

HOLD

TP: Rs 1,395 | ▲ 4%

ACC

| Cement

| 28 July 2026

Sub-par show continues; quick respite unlikely; Maintain HOLD

- Volume weakness continues with a fall of ~13% YoY; trade mix (81%) and premium share (44%) improve YoY, help realization gain of 8%
- EBITDA/tn fell ~35% YoY to Rs 434 amid elevated raw material and external purchase costs leading to EBITDAM decline by 521bps YoY
- Value ACC at 8x Jun-2028 EV/EBITDA; revise FY27E/FY28E/FY29E EBITDA down; margin at ~11%; TP revised at Rs1,395, Maintain HOLD

Milind Raginwar
Research Analyst
Ayush Dugar
Research Associate
research@bobcaps.in

Weak volumes offset pricing gains: ACC's Q1FY27 revenue came in at ~Rs58bn, down ~5%/19% YoY/QoQ, impacted by a sharp 13%/16% YoY/QoQ decline in cement volumes to 10mt. However, realisations improved by ~8% YoY, aided by a higher trade mix and continued premiumisation. Trade share increased to 81% (vs 76% YoY), premium product share rose to 44% vs 41% YoY.

Cost pressures remain elevated despite efficiency initiatives: Cost/t increased ~16% YoY to Rs 5,332/t, due to higher external purchases and raw material inflation. RM cost (adjusted for external purchases) surged ~26% YoY to Rs 2,704/tn. Energy cost rose ~5% YoY, despite lower blended power cost (Rs 5.6/kWh vs Rs 6.1/kWh YoY) aided by a higher RE share (31% vs 26% YoY). Logistics cost increased ~6% YoY (-6% QoQ) to Rs 1,066/t, although lead distance improved significantly to 254km vs 290km YoY (273km QoQ).

Further margin contraction on lower operating leverage: EBITDA declined ~44%/30% YoY/QoQ, EBITDA/t of Rs 434 (-35% YoY). Effectively, EBITDA margin contracted by 521bps/118bps YoY/QoQ to 7.5%, as elevated input costs and lower utilisation more than offset the benefit of higher realisations. Further, ACC recognised a Rs 240mn one-off charge towards the Voluntary Severance Scheme.

Expansion and integration remain key medium-term catalysts: Capacity expansion continues to progress, with the 2.4mtpa Salai Banwa GU commencing trial runs, the 1mtpa Kalamboli expansion is expected to be commissioned in Q2FY27. ACC also acquired a 26% stake in Amplus Andhra Power Pvt. Ltd.

Earnings revised down; Retain HOLD: ACC units are shut (~3.0mnt) for want of upgrades. Effectively we revise our FY27E/FY28E/FY29E earnings estimates down. Our 3Y CAGR revenue/EBITDA is 6%/7%, due to limited headroom capacity and impacted cost structure. We value ACC at 8x EV/EBITDA 1YF earnings with rollover to Jun-2028 earnings and revise TP downwards to Rs1,395 (from Rs 1,595). This implies a replacement cost of Rs 7.0bn per mt at par to the industry average. We feel considering the current valuations, ACC is available at fair valuations. HOLD.

Key changes

Target	Rating
▼	◀ ▶

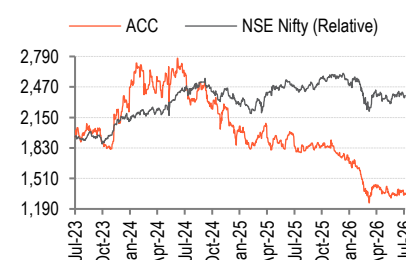
Ticker/Price	ACC IN/Rs 1,342
Market cap	US\$ 2.7bn
Free float	43%
3M ADV	US\$ 2.9mn
52wk high/low	Rs 1,987/Rs 1,252
Promoter/FPI/DII	57%/12%/19%

Source: NSE | Price as of 28 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	2,48,880	2,47,204	2,58,058
EBITDA (Rs mn)	29,024	27,923	30,435
Adj. net profit (Rs mn)	15,399	16,588	19,739
Adj. EPS (Rs)	81.9	88.2	105.0
Consensus EPS (Rs)	81.9	87.2	102.9
Adj. ROAE (%)	9.3	8.3	9.1
Adj. P/E (x)	16.4	15.2	12.8
EV/EBITDA (x)	11.8	12.3	11.2
Adj. EPS growth (%)	33.5	7.7	19.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Key quarterly metrics

