BOBCAPS
TRUST | INNOVATION | EXCELLENCE

FIRST LIGHT

30 July 2024

RESEARCH

BANDHAN BANK | TARGET: Rs 245 | +27% | BUY

Strong business growth across segments aided PAT growth

FINOLEX INDUSTRIES | TARGET: Rs 325 | -1% | HOLD

Mixed Q1FY25; market share loss on capacity constraints

CANARA BANK | TARGET: Rs 140 | +21% | BUY

Despite seasonality performance remained almost stable

CONSUMER STAPLES

FMCG roundup: Risk in Southwest monsoon

SUMMARY

BANDHAN BANK

- Strong business growth despite seasonality led healthy NII growth, while lower provision on high base aided PAT growth of 47% YoY
- Sustainability of NIM (guidance of 7.0%-7.5%), improvement in asset quality and smooth transition of top management will be key
- PAT increased on revised performance but recent price correction factored into major negatives; retain BUY with TP of Rs 245 (vs. Rs 222)

Click here for the full report.

FINOLEX INDUSTRIES

- Topline miss driven by market share loss in pipe segment on capacity constraints; EBITDA beat on improved pipe margin
- Maintained volume growth guidance of 10-15% YoY for FY25 – which appears to be an optimistic target based on poor show in Q1
- Maintain HOLD on weak return ratios and expensive valuations; raise TP by 23% to Rs 325 on higher P/E (from 22x to 25x)

Click here for the full report.

BOBCAPS Research
research@bobcaps.in

CANARA BANK

- Stable business growth coupled with change in credit mix likely aided margin. CBK targets NIM of 2.9-3.0% and opex of 47% over FY25
- Controlled slippages and higher recovery and upgrades led to asset quality improvement. Targets credit cost of below 100bps to aid PAT
- With consistent improvement in business performance, we assume coverage with TP of Rs 140 set at 1.2x FY26 ABV and maintain BUY

Click here for the full report.

CONSUMER STAPLES

- Halfway through the monsoon, we analyse statewise exposure to agri income and estimate 19% of rural households in deficit SWM
- We also analyse deficit SWM vs contrasting agri GVA outcomes in FY22 and FY24. FY25 outlook is positive for agri GVA on favourable SWM
- Positive on FMCG contingent on rural recovery. Dabur is our top pick. We closely monitor SWM on recent weather forecasts of excess rainfall

Click here for the full report.

BUY
TP: Rs 245 | ⮝ 27%

BANDHAN BANK | Banking | 29 July 2024

Strong business growth across segments aided PAT growth

- **Strong business growth despite seasonality led healthy NII growth, while lower provision on high base aided PAT growth of 47% YoY**
- **Sustainability of NIM (guidance of 7.0%-7.5%), improvement in asset quality and smooth transition of top management will be key**
- **PAT increased on revised performance but recent price correction factored into major negatives; retain BUY with TP of Rs 245 (vs. Rs 222)**

Ajit Agrawal
research@bobcaps.in

Healthy business growth: Despite seasonality, BANDHAN witnessed strong business growth in Q1, wherein credit/deposit grew 24%/23% YoY leading to NII growth of 24.5%. Loan book growth was driven by Retail which grew 85% YoY, while Commercial Banking grew 30% YoY and the EEB division 21% YoY. On the liability side, deposit was mainly driven by term deposits (28% YoY), while CASA grew 14% YoY leading to 372bps QoQ decline in CASA ratio to 33.4%. The bank continued to guide for business growth of 18%, with deposit outpacing loan.

NIM guidance maintained: Despite a rise in deposits cost, bank reported NIM of 7.6% (flat QoQ) aided by lower slippages, and expects to maintain this at 7.0%-7.5% in FY25. Other income declined 24% QoQ, leading to flat (-1% QoQ) total income. However, opex declined 8% QoQ in Q1 as Q4 had one-off expenses of Rs 1.1bn leading to PPOP growth of 24% YoY (6% QoQ). Management indicated that recent investments in technology and branch expansion would bring volume leverage to support bottomline growth.

