RESULT REVIEW

BUY

TP: Rs 1,859 | 17%

AUROBINDO PHARMA | Pharmaceuticals | 06 August 2026

All growth drivers intact

- **Sales/EBITDA/PAT were 1.6%/1.9%/7% above our estimates, while EBITDA Margin was reported in-line with our estimates at 20.5%**
- **Post integration of Lannett's business, the US quarterly sales run rate is expected to increase from USD ~400mn to ~470mn**
- **We continue to ascribe 21x on Jun'28 EPS of RS 89 to arrive at a PT of Rs 1859 (earlier Rs 1686), Maintain BUY**

Foram Parekh
Research Analyst
research@bobcaps.in

In-line numbers – Sales grew by 16.3% YoY to Rs 91.5bn, driven by growth across segments, with formulations growing by 16.5% YoY to Rs 81bn and API growing by 14.7% YoY to Rs 10.5bn. Geographically, US grew by 8% YoY, Europe grew by 25.6% YoY, and Growth Markets grew by 37% YoY, offset by a 7% YoY decline in ARV sales. Healthy product mix led to 17.3% YoY growth in gross profit to Rs 18.8bn in 1QFY27. R&D cost declined by 4.6% YoY to Rs 3.5bn as development cost is now complete, while other expenses (ex-R&D) grew by 26.8% YoY to Rs 18.12bn (includes Rs 432mn one-time expense towards net loss on derecognition of lease receivable), leading to 17.3% YoY growth in EBITDA to Rs 18.8bn and an 18bps YoY increase in EBITDA margin to 20.6% in 1QFY27. Adjusting for this one-time expense, EBITDA grew by 20% YoY to Rs 19.24bn, with a 65bps YoY increase in EBITDA margin to 20.5%. Other income grew by 101% YoY, and healthy operations led to 24% YoY growth in PAT to Rs 10.3bn in 1QFY27.

Europe sales driven by launch of new products - Sales grew by 11% in cc terms to EUR 267mn and by 26% in INR terms. Sales were driven by wider geographical expansion, launch of biosimilars like Bevqolva, Dazublys, Zefylti and Dyrupeg, improvement in turnaround time, and an increase in supplies from the China plant (25% capacity utilization). Going forward, we expect sales to grow at a 7% CAGR in cc terms to EUR 1.22bn in FY29 and at a 15% CAGR to Rs 159bn in FY29E.

Growth Market growth driven by across regions - Sales grew by 26% in cc terms to USD 113mn and by 38% in INR terms to Rs 106bn. The growth was driven by traction across geographies, launch of biosimilars Bevqolva and Zefylti in the LATAM market, and diversification into newer markets like Indonesia, China and Canada; however, growth in INR terms is likely to stay in single digits due to a lack of new filings. We expect this segment to grow at a CAGR of 10% from FY27-29E to Rs 46.1b.

Valuation - At CMP, the stock is trading at a PE of18x on Jun'28 EPS of Rs 89 per share. We continue to ascribe 21x to arrive at a PT of Rs 1859, Maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	ARBP IN/Rs 1,589
Market cap	US$ 9.8bn
Free float	48%
3M ADV	US$ 20.5mn
52wk high/low	Rs 1,637/Rs 1,016
Promoter/FPI/DII	52%/18%/23%

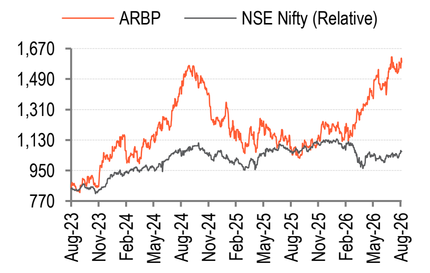
Source: NSE | Price as of 6 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	336,530	394,256	443,754
EBITDA (Rs mn)	68,557	82,974	94,778
Adj. net profit (Rs mn)	35,685	44,942	50,116
Adj. EPS (Rs)	60.9	76.7	85.5
Consensus EPS (Rs)	61.6	78.0	90.0
Adj. ROAE (%)	10.4	11.6	11.6
Adj. P/E (x)	26.1	20.7	18.6
EV/EBITDA (x)	13.7	11.2	9.6
Adj. EPS growth (%)	2.4	25.9	11.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

