BUY
TP: Rs 212 | ▲ 25%

SAIL | Metals & Mining | 28 October 2026

Performance beat driven by pricing & volume growth

- **Revenue grew 19.8% YoY, driven by realisation (+14.0% YoY); EBITDA grew by 66.8%YoY**
- **Demand outlook remains positive with seasonally strong H2FY27. However increase in coking coal prices likely to impact input costs**
- **Maintain BUY; considering improved performance and rollover, raise TP to Rs212 from Rs206 based on 6.0x Sept.28E EBITDA**

Sukhwinder Singh
Research Analyst

Namit Mehta
Research Associate
research@bobcaps.in

Performance above expectations: SAIL reported revenue at Rs319bn, (+19.8%YoY, +21.9%QoQ), was 15.2% above our estimates. EBITDA came at Rs42bn (+66.8%YoY, +1.5%QoQ), was 9.3% above estimates. Higher-than-expected performance was due to better than expected volume performance supported by realization growth.

Volumes: Sales volumes came at 5.2mnt; (+5.1%YoY, +23.9%QoQ). This is marginally lower than domestic industry consumption growth of 7%YoY for the quarter. Going forward, management expect volumes to be higher in H2FY27 aided by seasonally strong period.

Domestic pricing: Realisation increased by 14.0%YoY to Rs62,011/t. However, it declined by 1.6%QoQ in line with domestic industry pricing. Management commented that spot prices are higher than Q2 average prices driven by healthy demand.

In terms of costs, coking coal price increases remain a risk and any increase further may impact operating cost.

Expansion projects: SAIL is currently undergoing a major expansion strategy that includes brownfield and greenfield expansion projects, ramping up the overall capacity by 15mn tonnes – from 20mnt to 35mnt. Incremental volumes are projected to appear in FY29E and thereafter. We anticipate a 3% CAGR in volume increase from FY26 to FY29E.

Maintain BUY; revise TP upwards: We maintain BUY; supported by strong EBITDA growth. Considering improved performance and rollover, raise TP to Rs212 from Rs206 earlier based on 6.0x Sept'28E EBITDA.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SAIL IN/Rs 170
Market cap	US$ 7.4bn
Free float	35%
3M ADV	US$ 37.6mn
52wk high/low	Rs 210/Rs 124
Promoter/FPI/DII	65%/3%/16%

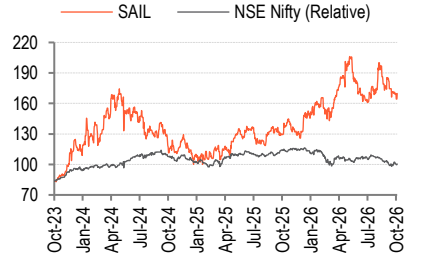
Source: NSE | Price as of 26 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs bn)	1,108	1,303	1,369
EBITDA (Rs bn)	120	173	178
Adj. net profit (Rs bn)	40	70	69
Adj. EPS (Rs)	9.8	17.0	16.7
Adj. ROAE (%)	6.8	11.1	10.0
Adj. P/E (x)	17.4	10.0	10.2
EV/EBITDA (x)	7.9	5.7	6.2
Adj. EPS growth (%)	50.5	73.7	(1.7)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance (Consolidated)

(Rs mn)	Q2FY27	Q1FY27	QoQ (%)	Q2FY26	YOY (%)	H1FY27	H1FY26	YOY (%)
Revenue	**319,976**	**262,457**	**21.9**	**267,042**	**19.8**	**582,432**	**526,259**	**10.7**
EBITDA	**42,165**	**41,527**	**1.5**	**25,283**	**66.8**	**83,692**	**52,970**	**58.0**
EBITDA margin (%)	*13.2*	*15.8*	*(264 bps)*	*9.5*	*371 bps*	*14.4*	*10.1*	*430 bps*
Depreciation	16,092	15,603	3.1	14,535	10.7	31,695	28,950	9.5
Interest	5,234	4,930	6.2	4,843	8.1	10,164	10,789	(5.8)
Other income	2,323	2,055	13.0	2,059	12.9	4,379	3,680	19.0
PBT	23,162	23,049	0.5	7,964	190.8	46,211	16,911	173.3
Tax	5,739	5,426	5.8	1,374	317.6	11,165	3,607	209.6
Reported PAT	17,505	16,441	6.5	4,187	318.1	33,945	11,633	191.8
Exceptional item	(727)	(1,440)	NA	(3,384)	78.5	(2,167)	(3,384)	36.0
Adjusted PAT	**18,232**	**17,881**	**2.0**	**7,572**	**140.8**	**36,112**	**15,017**	**140.5**
Adj. PATM (%)	*5.7*	*6.8*	*(111 bps)*	*2.8*	*286 bps*	*6.2*	*2.9*	*335 bps*
Reported EPS (Rs)	4.2	4.0	6.5	1.0	318.1	8.2	2.8	191.8
Adjusted EPS (Rs)	4.4	4.3	2.0	1.8	140.8	8.7	3.6	140.5