Asset quality key: Slippages improved in Q1 to Rs 8.9bn vs. Rs 10.2bn in Q4, and provision in 1QFY25 fell on higher base (Q4 included higher provision due to the bank's strategic decision to write off Rs 38.5bn of stressed assets) and supported PAT growth (up 48% YoY). Credit cost stood at 1.6% vs. 5.8%, excluding one-off of 2.3% in Q4, and continued to guide for 1.8%-2% over FY25. Overall asset quality remained stable with GNPA/NNPA of 4.2%/1.1% vs. 3.8%/1.1% in Q4. Overall SMA book stood at Rs 14.4bn from Rs 12.6bn in Q4 with collection efficiencies at 98.7%.

Maintain BUY: Considering ongoing business dynamics, we increase deposit estimates by 2%/3% over FY25/26 while lowering our provision estimates by 13%/5% leading to rise in PAT estimates by 15% each for the same period. Baking in gradual improvement in asset quality and potential for improvement in operational costs and stable margins, we expect the overall return ratios to improve and further price correction factored into the major negatives. A smooth management transition would be key to watch. We roll forward our valuation to 1.3x FY26E (Jun'26) ABV, and revise our TP to Rs 245 (Rs 222 earlier). Retain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BANDHAN IN/Rs 193
Market cap	US$ 3.7bn
Free float	60%
3M ADV	US$ 32.9mn
52wk high/low	Rs 263/Rs 169
Promoter/FPI/DII	40%/28%/15%

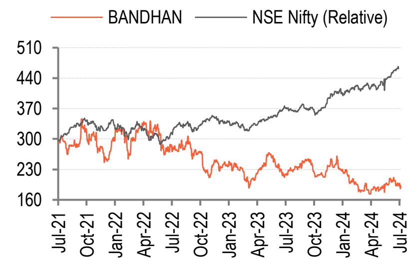
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
NII (Rs mn)	103,256	126,106	150,185
NII growth (%)	11.5	22.1	19.1
Adj. net profit (Rs mn)	22,296	42,723	51,822
EPS (Rs)	13.8	26.5	32.2
Consensus EPS (Rs)	13.8	22.5	31.0
P/E (x)	13.9	7.3	6.0
P/BV (x)	1.4	1.2	1.0
ROA (%)	1.3	2.2	2.3
ROE (%)	10.8	18.0	18.4

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

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 325 | ∀ 1%

FINOLEX INDUSTRIES | Building Materials | 29 July 2024

Mixed Q1FY25; market share loss on capacity constraints

- **Topline miss driven by market share loss in pipe segment on capacity constraints; EBITDA beat on improved pipe margin**
- **Maintained volume growth guidance of 10-15% YoY for FY25 – which appears to be an optimistic target based on poor show in Q1**
- **Maintain HOLD on weak return ratios and expensive valuations; raise TP by 23% to Rs 325 on higher P/E (from 22x to 25x)**

Utkarsh Nopany
research@bobcaps.in

Mixed quarter: FNXP missed our topline estimate for Q1FY25 by 9.5% due to weak pipe volumes (-1.7% YoY vs +15.0% estimate), but it still managed to beat our EBITDA estimate by 3.4% due to a sharp improvement in pipe segment EBITDA per unit (+9.5% QoQ to Rs 15.7/kg vs Rs 12.5/kg estimate). FNXP booked a one-time gain of Rs 4.17bn related to the sale of non-core land bank in Pune in Q1FY25. Overall, FNXP revenue de-grew by 3.3% YoY, but EBITDA/APAT grew by 35.5%/44.9% YoY in Q1FY25 on a low base.

Key highlights: FNXP continued to lose market share in the plastic pipe segment as it posted inferior volume growth in Q1FY25 (FNXP: -1.7% YoY/5Y CAGR: -0.2% vs SI: +19.5%; 5Y CAGR: +10.5%) due to capacity constraints in the first two months of Q1FY25. Despite Q1 being an agri-dominated quarter and negative operating leverage, FNXP pipe EBITDA per unit improved by 9.5% QoQ in Q1FY25 due to lower discounts offered to dealers. Despite sharp improvement in PVC-EDC spread (from US$ 427/t in Q4FY24 to US$ 533/t in Q1FY25), the PVC resin segment EBITDA per unit was down 2.0% QoQ to Rs 9.3/kg in Q1FY25.

Optimistic guidance: FNXP maintained its volume growth guidance of 10-15% YoY for FY25, which implies an asking growth run rate of 16% YoY for the remaining 9MFY25. This appears to be an optimistic target based on poor Q1 result. The company expects pipe EBIT per unit to be in the range of Rs 14-15/kg in the near future and expects it to improve further over the long term on the rising contribution of high margin non-agri pipe sales. The company is evaluating plans of putting up a greenfield pipe plant – details of which would be shared in a quarter's timeframe.

