for the full report.**

## SUPREME INDUSTRIES

- Q4 broadly in line with our estimates as strong pipe volume offset the impact of weak pipe margin
- Strong volume growth guidance of 20% (pipe: +25%) with stable EBITDA margin of 15.5% for FY25
- Maintain HOLD as bright prospects baked into current valuations; TP raised by 8% to Rs 4,650 on roll forward from Sep'25 to Mar'26

**Click here for the full report.**

## DALMIA BHARAT

- Q4 revenue grew at a steady 10% YoY supported by ~19% volume growth while realisations weakened 7% YoY/QoQ
- Despite a steep fall in realisation and higher logistics and raw material expenses, EBITDA margin fell only by 160 bps YoY to 15.2%
- We cut FY25/FY26 EBITDA 5%/3% estimating 1HFY25 to be weaker, and lower our TP to Rs 2,346 (from Rs 2,443). Maintain BUY

**Click here for the full report.**

## UTI AMC

- Q4 QAAUM grew 22% YoY to Rs 2.9tn, but equity and hybrid schemes combined saw sustained outflows
- Yields increased in Q4; core net profit in line with the estimate
- We tweak FY25/FY26 earnings projections, leading to a new TP of Rs 925 (vs. Rs 909); maintain HOLD

**Click here for the full report.**

## GLENMARK LIFE SCIENCES

- Lower-than-expected 4Q due to Red Sea disruptions. EBITDA/PAT were 17% below consensus estimates
- Changes in accounting policies with new promoters and lower PLI benefit impacted margins. Confident of 28-30% EBITDA margin in FY25
- FY25-FY26 earnings tweaked; move to EV/EBITDA valuation. Raise TP to Rs 790 (from Rs 765). Retain HOLD.

**Click here for the full report.**

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**
**TP: Rs 12,965 | 2%**

**MARUTI SUZUKI** | Automobiles | 27 April 2024

# Steady performance, but steep valuations; downgrade to HOLD

- **Q4 volumes grew 13% YoY driven by healthy demand for SUVs; rural demand for lower-end segment shows no signs of revival**
- **Realisation gains (+5% YoY), softening costs and higher volumes lifted EBITDA margin 180bps YoY to 12.3%, limited traction QoQ**
- **Downgrade from BUY to HOLD on run-up in valuations; TP raised to Rs 12,965 (from Rs 12,234) and EPS estimates 5%/6% for FY25/FY26**

**Milind Raginwar**
research@bobcaps.in

**Volumes and realisations gain:** MSIL's Q4FY24 revenue grew 19% YoY (-15% QoQ) to Rs 382bn, backed by 13%/17%% volume gains YoY/QoQ and 5% realisation growth (-1% QoQ). Sales volume at 584.0k units was driven by increasing SUV demand (industry share at ~50% in Q4). Average blended realisation/vehicle was Rs 654.6k stemming from a mix of price hikes (50bps) and discounts at Rs 18.0k lower than ~Rs 23.3k per vehicle in 3QFY24.

**Operating margin expands YoY, limited traction QoQ:** Raw material cost at 71.4% of sales dropped 190bps YoY (+50bps QoQ), aiding gross margin improvement of 190bps YoY (-50bps QoQ) to 28.6%. Higher sales volume, cost reduction efforts and favourable commodity prices helped EBITDA grow 23% YoY (-to ~Rs 47bn, with margin expansion of 180bps. The margin traction was limited at 50bps (GM dropped) despite lower discounts, ASP rise and forex gains.

**Capacity expansion on track:** MSIL's planned expansion at Kharkhoda (Haryana) with a capacity of 0.25mn vehicles a year is due to become operational in CY25. The Manesar plant expansion of 0.1mn units will cater to the current shortfall in Ertiga models. The company has signed an MoU with the Gujarat government to set up a 1mn-unit plant in the state by FY29 and has earmarked a Rs350bn capex.

**Downgrade to HOLD on steep valuation; increase estimates:** We raise our FY25/FY26 EPS estimates by 5%/6% factoring in the healthy show in FY24. We model for a 3Y CAGR of 23%/26%/26% in Revenue/EBITDA/PAT. Our gross margin assumptions hover at ~29% with EBITDA margins of ~12% over our forecast period. The revision factors in an upbeat growth outlook backed by MSIL's focus on premiumisation, healthy capex and thrust on electric vehicles (EVs). However, the recent steep run up in valuations leaves limited room for uptick. Effectively, we downgrade the stock from a BUY rating to HOLD. We continue to value the stock at 25x P/E, on par with its 10Y average yielding a revised TP of Rs 12,965 (from Rs 12,234). Margin expansion traction in the short term is limited given early commodity reversal trends in 1QFY25, steep competition in the SUV segment and entry in the EV space.