Source: Company

Fig 2 – Q2FY27 Actual v/s estimate

Particulars	Q2 Actual	Estimate	VAR(%)
Revenue (Rs mn)	319,976	277,755	15.2
EBITDA (Rs mn)	42,165	38,566	9.3
EBITDA margin (%)	13.2	13.9	(71bps)
PAT (Rs mn)	17,505	14,320	22.2
EPS (Rs)	4.2	3.5	22.2

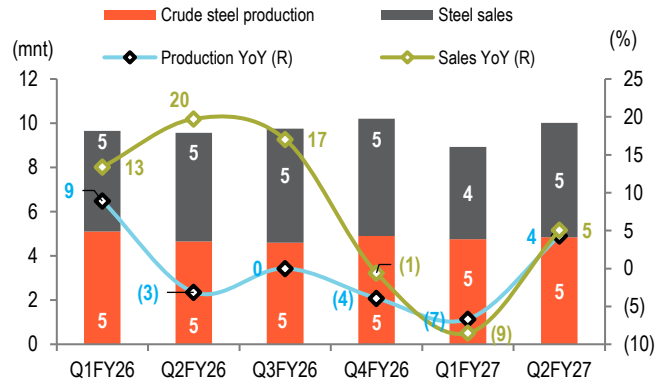
Source: Company, BOBCAPS Research

Fig 3 – Business performance (Standalone)

(Rs mn)	Q2FY27	Q1FY27	QoQ (%)	Q2FY26	YOY (%)	H1FY27	H1FY26	YoY (%)
Production volumes (mnt)	4.9	4.8	1.9	4.7	4.3	9.6	9.8	(1.4)
Steel sales (mnt)	5.2	4.2	23.9	4.9	5.1	9.3	9.5	(1.4)
Realization (Rs./t)	62,011	63,045	(1.6)	54,387	14.0	62,473	55,629	12.3
EBITDA (Rs/t)	**8,178**	**9,974**	**(18.0)**	**5,144**	**59.0**	**8,980**	**5,592**	**60.6**