US sales growth steady – Sales grew by 3% in cc terms to USD 399 mn and 8% in INR terms to Rs 37.7bn. The growth was driven by healthy traction in the base business and 10 new launches in the quarter. Going forward, the China supplies are expected to start in the US region and with the closure of Lannett's acquisition, the company would diversify into complex and controlled substances. The Lanenett's acquisition is expected to bring SG&A synergies and procurement synergies. The current utilization of Lannett is 40% and the company expects it to increase it in 9months. The company is also likely to launch g Advair in the US market which would drive sales. We expect, organic US sales to grow by 5% CAGR from FY27-29E to USD 1.78 bn by FY29 and in INR terms to grow by 10% CAGR from FY27-29 to Rs 196 by FY29E. Post Integrating Lannett's business we expect US sales to grow by 5% in cc terms and 12% CAGR from FY27-29E to Rs 232 bn in FY29E.

Fig 1 – Lannett's historical earnings

Particulars (Rs mn)	FY24	FY25	FY26
Installed capacity (mn)	3600	3600	3600
capacity utilization (%)	40	39	38
Production	1440	1404	1368
Per unit realization	19.1	17.8	19.5
Per unit realization in USD	0.2	0.2	0.2
Sales	27443	24996	26744
Controlled Substance	12898	9498	7756
Non-Controlled Substance	12898	14248	17918
CMO	1647	1250	1070
Gross Profit	11114	10123	10831
Gross Margin (%)	40.5	40.5	40.5
EBITDA	4116	3749	4012
EBITDA M (%)	15	15	15
PAT	2744	2500	2674
Lannet's EPS	4.7	4.3	4.6

Source: Company, BOBCAPS Research

Quarterly Highlights

Fig 2 – Financial highlights

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Q1FY27E	Variance (%)
Net Sales	91,504	78,681	16.3	88,533	3.4	90,039	1.6
Total Expenses	72,693	62,647	16.0	70,524		71,585	
(%) of net sales	79	80		80		80	
Raw material consumed	36,270	32,392	12.0	34,291	5.8	34,767	4.3
(%) of net sales	40	41		39		39	
Gross Profit	18,811	16,034	17.3	18,009	4.5	18,453	1.9
Staff cost	14,802	12,288	20.5	13,740	7.7	14,264	3.8
(%) of net sales	16	16		16		16	
R&D cost	3,500	3,670	(4.6)	4,188	(16.4)	4,190	(16.5)
(%) of net sales	4	5		5		5	
SG&A	18,122	14,297	26.8	18,305	(1.0)	18,364	(1.3)
(%) of net sales	20	18		21		20	
EBITDA	18,811	16,034	17.32	18,009	4.4	18,453	1.9
Depreciation	4,868	4,057		4,786		4,500	
EBIT	13,942	11,977	16.4	13,223	5.4	13,953	(0.1)
Interest	1,017	978	4.0	982		1,000	
Other Income	2,116	1,049	101.7	1,170		1,100	
PBT	15,042	12,048	24.8	13,412	12.1	14,053	7.0
Less: Taxation	4,830	3,826	26.2	3,697		4,497	
PAT	10,212	8,222	24.1	9,715	5.1	9,536	7.1
Less: Minority Interest	10	(25)		20		20	
Exceptional items	124	0		(481)		0	
PAT attributable to shareholders	10,326	8,247	25.2	9,214	12.0	9,536	8
Key Ratios (%)			**(bps)**		**(bps)**		**(bps)**
Gross Margin	60.4	58.8	153.2	61.3	(90.5)	61.4	(102.4)
EBITDA Margin	20.6	20.4	17.9	20.3	21.6	20.5	6.2
Tax / PBT	32.1	31.8	35.4	27.6	454.5	32.0	11.1
NPM	11.2	10.4	71.0	11.0	18.7	10.6	56.9
EPS (Rs)	17.6	14.1	25.2	15.7	12.1	16.3	8

