

SELL
TP: Rs 132 | ▼ 11%
SAIL

Metals & Mining

02 February 2026

Revenue performance driven by strong volume growth

- Revenue grew by 11.8%YoY, driven by strong volumes growth of 17.0%YoY, offset by price decline. EBITDA/t was lower YoY
- Outlook is positive on account of improved pricing since Dec'25; demand to sustain on seasonally strong period
- Maintain SELL and raise TP to Rs132 from Rs121, based on 5.5x Dec'27 EBITDA, considering 9MFY26 performance

Sukhwinder Singh
 Research Analyst
 research@bobcaps.in

Results above expectations on strong volume growth: Revenue came at Rs273bn, (+11.8%YoY, +2.5%QoQ) and was 9.0% above our estimates. EBITDA came at Rs23bn (+13.0%YoY, -9.3%QoQ), was 5.4% below estimates. Outperformance on revenue is primarily on strong volume growth of 17.0%YoY. EBITDA/t was Rs4,463 lower by 3.0%YoY, impacted by price decline.

Volumes: Sales volumes came at 5.2mmt; higher by 17.0%YoY. Volume growth was higher vs domestic demand growth of 4.6% YoY. Volumes grew 4.9% QoQ.

Domestic pricing and cost: Realisation declined by 4.5%YoY and by 2.3%QoQ to Rs53,148/t. Spot HRC prices at Rs52,000/t. Prices have improved by Rs2,500-3,500/t since end of Dec'25. Management is positive on the pricing and expects the price improvement to sustain in Q4, on the back of a seasonally strong construction period. Going forward, Q4 is projected to have a better QoQ spread due to price, but this will be partially offset by an increase in coal cost.

Expansion projects: SAIL is currently undergoing a major expansion strategy that includes brownfield and greenfield expansion projects, increasing overall capacity by 14 million tonnes from 21 million tonnes to 35 million tonnes. Incremental volumes are projected to appear in FY29E and thereafter. We anticipate a 7% CAGR in volume increase from FY25 to FY28E.

Maintain SELL and raise TP: SAIL faces capacity growth constraints in the near term, higher costs relative to peers and risk on balance sheet parameters as the capex picks up. Thus, we maintain SELL. Considering 9M performance, we raise TP to Rs132 from Rs121, based on 5.5x Dec'27 EBITDA.

Key changes

	Target	Rating
	▲	◀ ▶

Ticker/Price	SAIL IN/Rs 149
Market cap	US\$ 6,707.1bn
Free float	35%
3M ADV	US\$ 32.7mn
52wk high/low	Rs 160/Rs 99
Promoter/FPI/DII	65%/3%/16%

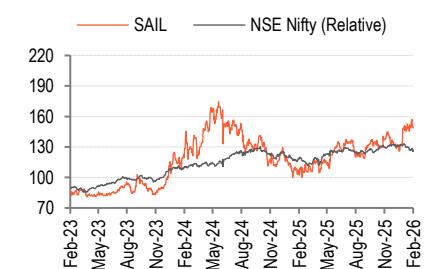
Source: NSE | Price as of 2 Feb 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs bn)	1,025	1,095	1,218
EBITDA (Rs bn)	106	104	138
Adj. net profit (Rs bn)	27	26	39
Adj. EPS (Rs)	6.5	6.2	9.4
Consensus EPS (Rs)	6.6	7.8	10.7
Adj. ROAE (%)	4.6	4.3	6.3
Adj. P/E (x)	22.9	23.9	15.8
EV/EBITDA (x)	5,770.9	5,890.1	4,439.6
Adj. EPS growth (%)	(31.3)	(4.1)	50.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance