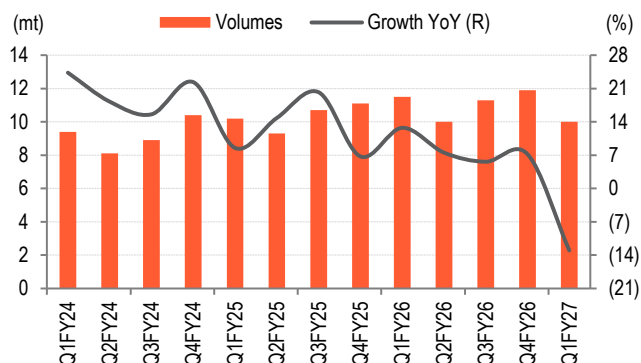
(Rs)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Q1FY27E	Deviation (%)
Volumes (mn mt)	10.0	11.5	(13.0)	11.90	(16.0)	10.93	(8.5)
Cement realisations (Rs/t)	5,376	4,970	8.2	5,594	(3.9)	5,634	(4.6)
Operating costs (Rs/t)	5,332	4,603	15.8	5,428	(1.8)	5,508	(3.2)
EBITDA/t (Rs)	434	672	(35.4)	518	(16.2)	562	(22.8)

Source: Company, BOBCAPS Research

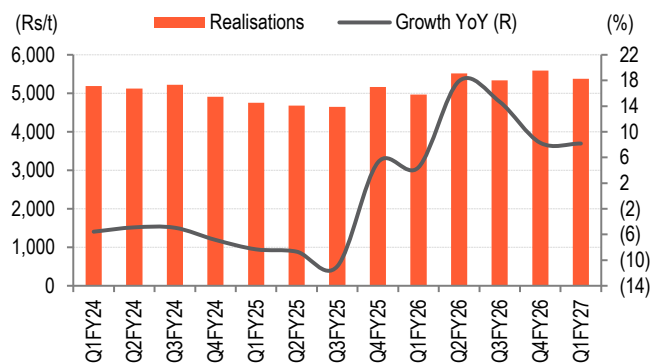
Fig 2 – Quarterly performance

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Q1FY27E	Deviation (%)
Net sales	57,660	60,658	(4.9)	70,758	(18.5)	66,312	(13.0)
Expenditure							
Change in stock	(340)	(806)		822	(141.4)	(413)	
Raw material	9,470	11,109	(14.8)	12,009	(21.1)	11,482	(17.5)
Purchased products	17,910	14,301	25.2	20,071	(10.8)	18,795	(4.7)
Power & fuel	7,730	8,475	(8.8)	9,401	(17.8)	9,188	(15.9)
Freight	10,660	11,586	(8.0)	13,473	(20.9)	12,760	(16.5)
Employee costs	1,830	2,026	(9.7)	1,770	3.4	2,056	(11.0)
Other exp	6,060	6,240	(2.9)	7,048	(14.0)	6,302	(3.8)
Total Operating Expenses	53,320	52,930	0.7	64,594	(17.5)	60,170	(11.4)
EBITDA	4,340	7,728	(43.8)	6,164	(29.6)	6,141	(29.3)
EBITDA margin (%)	7.5	12.7	(521bps)	8.7	(118bps)	9.3	(173bps)
Other Income	595	690	(13.8)	538	10.7	695	(14.4)
Interest	270	302	(10.7)	262	2.9	277	(2.5)
Depreciation	2,440	2,376	2.7	2,592	(5.8)	2,610	(6.5)
PBT	2,225	5,740	(61.2)	3,848	(42.2)	3,949	(43.7)
Non-recurring items	(240)	0	0.0	(44)	0.0	0	0.0
PBT (after non-recurring items)	1,985	5,740	(65.4)	3,804	(47.8)	3,949	(49.7)
Tax	500	1,895	(73.6)	1,317	(62.0)	1,066	(53.1)
Reported PAT	1,485	3,845	(61.4)	2,487	(40.3)	2,883	(48.5)
Adjusted PAT	1,725	3,845	(55.1)	2,531	(31.8)	2,883	(40.2)
NPM (%)	3.0	6.3	(335bps)	3.6	(58bps)	4.3	(136bps)
Adjusted EPS (Rs)	9.2	20.5	(55.1)	13.5	(31.8)	15.3	(40.2)