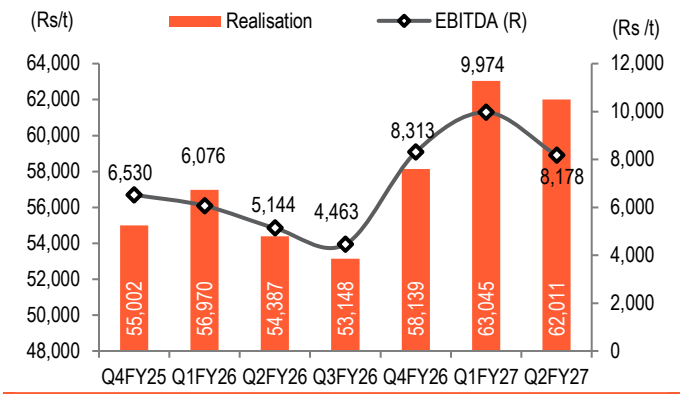
Source: Company

Fig 4 – Production & sales trend



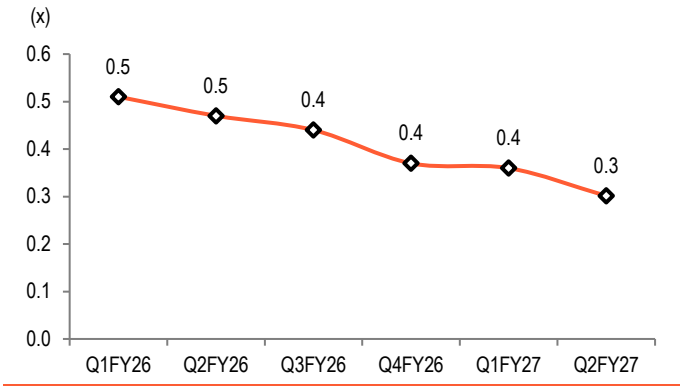
Source: Company

Fig 5 – Realisation & EBITDA trend



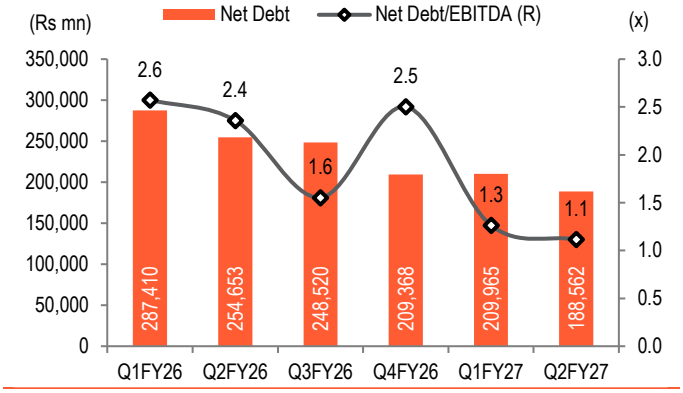
Source: Company

Fig 6 – Leverage continues to moderate (Net D/E)



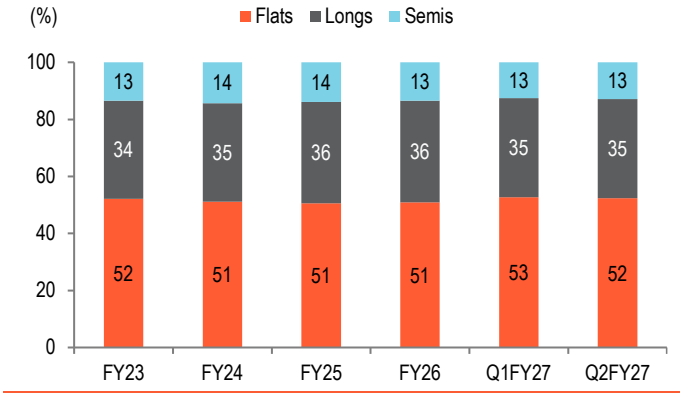
Source: Company

Fig 7 – Leverage at multi quarter low



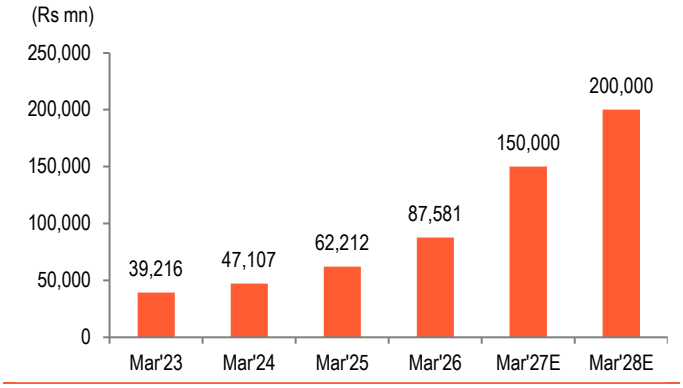
Source: Company

Fig 8 – Flats continue to lead



Source: Company, BOBCAPS Research

Fig 9 – Strong upward trend in capex



Source: BOBCAPS Research, Bloomberg

Call Highlights

- **Volumes performance:** SAIL's volume performance was healthy with 5.1%YoY and 23.9%QoQ to 5.2mnt. Exports account for 1.5% of total volumes. In terms of sales mix: Flats – 52.5%, Longs -34.8% and Semis – 12.8%. Railway products account for 8% of overall volumes Going forward, management expects sales volumes to be better in H2 on strong consumption period and guided volumes of 21mnt for FY27E vs FY26 volumes of 19.9mnt

- **Industry demand/environment:** Domestic steel consumption grew by 7%YoY to 43mnt in Q2FY27 and 8% in H1FY27 to 85mnt. Finished steel imports increased by 6%YoY for Q2 and 24% for H1FY27.

- **Pricing:** Prices have shown improvement in month of October with industry price hikes and are better than Q2 average prices. Long products prices are at Rs58,700/t vs Q2 average of Rs54,400. Flat product prices are at Rs61,700 vs Q2 average of Rs57,500. Management expects Q3 and Q4 prices to remain on upward side with better demand in the domestic market. The company continues to focus on converting semis into finished products to improve realizations.

    - Price improvement will be supported by cost savings driven by improved coke/fuel rates, and operating efficiency gains. This will offset negative impact of coking coal price increases going forward.