(Rs mn)	Q3FY26	Q2FY26	QoQ (%)	Q3FY25	YoY (%)	9MFY26	9MFY25	YoY (%)
Revenue	273,714	267,042	2.5	244,899	11.8	799,974	731,629	9.3
EBITDA	22,943	25,283	(9.3)	20,297	13.0	75,913	71,624	6.0
EBITDA margin (%)	8.4	9.5		8.3		9.5	9.8	
Depreciation	15,155	14,535	4.3	14,206	6.7	44,105	41,268	6.9
Interest	5,472	4,843	13.0	6,796	(19.5)	16,261	21,287	(23.6)
Other income	1,745	2,059	(15.2)	2,335	(25.3)	5,425	5,775	(6.1)
PBT	4,061	7,964	(49.0)	1,630	149.2	20,972	14,843	41.3
Tax	1,057	1,374	(23.1)	1,810	(41.6)	4,664	4,735	(1.5)
Reported PAT	3,740	4,187	(10.7)	1,419	163.6	15,373	11,208	37.2
Exceptional item	0	(3,384)		285	(100.0)	(3,384)	(2,832)	(19.5)
Adjusted PAT	3,740	7,572	(50.6)	1,134	229.9	18,758	14,041	33.6
Adj. PATM (%)	1.4	2.8	(51.8)	0.5	195.2	2.3	1.9	
EPS (Rs)	0.9	1.8	(50.6)	0.3	229.9	4.5	3.4	33.6

Source: Company

Fig 2 – Q3FY26 Actual v/s estimate

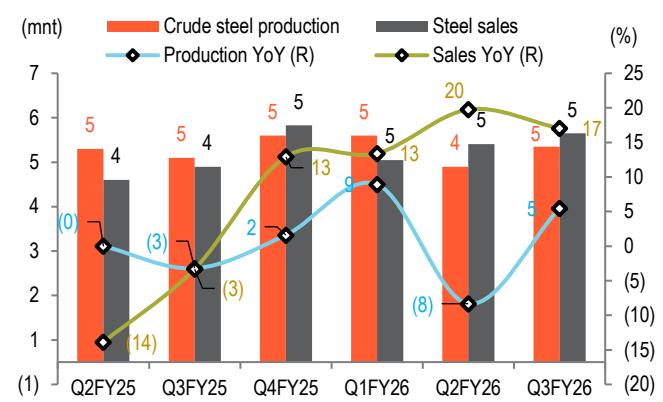
Particulars	Q3 Actual	Estimate	VAR(%)
Revenue (Rs mn)	273,714	251,061	9.0
EBITDA (Rs mn)	22,943	24,245	(5.4)
EBITDA margin (%)	8.4	9.7	NA
PAT (Rs mn)	3,740	6,677	(44.0)
EPS (Rs)	0.9	1.6	(44.0)

Source: Company, BOBCAPS Research

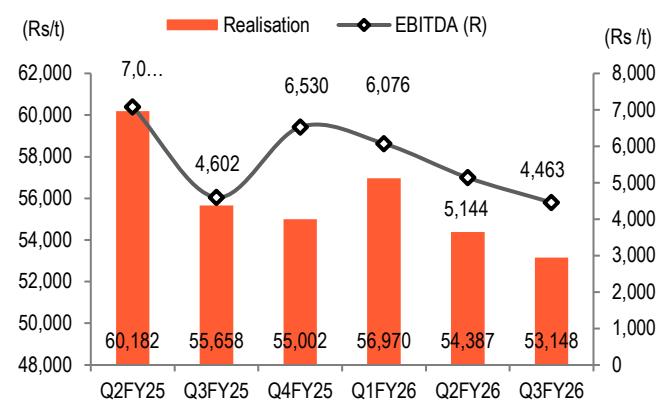
Fig 3 – Business performance

(Rs mn)	Q3FY26	Q2FY26	QoQ (%)	Q3FY25	YoY (%)	9MFY26	9MFY25	YoY (%)
Steel sales (mnt)	5.2	4.9	4.9	4.4	17.0	14.6	12.5	16.8
Realization (Rs./t)	53,148	54,387	(2.3)	55,658	(4.5)	54,755	58,474	(6.4)
EBITDA (Rs/t)	4,463	5,144	(13.2)	4,602	(3.0)	5,194	5,713	(9.1)