Source: Company, BOBCAPS Research

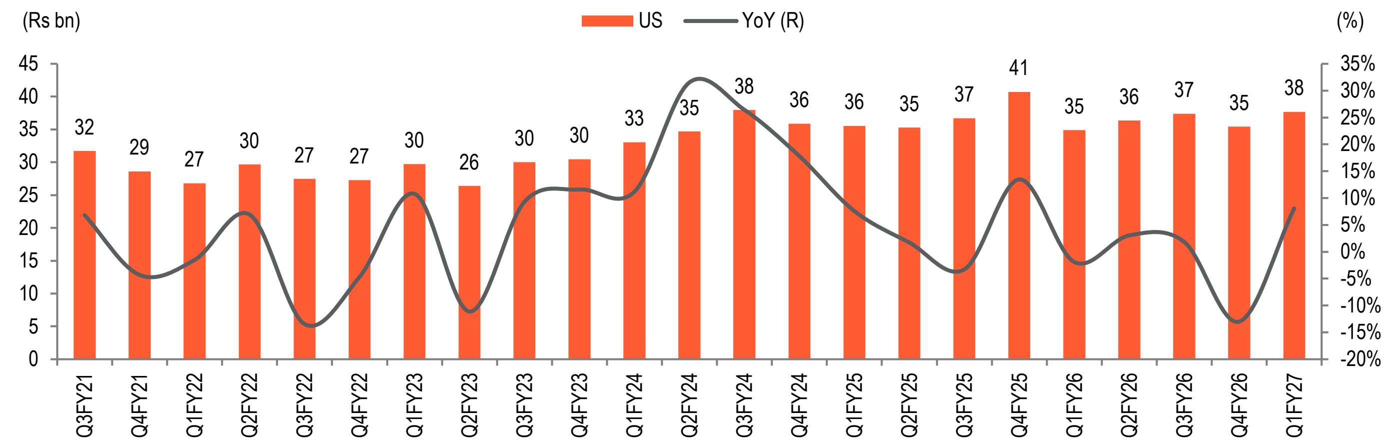
Fig 3 – Segmental Mix

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Q1FY27E
Formulations	81,000	69,530	16.5	76,460	5.9	77,132
US	37,700	34,880	8.1	35,430	6.4	37,130
Europe	29,370	23,380	25.6	27,950	5.1	28,056
Growth Markets	10,630	7,720	37.7	9,800	8.5	8,646
ARV	3,300	3,550	(7.0)	3,280	0.6	3,300
APIs	10,500	9,151	14.7	12,080	(13.1)	12,015
Net Sales	91500	78681	16.3	88540	3.3	89147.3