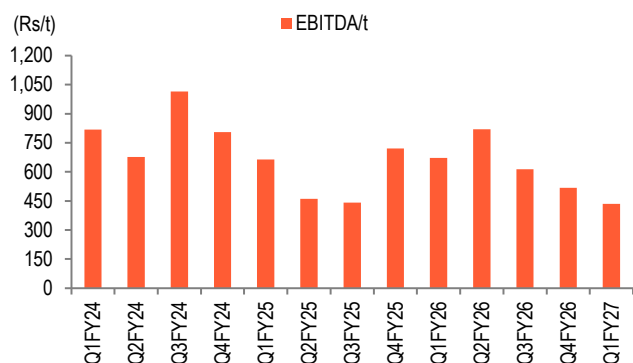
Source: Company, BOBCAPS Research

Fig 3 – Volume growth abysmal lacking the industry by a huge margin


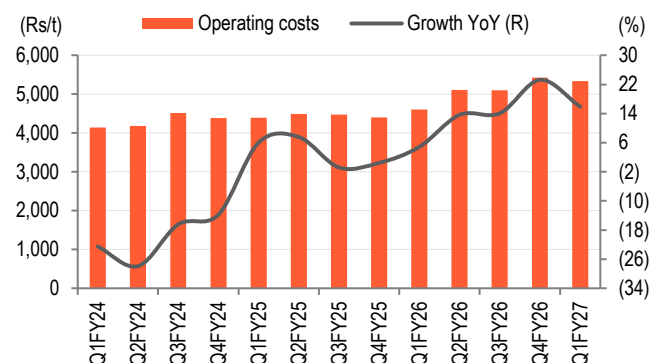
Source: Company, BOBCAPS Research | Note: ACC has changed its accounting Y/E from Dec to Mar; thus, FY23 consists of 5 quarters

Fig 4 – Healthy realisations driven by its presence in the West and North


Source: Company, BOBCAPS Research

Fig 5 – EBITDA/tn recovery short lived as the inflated cost base exerts pressure


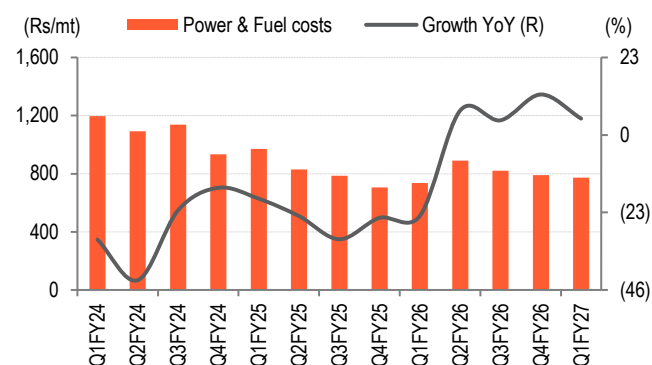
Source: Company, BOBCAPS Research

Fig 6 – Operating cost inflation a key negative while near-term volatility exacerbates further


Source: Company, BOBCAPS Research

Fig 7 – Logistics expected to stay elevated as fuel cost pressures persist in the near term


Source: Company, BOBCAPS Research

Fig 8 – Power cost escalation in check, as RE share improves, though gains might be capped


Source: Company, BOBCAPS Research

Valuation Methodology

ACC units are shut (~3.0mnt) for want of upgrades across the regions. This implies the volume growth will be sub-par and the new capacities only help grow with industry once commissioned. The cost escalation continues as transition phase of new acquired units continue.

Effectively we revise our FY27E/FY28E/FY29E earnings estimates down. Our 3Y CAGR revenue/EBITDA is 6%/7%, due to limited headroom capacity and impacted cost structure.