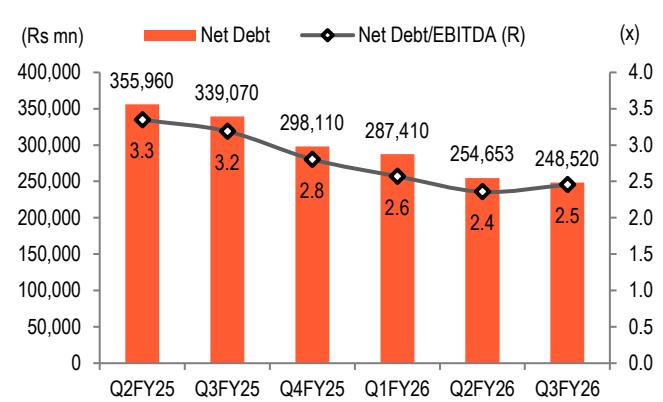
Source: Company

Fig 4 – Production & sales trend

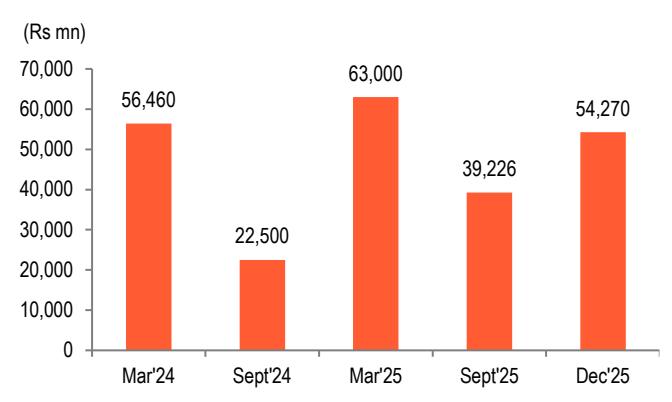
Source: Company

Fig 5 – Realisation & EBITDA trend

Source: Company

Fig 6 – Leverage

Source: Company

Fig 7 – Capex

Source: Company

Call Highlights

- **Volumes performance:** Volume growth of 17.0%YoY outpaced the industry's 4.6% growth in Q3. Management forecasted sales volumes of 19.5 million tonnes for FY26E, representing a 9.0% YoY increase above FY25 volumes of 17.8 million tonnes. Exports account for 1.7% of total volumes. It estimates sales volumes of 21.0 million for FY27E and 21.5 million for FY28E.
- **Industry environment:** Safeguard duty was imposed in Dec'25 with 12% in the 1st year, starting April'26; 11.5% in the 2nd year while 11.0% in the 3rd. During Q3, domestic steel consumption rose by 4.6%YoY to 40.7mnt and crude steel production went up 10.0%YoY to 42.5mnt. Steel imports fell by 42.4%YoY and 35.9%QoQ. 9M consumption increased by 7%YoY.
- **Pricing:** Domestic prices have increased by Rs2,500-3,500/t from the end of Dec'25. Long prices have grown by Rs2,000-2,500/t, while flat prices have risen by Rs3,000-3,500/t. Management anticipates pricing increases to continue in Q4, given the seasonally robust building period.
- **Cost guidance:** Average cost of coking coal for Q3 was Rs18,351/t. Management guided coking coal costs to grow by 7.0% in Q4FY26, based on price increases experienced in Jan-Feb 2026.
- **Capex and capacity additions:** SAIL has a capex of Rs54,270 million in 9MFY26, and estimated investment of Rs70,000-100,000 million for FY26. SAIL is currently undergoing a major expansion programme that includes brownfield and greenfield development projects, with the goal of increasing overall capacity by 14 million tonnes from 21 million to 35 million tonnes. Major capital expenditures will be incurred between FY27E and FY30E as a result of the greenfield expansion. Management anticipates capex to reach Rs150,000 million in FY27E.
- **Net debt:** Consolidated net debt decreased to Rs248bn in Dec'25 from a net debt of Rs255bn in Sept'25. The decrease is due to improved performance. Net debt was Rs288bn in Mar'25. Net D/E is 0.4x.