## Key changes

| Target | Rating |
|---|---|
| ▲ | ▼ |

| | |
|---|---|
| Ticker/Price | MSIL IN/Rs 12,703 |
| Market cap | US$ 46.7bn |
| Free float | 44% |
| 3M ADV | US$ 77.4mn |
| 52wk high/low | Rs 13,074/Rs 8,471 |
| Promoter/FPI/DII | 56%/23%/16% |

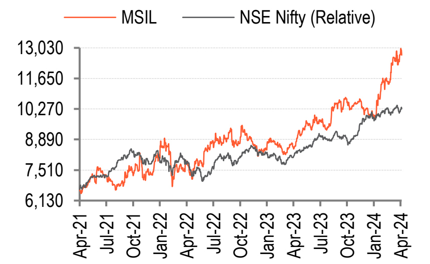
Source: NSE | Price as of 26 Apr 2024

## Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| Total revenue (Rs mn) | 14,09,326 | 16,28,760 | 18,47,013 |
| EBITDA (Rs mn) | 1,64,011 | 1,93,512 | 2,20,664 |
| Adj. net profit (Rs mn) | 1,32,094 | 1,42,666 | 1,59,785 |
| Adj. EPS (Rs) | 437.3 | 472.3 | 528.9 |
| Consensus EPS (Rs) | 437.3 | 473.0 | 514.0 |
| Adj. ROAE (%) | 15.7 | 14.8 | 14.6 |
| Adj. P/E (x) | 29.1 | 26.9 | 24.0 |
| EV/EBITDA (x) | 23.4 | 20.2 | 17.6 |
| Adj. EPS growth (%) | 64.1 | 8.0 | 12.0 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

## Stock performance




Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**BUY**
**TP: Rs 2,617 | ⮝ 18%**

**HINDUSTAN UNILEVER** | Consumer Staples | 26 April 2024

## Subdued performance; expect gradual recovery

- **Volume growth remained at 2%; revenue growth flat owing to pricing action in key portfolios**
- **EBITDA margin impacted on account of termination of GSK consignment selling agreement and higher ad spends**
- **Expect a modest recovery in volume; maintain BUY with lower TP of Rs 2,617 (previously Rs 2,895)**

**Vikrant Kashyap**
research@bobcaps.in

**Volume growth remains subdued:** HUVR's underlying volume growth was flat sequentially at 3% in Q4FY24 as heightened competition from regional players and delayed recovery in rural markets continued to impact volumes. Consolidated revenue was also flat at Rs 152bn largely due to price corrections in key portfolios. Gross margin improved 320bps YoY during the quarter. EBITDA margin declined by 30bps to 23.2% owing to 60bps impact from the termination of the GlaxoSmithKline (GSK) consignment selling arrangement, 200bps increase in advertisements and promotions (A&P) investments and higher employee cost and other expenses. The company announced a final dividend of Rs 24/share.

**Key categories deliver subdued growth:** On a YoY basis in Q4, HUVR's home care (HC) had mid-single digit growth while the beauty & personal care (BPC) and foods & refreshment (F&R) segments had flat volume growth. Underlying sales growth for HC was flat, BPC declined 2% and pricing drove 4% sales growth for F&R. Fabric wash and household care grew volumes in the mid-single digit, driven by strong performance in the premium portfolio. Skin cleansing declined due to price cuts along with a drop in volumes in the mass and popular segments, and oral care reported double-digit growth led by pricing. The tea business saw a muted performance owing to continuous downtrading in the category.

**Innovation and premiumisation remain focus areas:** HUVR continues to strengthen its core portfolio by launching new products across segments. The company's focus on premiumisation continues to deliver results and now accounts for 25% of its business. In the BPC segment, the premium portfolio continued to grow ahead of the other segments.

**Maintain BUY:** HUVR's volume and value growth remained weak in a challenging environment amid elevated regional competition and delayed rural recovery. We cut our FY25/FY26 EPS expectations by 8%/9.6% to build in slower volumes and lower margins. Recovery in consumer sentiment and a good monsoon will result in modest recovery in volume in H2FY25, in our view. We cut our TP of Rs 2,617 (earlier Rs 2,895), based on a target P/E of 51.5x on FY26E, and retain BUY.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◄ ► |

| | |
|---|---|
| Ticker/Price | HUVR IN/Rs 2,223 |
| Market cap | US$ 63.6bn |
| Free float | 38% |
| 3M ADV | US$ 55.6mn |
| 52wk high/low | Rs 2,770/Rs 2,172 |
| Promoter/FPI/DII | 62%/14%/24% |