Source: Company, BOBCAPS Research

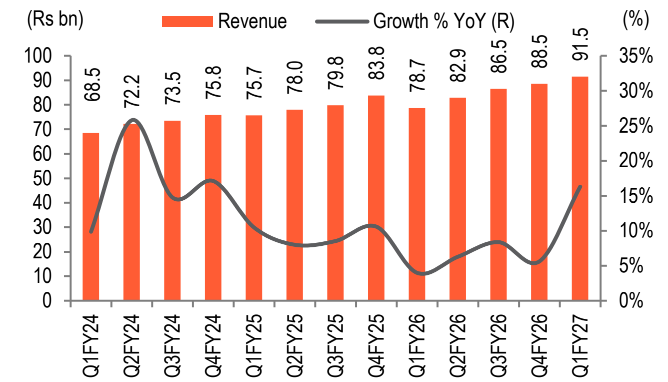
Financial Charts

Fig 4 – US sales maintained with base business performing well



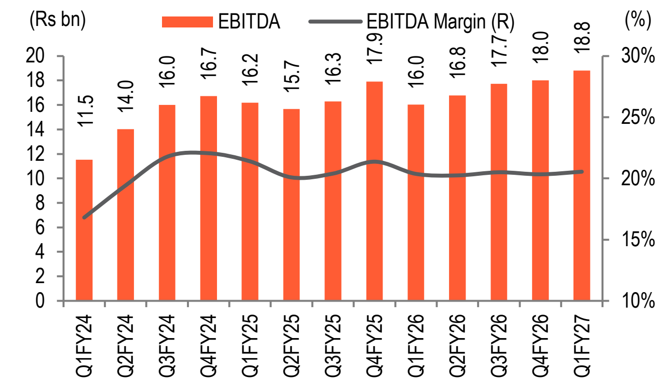
Source: Company, BOBCAPS Research

Fig 5 – Sales driven by growth across geographies



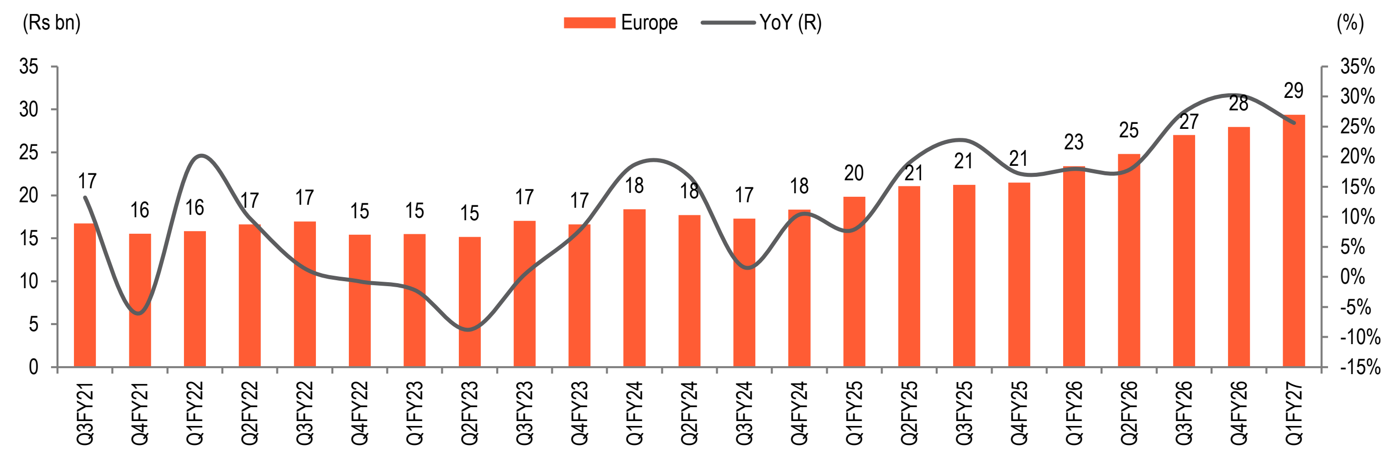
Source: Company, BOBCAPS Research

Fig 6 – EBITDA growth driven by healthy product mix



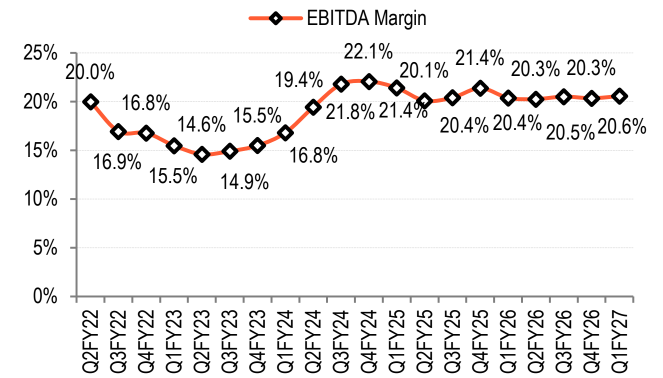
Source: Company, BOBCAPS Research

Fig 7 – Europe sales driven by wider geographical expansion



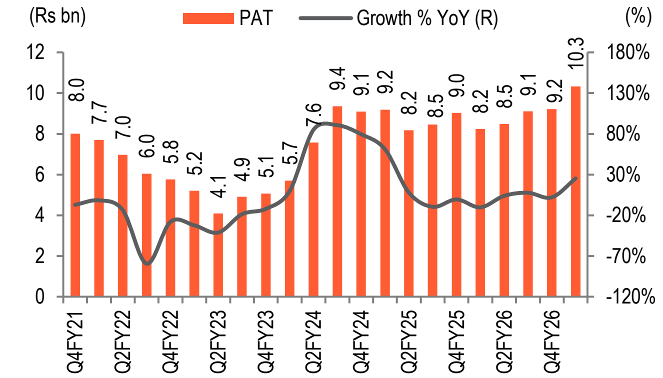
Source: Company, BOBCAPS Research

Fig 8 – EBITDA Margin maintained



Source: Company, BOBCAPS Research

Fig 9 – Healthy operations led to healthy PAT



Source: Company, BOBCAPS Research

Valuation methodology

ARBP's earnings were in line with our estimates, with all geographies reporting growth in both cc and INR terms. The company has received FTC approval for the Lannett acquisition, which we have factored into our estimates, taking the quarterly run rate from USD 400mn to 470+mn. Lannett's non-controlled-substance portfolio is growing, led by a healthy pipeline, and is expected to grow further with the launch of g-Advair in 2QFY27.

Organically, there are many growth drivers across segments: two biosimilars are likely to be filed in the US in FY27 and are expected to launch by FY29E; Denosumab has been filed in the European market (both Prolia and Xgeva); China supplies are set to expand to the US thus doubling production from current 500 mn tablets resulting in EBITDA breakeven from a loss of USD 7bn in FY26; Theranym Unit 1 sales are commencing from FY28 and Unit 2 