Valuation Methodology

SAIL is undergoing a major expansion programme in which it is doing brownfield and greenfield expansion projects, ramping up the overall capacity by 14mn tonnes. Incremental volumes will come from FY29E onwards. Major capex will come in FY27E-FY30E, due to the greenfield expansion project. This will increase the overall debt and can put pressure on the balance sheet and cashflow.

Changes in assumptions consider the performance of 9MFY26. Numbers are being revised down, particularly for FY26E.

Key changes in assumptions:

- Volumes are expected to increase by 9.0% compared to 5.0% in FY26, 8.0% compared to 4.0% in FY27E, and 5.0% compared to 2.5% in FY28E, respectively.
- Pricing: Estimated fall of 2.0% vs. positive 2.0% in FY26E, revised to +3.0% vs. 2.0% in FY27E, and 2.0% vs. 1.0% in FY28E.
- USD-INR assumption was revised to Rs 90.0 for FY26E, Rs 91.0 for FY27E, and Rs 91.0 for FY28E.

Fig 8 – Revision in Estimates

(Rs mn)	Actual	New			Old			Change (%)		
		FY25A	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E
Revenue	1,024,791	1,094,681	1,217,723	1,304,181	1,097,550	1,164,281	1,205,322	(0.3)	4.6	8.2
EBITDA	106,462	104,309	138,403	155,936	124,329	131,842	148,362	(16.1)	5.0	5.1
EBITDA % margin	10.4	9.5	11.4	12.0	11.3	11.3	12.3			
PAT	26,844	25,747	38,827	45,768	34,773	37,410	40,759	(26.0)	3.8	12.3
EPS (Rs)	6.5	6.2	9.4	11.1	8.4	9.1	9.9	(26.0)	3.8	12.3

Source: Company, BOBCAPS Research

Fig 9 – Key assumptions

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Sales volumes (mn t)	17.0	17.9	19.5	21.1	22.1
Realization (Rs/t)	61,898	57,266	56,121	57,805	58,961
Utilization (%)	79.6	83.6	86.1	88.7	91.4
% growth YoY					
Volumes	5.0	5.1	9.0	8.0	5.0
Realization	(3.9)	(7.5)	-2.0	3.0	2.0
EBITDA/tonne (Rs)	6,539	5,940	5,339	6,562	7,042
USD - INR	82.8	83.0	90.0	91.0	91.0

Source: Company, BOBCAPS Research

EV/EBITDA-based Valuation Rationale

We retain the SELL recommendation due to short-term capacity limitations, greater costs compared to peers, and risk on balance sheet metrics as capital expenditures increase. We increase TP to Rs132 from Rs121 based on 5.5x Dec'27 EBITDA considering 9MFY26 performance.

Fig 10 – Valuation summary

Particulars	Dec 27 EBITDA (Rs mn)	Multiple	Value (Rs cr)	Rs/share
SAIL	151,553	5.5	833,542	202
Less - Net debt			288,442	70
Target price			545,099	132

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 FY27E-FY30E due to the greenfield expansion project, which will raise the overall debt. Further, an environment of weak demand during this period can put pressure on the balance sheet and cashflow.
- Coking coal – disruption and price volatility can impact operating profit. SAIL relies on imported coking coal for most of its requirements. Given a limited number of vendors, the bulk supply comes from one geographical area. Thus, the risk in terms of interruption can impact the requirement. Also, price volatility can raise operating cost and thus, impact EBITDA performance.