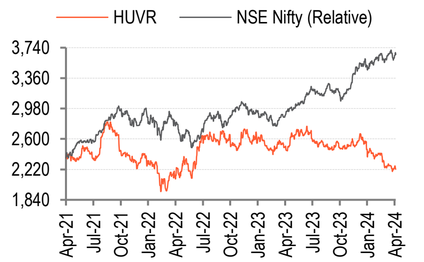
Source: NSE | Price as of 26 Apr 2024

### Key financials

| Y/E 31 Mar | FY23A | FY24E | FY25E |
|---|---|---|---|
| Total revenue (Rs mn) | 605,800 | 618,960 | 660,828 |
| EBITDA (Rs mn) | 141,490 | 146,630 | 156,204 |
| Adj. net profit (Rs mn) | 101,600 | 102,770 | 108,120 |
| Adj. EPS (Rs) | 43.2 | 43.7 | 46.0 |
| Consensus EPS (Rs) | 43.2 | 44.8 | 50.7 |
| Adj. ROAE (%) | 20.4 | 20.2 | 20.9 |
| Adj. P/E (x) | 51.4 | 50.8 | 48.3 |
| EV/EBITDA (x) | 36.9 | 35.6 | 33.4 |
| Adj. EPS growth (%) | 14.1 | 1.6 | 5.2 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**BUY**
**TP: Rs 8,830 | ⮝ 31%**

**BAJAJ FINANCE** | NBFC | 26 April 2024

# Obstacles for a powerful player on a protracted journey

- **Rising cost of funds dent NIM; we factor in a further 43bps/13bps YoY decline in FY25/FY26**
- **AUM grew 34% YoY in FY24 but amidst pain in fewer segments and guidance we lower growth to 27%/25% for FY25/FY26**
- **Lower the TP to Rs 8,830 (Rs 10,105 earlier) to bake in the negatives with a lower target FY26E P/ABV of 4.7x (vs 5.5x) for standalone business**

**Mohit Mangal**
research@bobcaps.in

**NIM moderates**: NIM (calc.) compressed 57bps YoY owing to higher COF (58bps YoY) in Q4 and the pain is expected to last for at least two quarters despite increasing loan yields to mitigate the impact. We now factor in NIM margin of 10%/9.8% for FY25/FY26 with NII growth of 25%/24%, lower than the average of 29% registered over FY22-FY24. Apart from NII, there was moderation in fee income growth due to the Reserve Bank of India's embargo. Lifting the ban could be a positive for the stock. We expect operating leverage to kick in (as witnessed in past occasions too) and thus we lower our C/I ratio by 50bps/120bps for FY25/FY26 to 33.5%/33.1%.

**Normalised AUM growth in FY25:** In contrast to 34% YoY AUM growth in FY24, management has projected 26-28% growth in FY25. Loan against property, finance for new cars, and financing for tractors, which might be cyclical, would drive the expansion. In terms of categories, the pain persisted in Rural B2C (excluding gold loans), where growth slowed to 6% YoY. But it makes up a minor percentage of the balance sheet and its focus is to expand the secured businesses. We forecast 27%/25% YoY growth in AUM to Rs 4.2tn/Rs 5.2tn for FY25/FY26.

**Asset quality strong; well capitalised:** Management has focused on risk management ahead of growth and thus cut down exposures to riskier segments. GNPA/NNPA at 0.85%/0.37% is a strong representation. Although we factor in a 5bps increase in FY25 credit cost (FY26: unchanged) to 1.85%/1.95%, it would remain <2% and within comfort levels. Capital adequacy remained strong at 22.5% as of Mar'24 with Tier-1 capital at 21.5%.

**Maintain BUY:** We reduce our FY26E P/ABV for the standalone business to 4.7x from 5.5x, a 15% discount to the stock's long-term mean, to account for growth deceleration and pain in fewer divisions. Baking in our revised estimates and target multiple, we arrive at a fair value of Rs 8,240/sh (Rs 9,488 earlier) for standalone operations. Adding Rs 591/sh for subsidiaries, we have a new SOTP-based TP of Rs 8,830 (Rs 10,105 earlier) for BAF that offers 31% upside. Maintain BUY rating.

## Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | BAF IN/Rs 6,731 |
| Market cap | US$ 50.2bn |
| Free float | 44% |
| 3M ADV | US$ 113.3mn |
| 52wk high/low | Rs 8,192/Rs 6,066 |
| Promoter/FPI/DII | 56%/20%/13% |

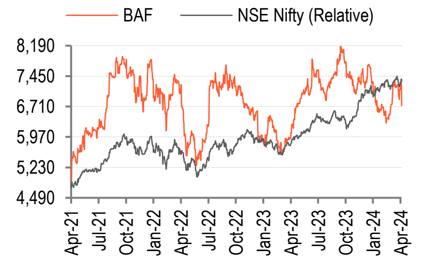
Source: NSE | Price as of 26 Apr 2024

## Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| NII (Rs mn) | 2,95,819 | 3,70,061 | 4,60,394 |
| NII growth (%) | 28.7 | 25.1 | 24.4 |
| Adj. net profit (Rs mn) | 1,44,512 | 1,72,822 | 2,15,333 |
| EPS (Rs) | 236.0 | 282.2 | 351.6 |
| Consensus EPS (Rs) | 236.0 | 285.0 | 350.0 |
| P/E (x) | 28.5 | 23.9 | 19.1 |
| P/BV (x) | 5.4 | 4.5 | 3.8 |
| ROA (%) | 4.4 | 4.1 | 4.1 |
| ROE (%) | 22.1 | 20.6 | 21.4 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

## Stock performance




Source: NSE

**BUY**
**TP: Rs 2,040 | ⮝ 44%**

**SBI LIFE** | Insurance | 27 April 2024

## Expect market dominance to continue

- **FY24 APE growth strong at 17% YoY with ULIPs forming 60% of total; continues to lead the market with 23.3% share in individual APE**
- **VNB margin declined 200bps YoY, but remains comparatively better than listed peers at 28.1% at end FY24**
- **Our TP increased to Rs 2,040 (from Rs 1,970) on estimate revisions, based on an unchanged 2.5x FY26E P/EV; maintain BUY**

**Mohit Mangal**
research@bobcaps.in

**Market leadership maintained:** SBI Life's APE grew at a strong 17% YoY to Rs 197bn in FY24 (+17% YoY to Rs 53bn in Q4FY24) and gross premium increased 21% to Rs 814bn. The company maintains market leadership in private life insurance, commanding 23.3% share in individual APE at end-FY24 (17.4% in Q4) – well ahead of the #2 player by a margin of ~800bps. We expect lower Q4 market share to be an aberration. We raise our premium estimates by 4%/5% for FY25/FY26. APE projections increase by 1% of FY25 and marginally for FY26.

**Business skewed towards ULIPs:** ULIPs remained in focus, growing 28% YoY as at end-FY24 and constituting 60% of APE vs. 55% in FY23. Non-par business declined 14% YoY to Rs 32.4bn in FY24, causing its share in total APE to reduce to 16% (22% in FY23). Total protection business formed 11% of APE. Individual protection APE slid 4% YoY, but group protection grew 45%. SBI Life introduced two new protection products in Q4 and is keen to grow its individual segment in the category. Group savings grew 89% YoY but remained a lumpy business.

**VNB margin to remain low:** SBI Life's VNB grew 9% YoY to Rs 55.5bn at end-FY24. Over this period, the VNB margin fell from 30.1% to 28.1% majorly due to a shift in product mix towards ULIPs. We trim our FY25/FY26 margin estimates by 100/150bps at 27.5% for each of the years.

**Persistency ratios improve, expense ratio declines:** Persistency in the 13$^{th}$ month cohort improved to 86.8% at end-FY24 from 85.5% in the year-ago period and in the 61$^{st}$ month to 58.6% from 55.6%. The expense ratio declined 73bps YoY to 8.9% in FY24. In Q4, the expense ratio was positively impacted by the reversal of provisions made for commissions to the banca partners.

**Our top pick – BUY:** SBI Life is trading at 1.7x FY26E P/EV. Considering the company's strong performance and market leadership, we increase our estimates and assign an unchanged multiple of 2.5x FY26E P/EV to the stock – in line with the long-term mean. Our TP increases to Rs 2,040 (from Rs 1,970) and carries 44% upside. SBI Life continues to be our top pick among life insurers – retain BUY.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◄► |

| | |
|---|---|
| Ticker/Price | SBILIFE IN/Rs 1,415 |
| Market cap | US$ 17.2bn |
| Free float | 45% |
| 3M ADV | US$ 22.5mn |
| 52wk high/low | Rs 1,569/Rs 1,125 |
| Promoter/FPI/DII | 55%/24%/16% |

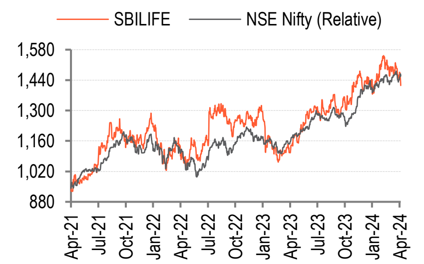
Source: NSE | Price as of 26 Apr 2024

### Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| NBP (Rs mn) | 3,82,383 | 4,47,388 | 5,18,970 |
| APE (Rs mn) | 1,97,200 | 2,31,773 | 2,68,857 |
| VNB (Rs mn) | 55,500 | 63,738 | 73,936 |
| Embedded Value (Rs mn) | 5,82,500 | 6,90,813 | 8,17,007 |
| VNB margin (%) | 28.1 | 27.5 | 27.5 |
| EVPS (Rs) | 581.3 | 689.4 | 815.4 |
| EPS (Rs) | 18.9 | 18.9 | 22.8 |
| Consensus EPS (Rs) | 18.9 | 20.0 | 22.0 |
| P/EV (x) | 2.4 | 2.1 | 1.7 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