Maintain HOLD; raise TP 23% to Rs 325: We expect FNXP's EPS to grow at a healthy 24% CAGR over FY24-FY27E due to a low base. However, we maintain our HOLD rating on the stock due to a weak returns profile amid poor capital allocation and expensive valuation (trades at 27.7x on 1Y forward P/E vs 5Y average of 19.4x). We have tweaked our EPS estimates (+4.3%/-2.2% for FY25E/FY26E) and introduced FY27 estimates. We raise our TP to Rs 325 (from Rs 265) due to the increase in our target P/E from 22x to 25x on Jun'26E EPS.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	FNXP IN/Rs 328
Market cap	US$ 2.4bn
Free float	47%
3M ADV	US$ 5.6mn
52wk high/low	Rs 356/Rs 186
Promoter/FPI/DII	52%/7%/12%

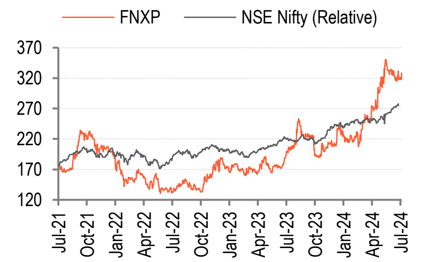
Source: NSE | Price as of 29 Jul 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	43,174	46,342	51,775
EBITDA (Rs mn)	5,849	8,566	9,696
Adj. net profit (Rs mn)	4,733	7,100	7,587
Adj. EPS (Rs)	7.7	11.5	12.3
Consensus EPS (Rs)	7.7	9.6	11.3
Adj. ROAE (%)	9.0	11.8	11.4
Adj. P/E (x)	42.9	28.6	26.8
EV/EBITDA (x)	37.4	25.5	22.8
Adj. EPS growth (%)	81.7	50.0	6.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 140 | ⮝ 21%

CANARA BANK | Banking | 29 July 2024

Despite seasonality performance remained almost stable

- **Stable business growth coupled with change in credit mix likely aided margin. CBK targets NIM of 2.9-3.0% and opex of 47% over FY25**
- **Controlled slippages and higher recovery and upgrades led to asset quality improvement. Targets credit cost of below 100bps to aid PAT**
- **With consistent improvement in business performance, we assume coverage with TP of Rs 140 set at 1.2x FY26 ABV and maintain BUY**

Ajit Agrawal
research@bobcaps.in

Consistent recovery in business performance: CBK witnessed some moderation in business growth due to seasonality while higher cost of fund dragged NII growth (-4%/+6% QoQ/YoY) with muted other income. Opex remained lower QoQ on higher base (Q4 included provision for wage revision) leading to a 266bps decline in C/I ratio of 47.4% within the guidance range of 47%. PPoP was flat YoY and grew 3% QoQ. NIM stood at 2.9% (lower end of the guidance), while the bank is confident of maintaining it at 2.95%-3% for FY25. CBK's loan grew 2%/11% QoQ/YoY driven by RAM (Retail, Agriculture and MSME) book (12.3% YoY) while deposit continued to outpace loan and growth 2%/12% QoQ/YoY leading to a C/D ratio of 71% flat QoQ.

Lower topline dragged PPOP growth: Other income grew 2%10% QoQ /YoY wherein treasury income fell to Rs 3.5bn in 1QFY25 vs. Rs 6.6bn in Q4 while other miscellaneous income rose to Rs29bn vs. Rs24.4bn supported by reclassification of an income line. In line with its guidance to recover Rs 40bn-50bn from written-off accounts, CBK recovered Rs 11.6bn in Q1 vs. Rs 19bn in Q4.

Performance in line with target: Considering ongoing market challenges and CBK's focus on deposit mobilisation we cut our loan estimates by 1%/2% for FY25/FY26 (deposit broadly intact). Tweaking FY25/FY26 loan estimates led to 4%/7% decline in NII and a cut in provision led to 13%/1% rise in PAT. We model for credit/deposit CAGR of 12% each over FY24-26E with PAT CAGR of 9%.