Fig 11 – EV/EBITDA 1YF

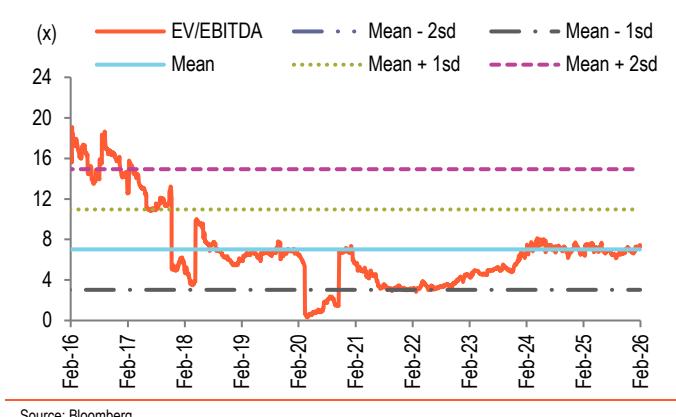
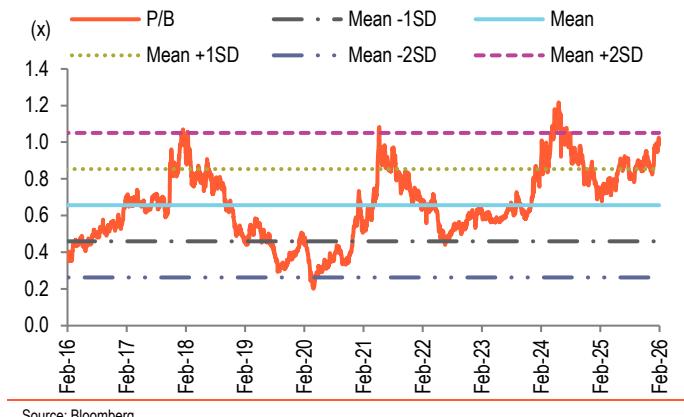


Fig 12 – P/B 1YF



Financials

Income Statement

Y/E 31 Mar (Rs bn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	1,054	1,025	1,095	1,218	1,304
EBITDA	111	106	104	138	156
Depreciation	(53)	(57)	(60)	(68)	(73)
EBIT	59	50	45	71	82
Net interest inc./exp.)	(25)	(28)	(26)	(35)	(38)
Other inc./exp.)	11	9	9	9	9
Exceptional items	(8)	(3)	0	0	0
EBT	41	33	32	50	59
Income taxes	(10)	(9)	(6)	(11)	(13)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	5	5	5	5	5
Reported net profit	31	24	26	39	46
Adjustments	8	3	0	0	0
Adjusted net profit	39	27	26	39	46

Balance Sheet

Y/E 31 Mar (Rs bn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	153	105	100	115	123
Other current liabilities	158	146	146	146	146
Provisions	13	14	14	14	14
Debt funds	306	298	330	425	460
Other liabilities	206	212	212	212	212
Equity capital	41	41	41	41	41
Reserves & surplus	530	548	561	586	616
Shareholders' fund	571	589	602	627	658
Total liab. and equities	1,407	1,364	1,404	1,539	1,612
Cash and cash eq.	7	10	11	9	11
Accounts receivables	84	76	90	102	109
Inventories	373	337	352	394	422
Other current assets	64	42	42	42	42
Investments	46	50	50	50	50
Net fixed assets	654	651	661	743	780
CWIP	61	72	72	72	72
Intangible assets	15	14	14	14	14
Deferred tax assets, net	0	0	0	0	0
Other assets	149	162	162	162	162
Total assets	1,407	1,364	1,404	1,539	1,612

Cash Flows

Y/E 31 Mar (Rs bn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	38	120	79	102	130
Capital expenditures	(54)	(76)	(70)	(150)	(110)
Change in investments	(4)	(4)	0	0	0
Other investing cash flows	7	5	0	0	0
Cash flow from investing	(52)	(75)	(70)	(150)	(110)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	49	(8)	32	95	35
Interest expenses	(25)	(28)	(26)	(35)	(38)
Dividends paid	(8)	(11)	(13)	(13)	(15)
Other financing cash flows	(2)	5	0	0	0
Cash flow from financing	15	(42)	(7)	47	(18)
Chg in cash & cash eq.	1	3	1	(2)	2
Closing cash & cash eq.	7	10	11	9	11