### Stock performance




Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**
**TP: Rs 4,650 | ▲ 7%**

**SUPREME INDUSTRIES** | Building Materials | 27 April 2024

# In-line Q4FY24; pipe volume guided to grow at healthy rate in FY25

- **Q4 broadly in line with our estimates as strong pipe volume offset the impact of weak pipe margin**
- **Strong volume growth guidance of 20% (pipe: +25%) with stable EBITDA margin of 15.5% for FY25**
- **Maintain HOLD as bright prospects baked into current valuations; TP raised by 8% to Rs 4,650 on roll forward from Sep'25 to Mar'26**

Utkarsh Nopany
research@bobcaps.in

**In-line quarter:** SI beat our topline estimate by 5.5% due to better-than-expected pipe volume (+41.4% YoY vs +30% estimate), but missed our EBITDA estimate by 3.1% due to weak pipe segment margin (-10 bps QoQ to 16.0% vs 19.0% estimate). However, SI still managed to beat our PAT estimate by 2.1% mainly due to sharp increase in share of profit from associate (+95.4% QoQ). Overall, SI's revenue/ EBITDA grew by 15.8%/2.2% YoY, but APAT fell by 1.3% YoY in Q4FY24.

**Key result highlights:** Despite strong pipe volume (+41.4% YoY; 5Y CAGR: +13.7%), pipe segment EBITDA fell by 8.4% YoY in Q4FY24 due to aggressive pricing action and high MTM inventory gain in Q4FY23. The company registered strong pipe volume growth for the ninth consecutive quarter. Non-pipe segment continued to grow at a tepid rate of 4.1% YoY (5Y CAGR: +3.7%), but the segment EBITDA grew sharply by 41.1% YoY in Q4FY24 due to a sharp recovery in packaging margin (+980 bps YoY to 21.2% on a low base).

**Concall KTAs:** SI gained market share in plastic pipes in FY24 as its volume grew by 33.6% YoY vs 13.8% for industry. The company expects its total volume to grow at 20% YoY (pipe: +25%) and EBITDA margin to be 15.5% in FY25. PVC resin prices are not expected to rise sharply in the near future due to weak demand from China. The company plans to increase its piping systems from 36 at present to 41 in FY25. It is planning capex of Rs15 bn over the next two years for brownfield capacity expansion and to set up two greenfield pipe plants in Patna (Bihar) and Vijayawada (Andhra Pradesh).

**Maintain HOLD, TP revised up by 8% to Rs4,650:** We maintain our HOLD rating on the stock due to expensive valuations (trades at 42.7x on 1Y forward P/E vs. 5Y average of 28.1x). Our TP has been raised to Rs4,650 (Rs4,300 earlier) due to a slight increase in our EPS estimates (+2.9%/0.6% for FY25/FY26) based on strong pipe volume growth guidance for FY25 and roll forward of our valuation from Sep'25 to Mar'26. Our target P/E remains unchanged at 40x.

## Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | SI IN/Rs 4,338 |
| Market cap | US$ 6.7bn |
| Free float | 51% |
| 3M ADV | US$ 7.2mn |
| 52wk high/low | Rs 4,888/Rs 2,609 |
| Promoter/FPI/DII | 49%/24%/13% |

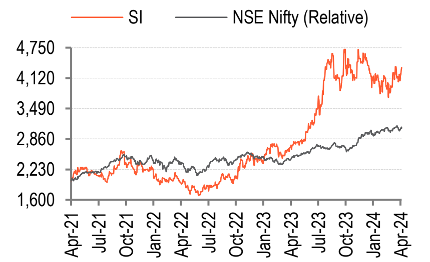
Source: NSE | Price as of 26 Apr 2024

## Key financials

| Y/E 31 Mar | FY24A | FY25E | FY26E |
|---|---|---|---|
| Total revenue (Rs mn) | 1,01,343 | 1,19,305 | 1,38,282 |
| EBITDA (Rs mn) | 15,473 | 18,899 | 21,915 |
| Adj. net profit (Rs mn) | 10,697 | 12,940 | 14,769 |
| Adj. EPS (Rs) | 84.2 | 101.8 | 116.2 |
| Consensus EPS (Rs) | 84.2 | 100.2 | 117.1 |
| Adj. ROAE (%) | 22.5 | 23.4 | 22.7 |
| Adj. P/E (x) | 51.5 | 42.6 | 37.3 |
| EV/EBITDA (x) | 36.0 | 29.7 | 25.8 |
| Adj. EPS growth (%) | 23.6 | 21.0 | 14.1 |