from FY31 (cumulative sales of both units expected to be USD 150-200mn); Europe's upcoming biosimilar sales are expected to shift to B2C from the current B2B model; new launches in oral solids in Europe carry LOE opportunities from FY30, with profitability increasing to north of 20% from single digits a few years back; Injectables is expected to grow in single digits due to lack of new filings due to ongoing remediation of Unit 3; and, rationalization of R&D expense as development cost is now complete. However, a subcutaneous version of Trastuzumab is in development.

In the long haul, the growth drivers which we have not factored in are: commercialization of Units 1 and 2 from Theranym; US sales for biosimilars; the patent cliff from FY29 for biosimilars, where ARBP has 4 products in the 1st wave; and scaling up of the CRO unit from the current Rs 1bn (acquisition not yet closed), with the aim of backward-integrating from the current CMO (Theranym unit) to a CDMO company.

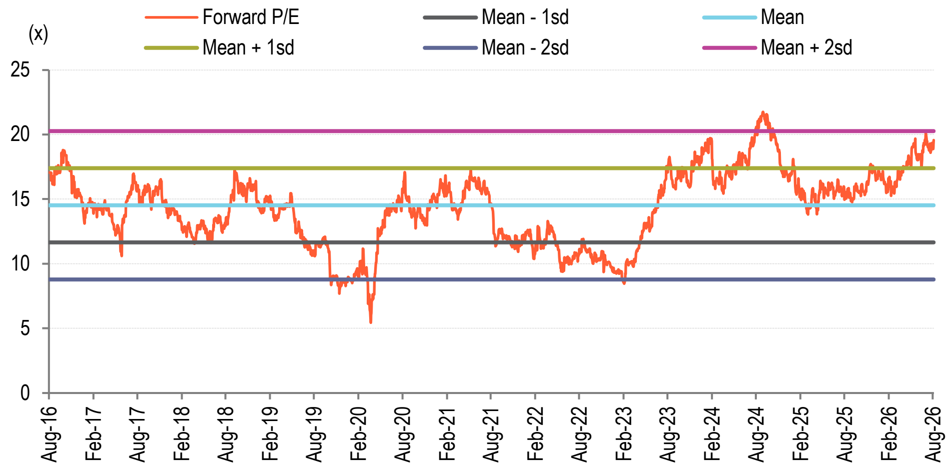
Post integration of Lannett's numbers, we expect a gradual increase in EBITDA margin as the larger, contributing controlled-substance business declines for Lannett (29% contribution in CY25 vs 47% contribution in CY23); Growth Markets are expected to report single-digit growth due to a lack of filings. Thus, we revise our EPS by 5.9%/1.3%/-3% to Rs 76.8 in FY27E, Rs 85.6 in FY28E and Rs 97.3 in FY29E. We arrive at a Sales/EBITDA/PAT CAGR of 12%/13%/13% from FY27-29E. At CMP, on rolling forward to Jun'28 EPS, the stock is trading at a PE of 18x on EPS of Rs 89 per share. We continue to ascribe 21x to arrive at a PT of Rs 1,859 on the stock. Maintain BUY