    - Coking coal cost rose to Rs22,930/t in Q2FY27 from Rs21,300/t in Q1FY27. Dependence on imported coking coal is 85%. Management commented that current prices have stabilized with stabilization in global coking coal prices. It expects price to remain stable for Q3FY27E.

- **VRS impact:** Employee cost was lower by 3%YoY at Rs28,641mn in Q2FY27 vs Rs29,425mn in Q2FY26. With the VRS scheme ongoing and headcount reducing, employee cost is expected to trend lower; wage revision provisioning will be assessed in coming quarters. For H1FY27, VRS expense was Rs2,167mn. Wage revision is due from Jan. 2027

- **Capex and capacity additions:** SAIL incurred a capex of Rs53bn in H1Y27. Management guided capex of Rs150bn in FY27E and +Rs200bn in FY28E.The company is currently undergoing a major expansion programme that includes brownfield and greenfield development projects, with the goal of expanding the overall capacity by 15mnt from 20mnt to 35mnt. Major capital expenditures will be incurred between FY27E -FY30E as a result of the greenfield expansion. This will be funded through internal accruals, follow on offer and borrowings.

- **Net debt:** Consolidated net debt reduced to Rs188bn on Sept.26 from Net debt of Rs209bn as on Mar.26 due to improved operating performance. Net D/E is 0.3x. Gross debt stood at Rs205bn vs Rs216bn on Mar.2026.

Valuation Methodology

We are positive on the demand environment and performance going forward.

We revised numbers upwards marginally on improved H1 performance.

- Pricing/Realisation: revised growth to 12.5% vs earlier 6.0% for FY27E; revised to 2% vs earlier 1% for FY28E and kept unchanged at 1% for FY29E
- Volumes: revised growth to 4.5% vs earlier 9% for FY27E; revised to 3% vs earlier 5% for FY28E and at kept unchanged at 3% for FY29E
- EBITDA/t estimates at Rs8,282 vs earlier Rs7,648 for FY27E, estimated at Rs8,300 vs earlier Rs7,680 for FY28E and at Rs8,319 vs earlier Rs7,710 for FY29E. Revision to account for improved realization and performance in H1FY27.

Fig 10 – Revision in Estimates

(Rs mn)	Actual	New			Old			Change (%)		
	FY26A	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	1,108,108	1,302,719	1,368,637	1,423,794	1,280,308	1,357,767	1,412,485	1.8	0.8	0.8
EBITDA	120,000	172,514	178,069	183,835	166,173	175,211	181,162	3.8	1.6	1.5
EBITDA % margin	10.8	13.2	13.0	12.9	13.0	12.9	13	26 bps	11 bps	9 bps
PAT	40,410	70,205	69,038	54,727	64,648	65,849	66,146	8.6	4.8	(17.3)
EPS (Rs)	9.8	17.0	16.7	13.2	15.7	15.9	16.0	8.6	4.8	(17.3)

Source: Company, BOBCAPS Research

Fig 11 – Key assumptions

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Sales volumes (mn t)	17.9	19.9	20.8	21.5	22.1
Realisation (Rs/t)	57,266	55,594	62,543	63,794	64,432
Utilisation (%)	83.6	93.1	100.1	102.8	102.6
% growth YoY					
Volumes	5.1	11.4	4.5	3.0	3.0
Realization	(7.5)	(2.9)	12.5	2.0	1.0
EBITDA/t (Rs)	5,940	6,018	8,282	8,300	8,319
USD – INR	83.0	90.0	97.0	97.0	97.0

Source: Company, BOBCAPS Research

EV/EBITDA-based Valuation Rationale

We maintain BUY; supported by strong EBITDA growth. Considering improved performance and rollover, raise TP to Rs212 from Rs206 earlier based on 6.0x Sept'28E EBITDA.