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance




Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**BUY**
**TP: Rs 2,346 | ▲ 30%**

**DALMIA BHARAT** | Cement | 26 April 2024

## Disappointments all over; but paving the way for growth

- **Q4 revenue grew at a steady 10% YoY supported by ~19% volume growth while realisations weakened 7% YoY/QoQ**
- **Despite a steep fall in realisation and higher logistics and raw material expenses, EBITDA margin fell only by 160 bps YoY to 15.2%**
- **We cut FY25/FY26 EBITDA 5%/3% estimating 1HFY25 to be weaker, and lower our TP to Rs 2,346 (from Rs 2,443). Maintain BUY**


**Milind Raginwar**
research@bobcaps.in


**Volumes rise, realisations weak:** Dalmia Bharat (DBL) reported a 10 % YoY (+20% QoQ) increase in revenue to Rs 43bn in Q4FY24 as focus continues on healthy volume growth of ~19% YoY (+29% QoQ) to 8.8mt. Realisations fell 7% YoY/QoQ to Rs 4,895/t. Cement prices weakened in DBL's key operating regions by 7% QoQ largely due to supply pressure and limited demand growth.

**Limited respite in cost savings:** Overall cost/tonne dipped 4% YoY (flat QoQ) to Rs 4,114 due to an 8% YoY (flat QoQ) jump in raw material-adjusted energy cost to Rs 2,009/t. The logistics cost was up 16% YoY to Rs1,159/t and was a major negative surprise. The elevated cost was due to higher clinker movement to the split grinding units. Other expenditure rose by 16% YoY increase.

**EBITDA falls as cost inflates, realisation weakens:** EBITDA fell by ~8% YoY (-16% QoQ) to ~Rs 6.5bn, and EBITDA margin fell to ~15.2% from ~17% in 4QFY23. EBITDA/t fell by 23% to Rs 717 YoY (36% QoQ). The cost reversal in the next couple of quarters will help EBITDA/t to recover partially.

**Capacity expansion underway:** Debottlenecking expansions at Ariyalur in Tamil Nadu and Kadapa in Andhra Pradesh of 1mt each are complete and currently undergoing trial runs. The 0.5mt debottleneck expansion at Rohtas (Kalyanpur), Bihar, and 2.4mt greenfield expansion at Lanka, Assam, are expected to be complete by H2FY25. Management plans to increase capacity to 49.5mt by FY25-end (excluding 9.4mt capacity from Jaypee acquisition, which is backed by 4mt of clinker).

**Maintain BUY:** We prune our FY25/FY26 EBITDA estimates by ~5%/3% to factor in expectations of slow demand in the election phase (4QFY24/1HFY25) and capacity additions in FY25. We continue to assign the stock an EV/EBITDA of 12x FY26E but lower our TP to Rs 2,346 (earlier Rs 2,443) which reflects an implied replacement cost of Rs 7.5bn. We maintain a BUY rating on the stock with a 30% upside from the TP. We believe DBL's key focus areas are growth prospects, relatively better margin profile in the medium term and improving balance sheet.

### Key changes

| Target | Rating |
|---|---|
| ▼ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | DALBHARA IN/Rs 1,806 |
| Market cap | US$ 4.1bn |
| Free float | 44% |
| 3M ADV | US$ 10.7mn |
| 52wk high/low | Rs 2,431/Rs 1,767 |
| Promoter/FPI/DII | 56%/12%/8% |

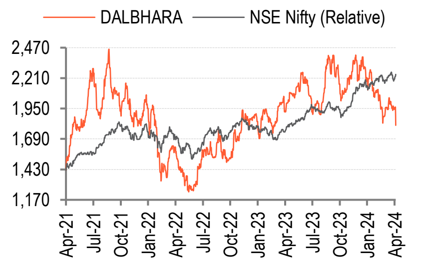
Source: NSE | Price as of 25 Apr 2024

### Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| Total revenue (Rs mn) | 1,46,910 | 1,70,470 | 1,93,494 |
| EBITDA (Rs mn) | 26,391 | 30,732 | 39,137 |
| Adj. net profit (Rs mn) | 8,271 | 10,282 | 14,886 |
| Adj. EPS (Rs) | 43.5 | 55.6 | 80.5 |
| Consensus EPS (Rs) | 43.5 | 57.1 | 79.6 |
| Adj. ROAE (%) | 5.3 | 6.6 | 9.5 |
| Adj. P/E (x) | 41.5 | 32.5 | 22.5 |
| EV/EBITDA (x) | 12.8 | 11.8 | 8.1 |
| Adj. EPS growth (%) | 27.4 | 27.7 | 44.8 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