We value ACC at 8x EV/EBITDA 1YF earnings with rollover to Jun-2028 earnings and revise TP downwards to Rs1,395 (from Rs 1,595). This implies a replacement cost of Rs 7.0bn per mt at par to the industry average. We feel considering the current valuations, ACC is available at fair valuations. HOLD

Fig 9 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	2,47,204	2,58,058	2,70,467	2,53,460	2,53,460	2,53,460	(2.5)	1.8	6.7
EBITDA	27,923	30,435	32,942	34,080	34,080	34,080	(18.1)	(10.7)	(3.3)
Adj PAT	16,588	19,739	21,516	21,952	21,952	21,952	(24.4)	(10.1)	(2.0)
Adj EPS (Rs)	88.2	105.0	114.5	116.8	123.1	132.9	(24.5)	(14.7)	(13.9)

Source: BOBCAPS Research, Note: FY29 Estimates newly introduced

Fig 10 – Key assumptions

	FY26P	FY27E	FY28E	FY29E
Volumes (mt)	44.70	43.58	44.28	45.51
Realisations (Rs/mt)	5,354	5,005	5,105	5,182
Operating costs (Rs/mt)	5,060	5,573	5,616	5,688
EBITDA/mt (Rs)	656	857	837	863

Source: Company, BOBCAPS Research

Fig 11 – Valuation summary

Business (Rs mn)	Jun 2028
Target EV/EBITDA (x)	8.0
EBITDA	30,061.0
Target EV	231,475
Total EV	231,475
Net debt	(30,745)
Target market capitalisation	262,221
Target price (Rs/sh)	1,395
Weighted average shares (mn)	188

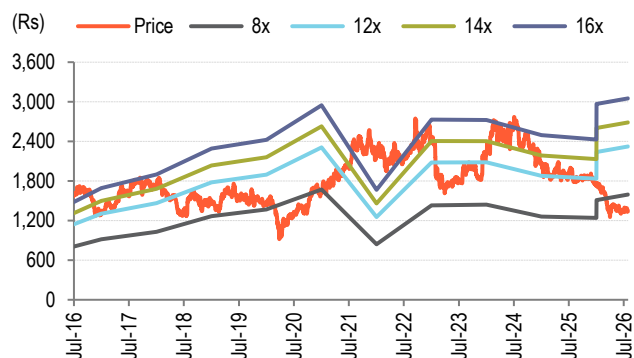
Source: BOBCAPS Research | Note: Valuations are based on Jun 2028 earnings

Key Risks

Key upside/downside risks to our estimates:

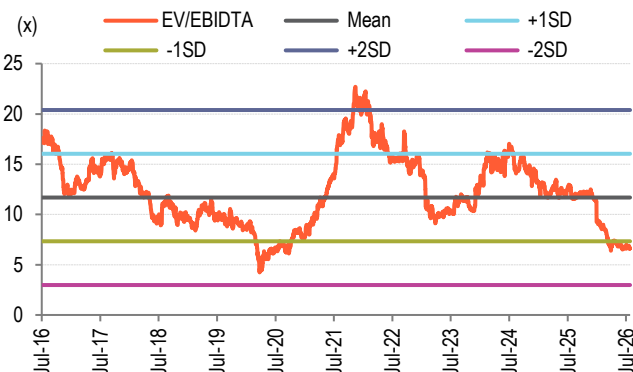
- Muted volume growth
- Further lower-than-expected costs inflation
- Fierce competitive intensity putting pressure on pricing.

Fig 12 – EV/EBITDA band: We value ACC at 8x 1YF earnings



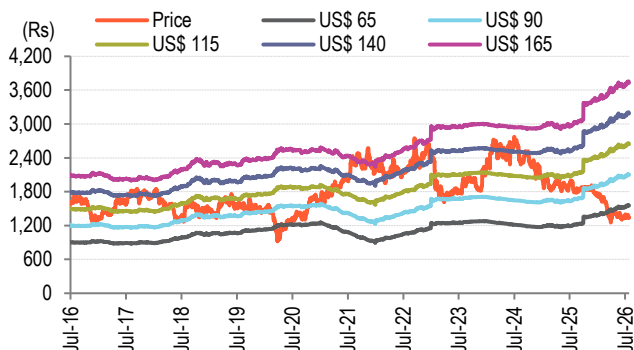
Source: Company, Bloomberg, BOBCAPS Research