Fig 10 – Change in estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales	394256	443754	491136	377,751	424,597	474,354	4.4	4.5	3.5
EBITDA	82974	94778	107626	80,975	94,538	111,323	2.5	0.3	(3.3)
EBITDA Margin (%)	21.0	21.4	21.9	21.4	22.3	23.5	(39bps)	(91bps)	(155bps)
EPS (Rs)	76.8	85.6	97.3	72.5	84.5	100.3	5.9	1.3	(3.0)

Source: BOBCAPS Research, Company

Fig 11 – 1 year forward PE band



Source: Company, BOBCAPS Research

Key Risks

- Price erosion in the US sales
- Decline in PEN G plant yield can impact gross margins
- Increase in the operational cost can set off the backward-integration benefit

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**317,237**	**336,530**	**394,256**	**443,754**	**491,136**
EBITDA	66,054	68,557	82,974	94,778	107,626
Depreciation	16,494	17,782	20,587	23,247	26,005
EBIT	49,560	50,775	62,387	71,531	81,621
Net interest inc./(exp.)	(4,572)	(3,840)	(4,049)	(4,083)	(3,718)
Other inc./(exp.)	6,219	4,820	4,935	3,112	2,230
Exceptional items	0	0	0	0	0
EBT	51,206	51,756	63,273	70,561	80,133
Income taxes	15,827	16,089	18,349	20,463	23,239
Extraordinary items	0	(638)	0	0	0
Min. int./Inc. from assoc.	520	(18)	(18)	(18)	(18)
Reported net profit	**34,859**	**35,047**	**44,942**	**50,116**	**56,912**
Adjustments	0	638	0	0	0
Adjusted net profit	**34,859**	**35,685**	**44,942**	**50,116**	**56,912**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	41,889	55,673	70,210	80,240	90,154
Other current liabilities	38,246	59,198	43,368	48,813	44,202
Provisions	5,585	7,535	8,827	9,935	10,996
Debt funds	82,671	80,728	68,619	58,326	49,577
Other liabilities	0	0	0	0	0
Equity capital	586	581	581	581	581
Reserves & surplus	315,992	366,471	408,591	455,803	509,811
Shareholders' fund	316,578	367,052	409,172	456,383	510,392
Total liab. and equities	**484,968**	**570,186**	**600,196**	**653,698**	**705,321**
Cash and cash eq.	83,486	98,703	51,869	37,171	26,930
Accounts receivables	57,459	70,944	86,412	109,419	121,102
Inventories	105,437	120,529	145,821	176,286	195,109
Other current assets	39,127	43,297	67,418	71,444	93,807
Investments	2,517	10,511	10,511	10,511	10,511
Net fixed assets	121,894	143,299	155,262	165,965	174,960
CWIP	49,000	52,136	52,136	52,136	52,136
Intangible assets	26,048	30,767	30,767	30,767	30,767
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**484,968**	**570,186**	**600,196**	**653,698**	**705,321**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**45,924**	**60,608**	**4,697**	**36,531**	**40,130**
Capital expenditures	(16,600)	(28,303)	(32,550)	(33,950)	(35,000)
Change in investments	1,205	(7,994)	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(15,395)**	**(36,297)**	**(32,550)**	**(33,950)**	**(35,000)**
Equities issued/Others	0	(5)	0	0	0
Debt raised/repaid	16,195	(1,943)	(12,109)	(10,293)	(8,749)
Interest expenses	(4,572)	(3,840)	(4,049)	(4,083)	(3,718)
Dividends paid	(2,930)	(2,904)	(2,904)	(2,904)	(2,904)
Other financing cash flows	(18,520)	(402)	82	0	0
Cash flow from financing	**(9,827)**	**(9,093)**	**(18,980)**	**(17,280)**	**(15,371)**
Chg in cash & cash eq.	**20,703**	**15,217**	**(46,833)**	**(14,699)**	**(10,241)**
Closing cash & cash eq.	**83,486**	**98,703**	**51,869**	**37,171**	**26,930**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	59.5	59.8	76.7	85.5	97.1
Adjusted EPS	59.5	60.9	76.7	85.5	97.1
Dividend per share	2.5	2.5	2.5	2.5	2.5
Book value per share	541.1	627.4	699.2	779.9	872.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.9	2.8	2.4	2.1	1.9
EV/EBITDA	14.1	13.7	11.2	9.6	8.4
Adjusted P/E	26.7	26.1	20.7	18.6	16.4
P/BV	2.9	2.5	2.3	2.0	1.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	68.1	68.9	71.0	71.0	71.0
Interest burden (PBT/EBIT)	103.3	101.9	101.4	98.6	98.2
EBIT margin (EBIT/Revenue)	15.6	15.1	15.8	16.1	16.6
Asset turnover (Rev./Avg TA)	21.0	19.9	21.3	22.4	22.9
Leverage (Avg TA/Avg Equity)	1.2	1.2	1.2	1.1	1.1
Adjusted ROAE	11.5	10.4	11.6	11.6	11.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	10.7	6.1	17.2	12.6	10.7
EBITDA	20.1	3.8	21.0	14.2	13.6
Adjusted EPS	15.4	2.4	25.9	11.5	13.6
Profitability & Return ratios (%)					
EBITDA margin	20.8	20.4	21.0	21.4	21.9
EBIT margin	15.6	15.1	15.8	16.1	16.6
Adjusted profit margin	11.0	10.6	11.4	11.3	11.6
Adjusted ROAE	11.5	10.4	11.6	11.6	11.8
ROCE	14.8	13.1	14.5	15.0	15.6
Working capital days (days)					
Receivables	66	77	80	90	90
Inventory	121	131	135	145	145
Payables	48	60	65	66	67
Ratios (x)					
Gross asset turnover	1.5	1.4	1.4	1.4	1.4
Current ratio	3.3	2.7	2.9	2.8	3.0
Net interest coverage ratio	10.8	13.2	15.4	17.5	22.0
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-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%