### Stock performance




Source: NSE

**HOLD**
**TP: Rs 925 | ∀ 5%**

**UTI AMC** | NBFC | 27 April 2024

# Core profit in line; maintain HOLD

- **Q4 QAAUM grew 22% YoY to Rs 2.9tn, but equity and hybrid schemes combined saw sustained outflows**
- **Yields increased in Q4; core net profit in line with the estimate**
- **We tweak FY25/FY26 earnings projections, leading to a new TP of Rs 925 (vs. Rs 909); maintain HOLD**

Mohit Mangal
research@bobcaps.in

**AUM grew 22% YoY:** UTI AMC's QAAUM grew 22% YoY to Rs 2.9tn in Q4FY24. ETFs constituted 40% of the total and grew 39% YoY whereas debt schemes grew 23% YoY. Equity schemes were up 17% YoY to Rs 1.1tn though it lost 90bps in market share. Gross inflow mobilised through SIPs stood at Rs 17.7bn for the quarter, with SIP AUM rising 43% YoY to Rs 307bn. B30 MAAUM formed 21% of the mix vs. 18% for the industry at end-Mar'24. We raise our FY24-FY26 AUM estimates by 5%/3% for FY25/FY26 to Rs 3.3tn/ Rs 3.6tn.

**Overall flows positive but equity outflow continues:** UTI AMC registered overall outflows of Rs 43bn in Q4, with ETFs and index funds attracting inflows of Rs 32bn and debt schemes drawing Rs 2bn. However, the company saw sustained outflows in equity and hybrid schemes combined at Rs 14bn. This is a concern at a time when the industry is able to attract large equity inflows. Liquid funds outflow of Rs 64bn was due to banks exit towards end of quarter and return at the start of quarter.

**In line core earnings:** Core PAT at Rs 963mn in Q4 was in line with our estimate. Core revenue grew 18% YoY (+10% QoQ) to Rs 3.2bn. Operating expenses increased 5% YoY to Rs 1.9bn. Due to UTI International team, insurance costs, and gratuities (a one-time item), employee expenses increased by 9% YoY to Rs1.2bn. Baking in the Q4 print, we raise FY25E/FY26E revenue/PAT by 3%/2%. A final dividend of Rs 47 per share was paid for FY24 (including special dividend of Rs 23).

**Yields increased:** Q4 yield (calc.) grew 1bps QoQ to 35bps with improvement across all categories. On equity, (i) management fees increased due to over-estimation of commission. (ii) Securities and Exchange Board of India's Feb'23 halt on B-30 commission payout requiring additional trail commission payment for one more year – no commission was needed after the one-year period ended.

**Maintain HOLD:** We value the stock at an unchanged 17x FY26E P/E – a 10% discount to mean. Following our earnings revision, our TP moves to Rs 925 (from Rs 909), which is a 5% downside – maintain HOLD. Growth in equity AUM, net inflows and subsidiaries performance are key monitorables for the stock.

## Key changes

| Target | Rating |
|---|---|
| ▲ | ◀ ▶ |

| | |
|---|---|
| Ticker/Price | UTIAM IN/Rs 974 |
| Market cap | US$ 1.5bn |
| Free float | 65% |
| 3M ADV | US$ 2.8mn |
| 52wk high/low | Rs 1,005/Rs 639 |
| Promoter/FPI/DII | 0%/6%/60% |

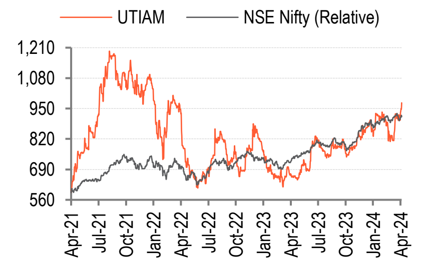
Source: NSE | Price as of 26 Apr 2024

## Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| Core PBT (Rs mn) | 4,249 | 5,183 | 5,542 |
| Core PBT (YoY) | (0.2) | 22.0 | 6.9 |
| Adj. net profit (Rs mn) | 8,020 | 6,367 | 6,905 |
| EPS (Rs) | 60.2 | 50.1 | 54.3 |
| Consensus EPS (Rs) | 60.2 | 53.0 | 56.0 |
| MCap/AAAUM (%) | 4.3 | 3.8 | 3.4 |
| ROAAAUM (bps) | 27.6 | 19.6 | 19.2 |
| ROE (%) | 18.1 | 12.5 | 12.9 |
| P/E (x) | 16.2 | 19.5 | 17.9 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