Fig 13 – EV/EBITDA 1YF: Valuations will stay muted, given the sub par growth losing market share



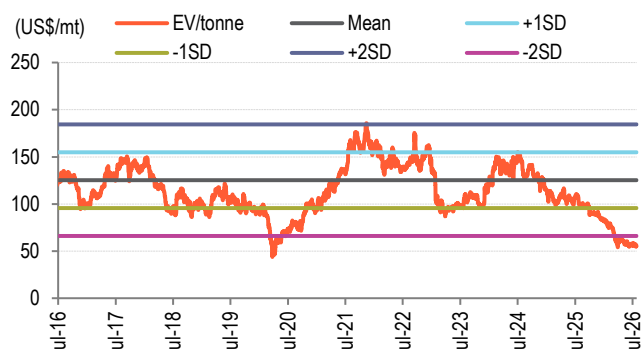
Source: Company, Bloomberg, BOBCAPS Research

Fig 14 – EV/tonne: Trades at fair value replacement cost



Source: Company, Bloomberg, BOBCAPS Research

Fig 15 – EV/tonne: Replacement cost to hover around at lower levels



Source: Company, Bloomberg, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	2,05,943	2,48,880	2,47,204	2,58,058	2,70,467
EBITDA	30,162	29,024	27,923	30,435	32,942
Depreciation	(9,562)	(10,417)	(11,338)	(11,780)	(12,272)
EBIT	31,186	22,648	20,732	24,296	26,416
Net interest inc./(exp.)	(1,080)	(1,109)	(1,175)	(1,250)	(1,280)
Other inc./(exp.)	10,586	4,040	4,147	5,642	5,746
Exceptional items	13,019	7,469	0	0	0
EBT	43,126	29,008	19,557	23,046	25,136
Income taxes	(18,573)	(6,140)	(2,969)	(3,307)	(3,620)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	24,553	22,868	16,588	19,739	21,516
Adjustments	(13,019)	(7,469)	0	0	0
Adjusted net profit	11,533	15,399	16,588	19,739	21,516

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	51,243	49,143	49,165	52,298	55,886
Other current liabilities	9,017	8,891	11,184	12,149	13,210
Provisions	1,527	2,079	2,097	2,115	2,133
Debt funds	0	0	0	0	0
Other liabilities	4,733	6,240	6,307	6,374	6,441
Equity capital	1,880	1,880	1,880	1,880	1,880
Reserves & surplus	1,80,829	2,02,284	2,12,751	2,26,370	2,41,765
Shareholders' fund	1,82,709	2,04,164	2,14,631	2,28,250	2,43,645
Total liab. and equities	2,49,229	2,70,517	2,83,384	3,01,186	3,21,314
Cash and cash eq.	29,750	4,791	9,867	13,892	19,966
Accounts receivables	11,716	36,715	35,646	36,362	37,231
Inventories	18,950	17,516	17,158	17,666	18,263
Other current assets	62,287	78,036	81,284	86,451	92,072
Investments	12,834	15,335	15,335	15,335	15,335
Net fixed assets	94,727	94,761	93,021	90,305	87,174
CWIP	16,159	20,304	30,000	40,000	50,000
Intangible assets	2,807	3,059	1,074	1,174	1,274
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	2,49,230	2,70,517	2,83,384	3,01,186	3,21,314

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	36,958	(7,077)	25,388	27,707	29,754
Capital expenditures	(22,763)	(13,968)	(15,730)	(17,560)	(17,560)
Change in investments	(6,998)	14,585	(5,000)	(5,000)	(5,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(29,760)	617	(20,730)	(22,560)	(22,560)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	0	0	0
Interest expenses	0	0	0	0	0
Dividends paid	(2,817)	(1,413)	(3,516)	(5,054)	(5,054)
Other financing cash flows	(5,926)	(2,501)	(1,067)	(1,067)	(1,067)
Cash flow from financing	(8,743)	(3,914)	(4,583)	(6,121)	(6,121)
Chg in cash & cash eq.	(1,546)	(10,374)	76	(974)	1,073
Closing cash & cash eq.	29,750	4,791	9,866	13,892	19,966