Fig 12 – Valuation summary

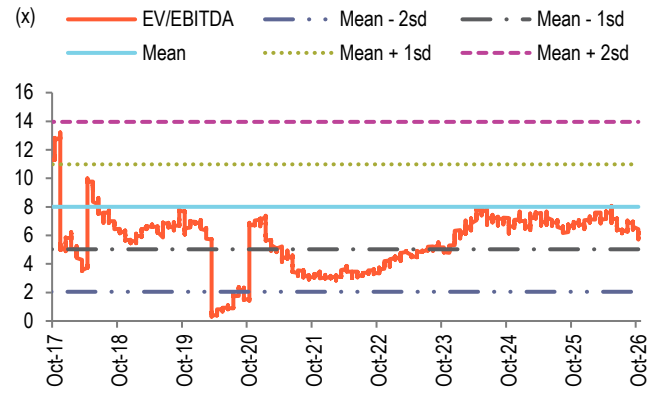
Particulars	Sept.28E EBITDA (Rs mn)	Multiple	Value (Rs cr)	Rs/share
SAIL	180,952	6.0	1,085,712	263
Less - Net debt			209,368	51
Target price			**876,345**	**212**

Source: BOBCAPS Research, Company

Key Risks

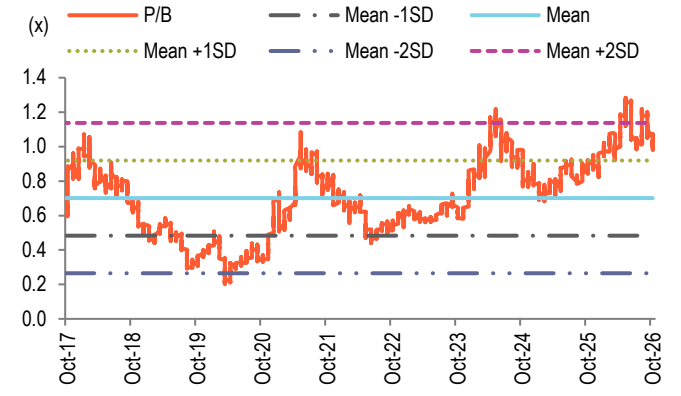
- Capex on expansion projects to risk leverage ratio: SAIL has plans to ramp up capacity. Major capex will come in FY28E-FY31E, which will raise the overall debt. Further, weak demand environment during this period can weigh on the balance sheet and cashflow.
- Coking coal – Disruption and price volatility can impact the operating profit. SAIL relies on imported coking coal for most of its requirements. Thus, the risk of interruption and price rise can push up the operating cost, thereby impacting EBITDA performance.

Fig 13 – EV/EBITDA 1YF



Source: Bloomberg

Fig 14 – P/B 1YF



Source: Bloomberg

Financials

Income Statement

Y/E 31 Mar (Rs bn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**1,025**	**1,108**	**1,303**	**1,369**	**1,424**
EBITDA	106	120	173	178	184
Depreciation	(57)	(60)	(69)	(75)	(93)
EBIT	50	60	103	103	91
Net interest inc./(exp.)	(28)	(22)	(24)	(28)	(35)
Other inc./(exp.)	9	9	9	9	9
Exceptional items	(3)	(7)	0	0	0
EBT	33	45	92	88	70
Income taxes	(9)	(11)	(22)	(19)	(15)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	4	4	4	4
Reported net profit	**24**	**34**	**70**	**69**	**55**
Adjustments	3	7	0	0	0
Adjusted net profit	**27**	**40**	**70**	**69**	**55**

Balance Sheet

Y/E 31 Mar (Rs bn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	105	109	132	138	136
Other current liabilities	146	167	167	167	167
Provisions	14	15	15	15	15
Debt funds	298	217	362	450	580
Other liabilities	212	247	247	247	247
Equity capital	41	41	41	41	41
Reserves & surplus	548	562	622	679	721
Shareholders' fund	589	604	663	720	762
Total liab. and equities	**1,364**	**1,359**	**1,586**	**1,738**	**1,908**
Cash and cash eq.	10	7	8	11	11
Accounts receivables	76	65	78	82	93
Inventories	337	279	411	432	453
Other current assets	42	51	51	51	51
Investments	50	43	43	43	43
Net fixed assets	651	647	728	853	989
CWIP	72	106	106	106	106
Intangible assets	14	14	14	14	14
Deferred tax assets, net	0	0	0	0	0
Other assets	162	190	190	190	190
Total assets	**1,364**	**1,359**	**1,586**	**1,738**	**1,908**