## Stock performance




Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

**HOLD**
**TP: Rs 790 | ∀ 3%**

## GLENMARK LIFE SCIENCES

| Pharmaceuticals | 26 April 2024

# Weak quarter; maintain HOLD

- **Lower-than-expected 4Q due to Red Sea disruptions. EBITDA/PAT were 17% below consensus estimates**
- **Changes in accounting policies with new promoters and lower PLI benefit impacted margins. Confident of 28-30% EBITDA margin in FY25**
- **FY25-FY26 earnings tweaked; move to EV/EBITDA valuation. Raise TP to Rs 790 (from Rs 765). Retain HOLD.**

Saad Shaikh
research@bobcaps.in

**Generic API business impacted by supply chain disruptions:** GLS reported 14% YoY decline in Q4 revenue to Rs 5.4bn (-6% QoQ) owing to delayed shipments due to the ongoing disruption in the Red Sea and, to some extent changes, in revenue recognition patterns with the change in ownership in Nirma. Management maintained that the orderbook remains strong and there is demand visibility. The Glenmark Pharma (GPL) business recovered sequentially with QoQ growth of 8.1% (-28% YoY). Generic API revenues declined by 9% YoY and by (-5.1% QoQ), impacted by the Red Sea crisis in external business and degrowth in GPL's business. Regions like Europe and LATAM contributed to growth YoY. External business saw de-growth of 5.2% YoY and 11.7% QoQ on delayed shipments due to the Red Sea conflict. External business saw positive YoY growth in Europe and LATAM.

**New CDMO contract to commercialise from Q3FY25; growth and margin to remain intact:** The CDMO business was stable sequentially but last year's high base resulted in a YoY decline of 38%. The multi-year definitive agreement with an innovator for supply of API will commercialise in Q3FY25. Management expects sales growth of low-to-mid teens, while maintaining EBITDA margin at 28-30% in FY25. The company's fourth CDMO project is to go commercial by 2HFY25 or a bit earlier. The company's fifth CDMO project in its pipeline will commercialise from 4QFY25.

**Reduced PLI benefit and one-time impact of bonus on margin:** Change in product mix as well as high employee cost on account of the one-time bonus to employees impacted EBITDA margin of 26.4% by 700bps YoY. The company also saw reduced productivity-linked incentive (PLI) benefit impacting gross margins and expects 100-150bps impact on gross margins going forward due to lack of PLI benefit.

**Retain HOLD; raise TP to Rs 790:** We have tweaked our FY25-FY26 earnings assumptions and move to an EV/EBITDA valuation. Thus, we raise our TP to Rs 790 (Rs 765 earlier) based on 10x FY26E EV/EBITDA, with an implied P/E of 14x.

### Key changes

| Target | Rating |
|---|---|
| ▲ | ◄► |

| | |
|---|---|
| Ticker/Price | GLS IN/Rs 815 |
| Market cap | US$ 1.2bn |
| Free float | 17% |
| 3M ADV | US$ 1.6mn |
| 52wk high/low | Rs 906/Rs 465 |
| Promoter/FPI/DII | 83%/5%/1% |

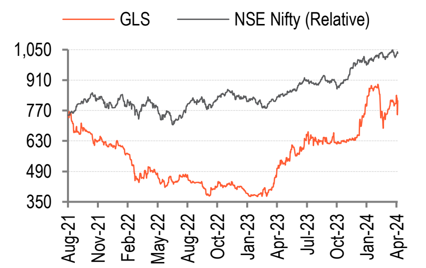
Source: NSE | Price as of 26 Apr 2024

### Key financials

| Y/E 31 Mar | FY24P | FY25E | FY26E |
|---|---|---|---|
| Total revenue (Rs mn) | 22,833 | 26,584 | 29,838 |
| EBITDA (Rs mn) | 6,743 | 8,804 | 9,837 |
| Adj. net profit (Rs mn) | 4,710 | 6,224 | 6,806 |
| Adj. EPS (Rs) | 38.4 | 50.8 | 55.5 |
| Consensus EPS (Rs) | 38.4 | 50.5 | 55.1 |
| Adj. ROAE (%) | 20.6 | 23.9 | 22.3 |
| Adj. P/E (x) | 21.2 | 16.0 | 14.7 |
| EV/EBITDA (x) | 14.2 | 11.0 | 9.8 |
| Adj. EPS growth (%) | 0.4 | 32.2 | 9.4 |

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

### Stock performance




Source: NSE

**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**

Logo:

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.

**Analyst certification**

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this 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).

**Important disclosures**

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

**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.

**Other disclosures**

BOBCAPS does not have any financial interest in the subject company. BOBCAPS does 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.

BOBCAPS is not engaged in any market making activities for 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.