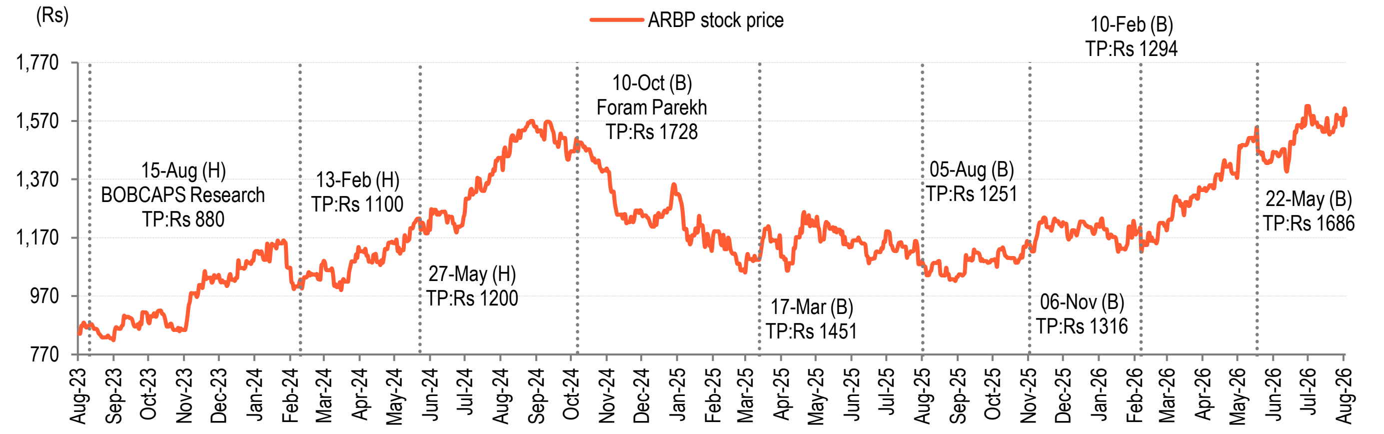
HOLD – Expected return from -6% to +15%

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): AUROBINDO PHARMA (ARBP 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.