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	7.4	5.7	6.2	9.4	11.1
Adjusted EPS	9.5	6.5	6.2	9.4	11.1
Dividend per share	2.0	2.6	3.1	3.3	3.8
Book value per share	138.2	142.6	145.7	151.9	159.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	583.0	599.5	561.2	504.6	471.2
EV/EBITDA	5,510.3	5,770.9	5,890.1	4,439.6	3,940.8
Adjusted P/E	15.7	22.9	23.9	15.8	13.4
P/BV	1.1	1.0	1.0	1.0	0.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	79.7	75.3	80.5	78.4	78.1
Interest burden (PBT/EBIT)	83.5	71.3	71.5	70.0	71.1
EBIT margin (EBIT/Revenue)	5.6	4.9	4.1	5.8	6.3
Asset turnover (Rev./Avg TA)	77.7	74.0	79.1	82.8	82.8
Leverage (Avg TA/Avg Equity)	2.4	2.4	2.3	2.4	2.5
Adjusted ROAE	698.7	462.8	432.3	631.6	712.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	0.9	(2.8)	6.8	11.2	7.1
EBITDA	38.7	(4.5)	(2.0)	32.7	12.7
Adjusted EPS	103.7	(31.3)	(4.1)	50.8	17.9
Profitability & Return ratios (%)					
EBITDA margin	10.6	10.4	9.5	11.4	12.0
EBIT margin	5.6	4.9	4.1	5.8	6.3
Adjusted profit margin	3.7	2.6	2.4	3.2	3.5
Adjusted ROAE	7.0	4.6	4.3	6.3	7.1
ROCE	6.6	5.4	4.8	6.6	7.1
Working capital days (days)					
Receivables	29	27	30	31	31
Inventory	129	120	117	118	118
Payables	59	42	37	39	39
Ratios (x)					
Gross asset turnover	0.8	0.7	0.8	0.8	0.8
Current ratio	1.0	1.0	1.1	1.2	1.2
Net interest coverage ratio	2.4	1.8	1.7	2.0	2.2
Adjusted debt/equity	0.5	0.5	0.5	0.7	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 valid till 03 February 2025

Brand Name: **BOBCAPS**

Trade Name: www.barodaetrade.com

CIN: U65999MH1996GOI098009

Logo:  TRUST | INNOVATION | EXCELLENCE

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%

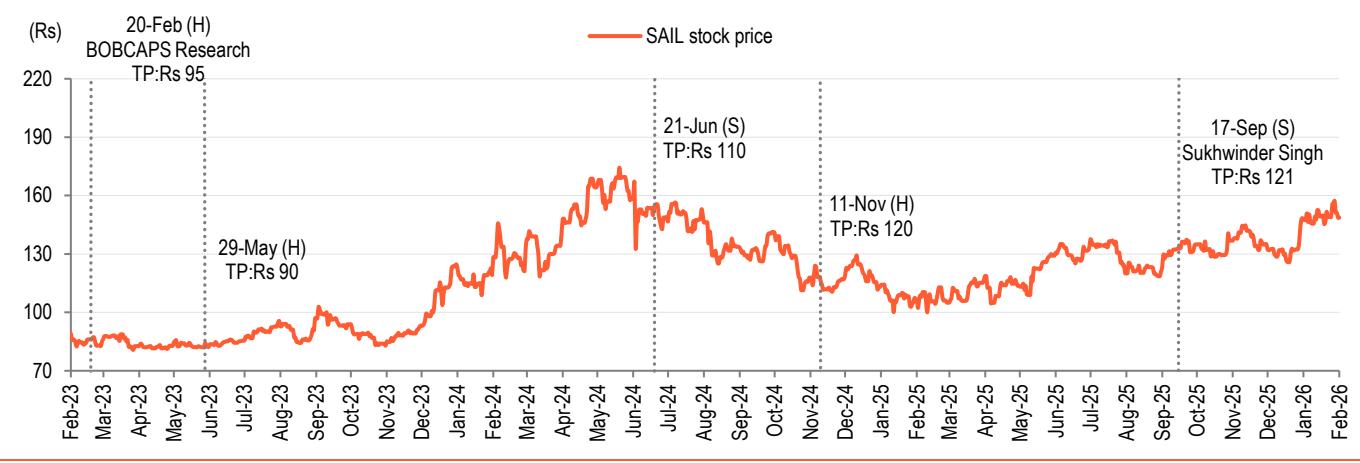
HOLD – Expected return from -6% to +15%

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

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

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

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

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

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

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

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

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

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

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

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. 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.