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	130.6	121.6	88.2	105.0	114.5
Adjusted EPS	61.4	81.9	88.2	105.0	114.5
Dividend per share	15.0	7.5	23.0	23.0	23.0
Book value per share	971.9	1,086.0	1,141.7	1,214.2	1,296.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.7	1.4	1.4	1.3	1.3
EV/EBITDA	11.3	11.8	12.3	11.2	10.4
Adjusted P/E	21.9	16.4	15.2	12.8	11.7
P/BV	1.4	1.2	1.2	1.1	1.0

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	56.9	78.8	84.8	85.7	85.6
Interest burden (PBT/EBIT)	96.5	95.1	94.3	94.9	95.2
EBIT margin (EBIT/Revenue)	15.1	9.1	8.4	9.4	9.8
Asset turnover (Rev./Avg TA)	90.9	99.6	92.8	90.3	89.5
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.3	1.3	1.3
Adjusted ROAE	10.6	9.3	8.3	9.1	9.4

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	5.2	20.8	(0.7)	4.4	4.8
EBITDA	(1.4)	(3.8)	(3.8)	9.0	8.2
Adjusted EPS	(45.7)	33.5	7.7	19.0	9.0

Profitability & Return ratios (%)

EBITDA margin	13.9	11.3	11.1	11.6	12.0
EBIT margin	14.4	8.8	8.3	9.3	9.6
Adjusted profit margin	5.6	6.2	6.7	7.6	8.0
Adjusted ROAE	10.6	9.3	8.3	9.1	9.4
ROCE	17.7	11.4	9.6	10.7	10.9

Working capital days (days)

Receivables	21	54	53	51	50
Inventory	34	26	25	25	25
Payables	100	78	80	82	84

Ratios (x)

Gross asset turnover	1.3	1.5	1.4	1.4	1.4
Current ratio	2.0	2.3	2.3	2.3	2.4
Net interest coverage ratio	28.9	20.4	17.6	19.4	20.6
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

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-customer@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**

Website: <https://www.bobcaps.in/>

CIN: **U65999MH1996GOI098009**



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

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

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

BUY – Expected return >+15%

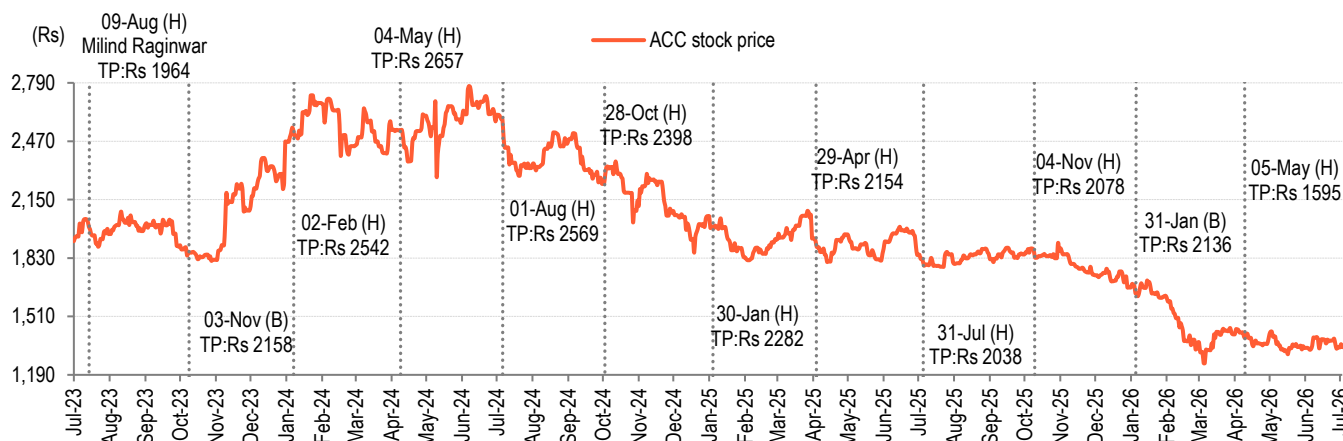
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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

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