Stress under control: Controlled slippages (33bps in 1QFY25 vs. 34bps in Q4) led to GNPA/NNPA improving 9/3bps, while PCR stayed flat at 71%. Bank credit cost stood at 90bps vs. 96bps in Q4 and within its guidance of 100bps, aiding bottomline. Restructured book at 1.2% and SMA book at 113bps (69bps in Q4) seem higher than for its peers but management is confident of improving its overall asset quality.

Maintain BUY: Considering overall recovery in business performance and stable growth and margin, we model a PAT CAGR of 9% over FY24-26 with ROA and RoE approaching 1%/15% by FY26E. We value the bank at 1.2x FY26E (Jun'26) ABV using the Gordon Growth Model and maintain our BUY rating and TP of Rs 140.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	CBK IN/Rs 116
Market cap	US$ 12.6bn
Free float	42%
3M ADV	US$ 55.9mn
52wk high/low	Rs 129/Rs 64
Promoter/FPI/DII	63%/12%/11%

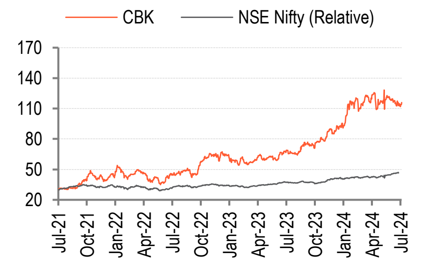
Source: NSE | Price as of 29 Jul 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	365,659	383,570	421,806
NII growth (%)	16.3	4.9	10.0
Adj. net profit (Rs mn)	145,543	167,204	172,815
EPS (Rs)	16.0	18.4	19.1
Consensus EPS (Rs)	16.0	18.0	19.6
P/E (x)	7.2	6.3	6.1
P/BV (x)	1.2	1.0	0.9
ROA (%)	1.0	1.1	1.0
ROE (%)	18.1	17.4	15.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

CONSUMER STAPLES

30 July 2024

FMCG roundup: Risk in Southwest monsoon

- **Halfway through the monsoon, we analyse statewise exposure to agri income and estimate 19% of rural households in deficit SWM**
- **We also analyse deficit SWM vs contrasting agri GVA outcomes in FY22 and FY24. FY25 outlook is positive for agri GVA on favourable SWM**
- **Positive on FMCG contingent on rural recovery. Dabur is our top pick. We closely monitor SWM on recent weather forecasts of excess rainfall**

Lokesh Gusain
research@bobcaps.in

Mid-term review of Southwest monsoon (SWM): Our analysis on state-wise exposure of rural households (HH) to agricultural income indicates 28% HH are in excess, 53% in normal and 19% in deficit. Adequate water storage levels are key to the Agri gross value added (GVA) outcome. Current storage levels are 4% below the long period average (LPA). La Nina is expected in Aug'24 to Nov'24 and the next few weeks of monsoon are critical. While the Indian Meteorological Department (IMD) has forecast above-normal rainfall in all the states that currently have a deficit, it has issued weather alerts in many areas including the Western Himalayan regions.

Contrasting Agri GVA outcome in deficit monsoon; importance of reservoir levels: In FY24, the SWM of 1% below LPA and 4% lower YoY restricted real agri GVA to +1%. However, FY22 real agri GVA was +5% despite SWM being 5% below LPA and 9% lower YoY. Water storage level pre-SWM (as of 1 Jun) was the key differentiator (See Figure 1). FY25 has started with a 6% deficit in water levels as of 1 June 2024. However, the deficit reduced to 4% by 27 Jul. With the prospect of La Nina, we expect further improvement by the end of Sep'24.

Risks from SWM; weather alert and excess rain issues: Excess rainfall is a help on reservoirs, improving water access for high value horticulture and other crops grown outside the kharif season. Too much rain can potentially damage crops across agri life cycle. While crop insurance payouts help, they are subject to excess rain/deficit yield criteria. Agri-labourers experience lower income due to reduced working hours and depressed wage rates. IMD forecasts from 29 Jul show excess rain alerts across major agri north-western, central and eastern states collectively accounting for 60+% of Agri GVA. These states comprise 44% of national rural HHs that derive income from agriculture (owned land at 34% and agri-labour at 10%).

Our view: We hold a positive view on the FMCG sector given the prospect of above-normal SWM-driven recovery in rural in FY25 and part of FY26. Even then, Agri is inherently volatile due to its reliance on monsoon and water reservoir levels. We are closely monitoring the SWM and any major deviations on either side (deficit or excess) may impact the level and timing of recovery in rural.

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.