Cash Flows

Y/E 31 Mar (Rs bn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**120**	**214**	**41**	**154**	**148**
Capital expenditures	(76)	(120)	(150)	(200)	(230)
Change in investments	(4)	6	0	0	0
Other investing cash flows	5	(13)	0	0	0
Cash flow from investing	**(75)**	**(127)**	**(150)**	**(200)**	**(230)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(8)	(81)	145	88	130
Interest expenses	(28)	(22)	(24)	(28)	(35)
Dividends paid	(11)	(10)	(11)	(12)	(13)
Other financing cash flows	5	23	0	0	0
Cash flow from financing	**(42)**	**(90)**	**110**	**48**	**82**
Chg in cash & cash eq.	**3**	**(2)**	**1**	**2**	**0**
Closing cash & cash eq.	**10**	**7**	**8**	**11**	**11**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	5.7	8.2	17.0	16.7	13.2
Adjusted EPS	6.5	9.8	17.0	16.7	13.2
Dividend per share	2.6	2.4	2.6	2.9	3.1
Book value per share	142.6	146.1	160.5	174.4	184.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.0	0.9	0.8	0.8	0.8
EV/EBITDA	9.3	7.9	5.7	6.2	6.6
Adjusted P/E	26.1	17.4	10.0	10.2	12.8
P/BV	1.2	1.2	1.1	1.0	0.9

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	82.6	89.7	76.0	78.1	78.4
Interest burden (PBT/EBIT)	52.4	68.8	78.4	74.9	65.3
EBIT margin (EBIT/Revenue)	4.9	5.4	7.9	7.5	9.0
Asset turnover (Rev./Avg TA)	0.7	0.8	0.9	0.8	0.8
Leverage (Avg TA/Avg Equity)	2.4	2.3	2.3	2.4	0.5
Adjusted ROAE	4.6	6.8	11.1	10.0	6.5

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	(2.8)	8.1	17.6	5.1	4.0
EBITDA	(4.5)	12.7	43.8	3.2	3.2
Adjusted EPS	(31.3)	50.5	73.7	(1.7)	(20.7)
Profitability & Return ratios (%)					
EBITDA margin	10.4	10.8	13.2	13.0	12.9
EBIT margin	4.9	5.4	7.9	7.5	6.4
Adjusted profit margin	2.6	3.6	5.4	5.0	3.8
Adjusted ROAE	4.6	6.8	11.1	10.0	7.4
ROCE	5.4	6.4	9.6	8.3	6.7
Working capital days (days)					
Receivables	27	21	22	22	24
Inventory	120	92	115	115	116
Payables	42	40	42	42	40
Ratios (x)					
Gross asset turnover	0.7	0.8	0.9	0.8	0.8
Current ratio	1.0	0.9	1.2	1.2	1.3
Net interest coverage ratio	1.8	2.8	4.3	3.7	2.6
Adjusted debt/equity	0.5	0.3	0.5	0.6	0.7

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 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
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%

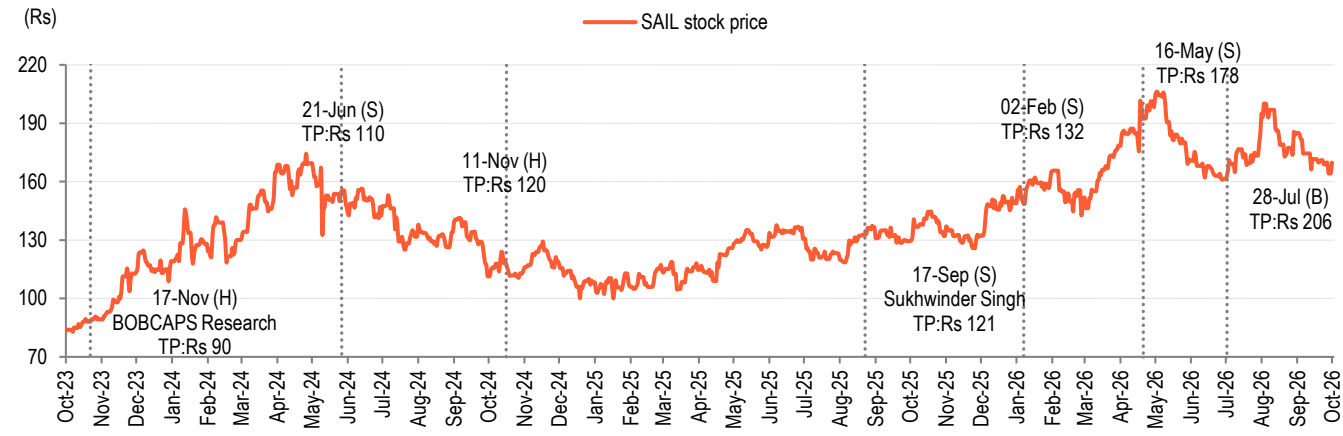
HOLD – Expected return from -6% to +15%

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.

Ratings and Target Price (3-year history): SAIL (SAIL 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 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. 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.