

**BUY**  
 TP: Rs 6,700 | ▲ 16%

**CERA SANITARYWARE**

Building Materials

11 May 2026

**Inflation-led growth; margins under pressure**

- Revenue beat, miss on margins, revenue growth of 11% driven by 18% faucetware growth while sanitaryware grew 6% YoY
- Growth guidance for FY27 at 18-20%. The Morbi disruption and premiumisation support the management’s outlook
- Cut estimates, ascribe 30x Mar-28EPS to arrive at Mar-27TP of Rs 6700; Maintain BUY

Vineet Shanker  
 Research Analyst  
 Harshit Mundra  
 Research Associate  
 research@bobcaps.in

**Revenue recovery continues, although margins remain under pressure:** Cera Sanitaryware reported revenue growth of 11% YoY (+9% vs est.) in Q4FY26, driven by a strong growth in faucetware (+18% YoY) and recovery in sanitaryware (+6% YoY). EBITDA declined 9% YoY, with EBITDA margin contracting 340bps YoY to 15.2%; impacted by elevated brass costs and gross-margin pressure. Consequently, APAT declined 20% YoY, though recovering sharply on a sequential basis from Q3FY26.

**Faucetware continues to outperform:** Faucetware remained the key growth driver in Q4FY26, with revenue mix increasing to 43% (vs 38% YoY), supported by premium demand and distribution expansion. Revenue mix in sanitaryware stood at 46%, while the contribution from tiles segment declined to 8% amid the Morbi-related disruption. Mid-segment contribution to 38% (vs 35% YoY), while tier-2 contribution improved to 24% (vs 21% YoY). Faucetware utilisation remained strong at 106%, whereas sanitaryware utilisation moderated to 70% during the quarter.

**Outlook:** CRS guided for an 18-20% of revenue growth in FY27. The growth will likely be led by 12%/18% growth in sanitaryware/faucetware respectively. EBITDA margin guidance remains at 14-15%, despite the elevated brass costs. Management also expects Morbi disruption to benefit the organised players, while Senator and Polipluz revenue is targeted to scale to ~Rs 700-800 mn in FY27 from ~Rs 190 mn in FY26.

**Cut estimates; maintain BUY:** CRS EBITDA is projected to grow at a moderate pace of 10% CAGR over FY26-FY28E. However, we maintain BUY, as (a) Expansion into economy and luxury bath fittings should widen the addressable market and support margins. b) CRS is likely to generate healthy ROE (~15% over FY26-FY28) c) reasonable valuations (the stock trades at a P/E of 26x on 1YF basis vs 5Y average of 35.1x). We have cut our EPS estimates (-5%/-1% for FY27E/FY28E), based on the rising input costs. We ascribe 30x to factor in lower profitability, on account of input cost inflation as it moderates EBITDA growth, we arrive at Mar-27 TP of Rs 6,700. Maintain BUY.

**Key changes**

Target	Rating
▲	◀ ▶

Ticker/Price	CRS IN/Rs 5,782
Market cap	US\$ 789.3mn
Free float	46%
3M ADV	US\$ 1.0mn
52wk high/low	Rs 7,275/Rs 4,461
Promoter/FPI/DII	54%/16%/14%

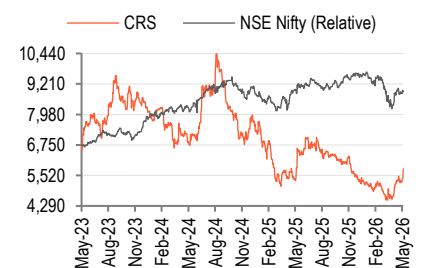
Source: NSE | Price as of 8 May 2026

**Key financials**

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	20,501	22,721	24,860
EBITDA (Rs mn)	2,692	3,229	3,809
Adj. net profit (Rs mn)	2,101	2,493	2,887
Adj. EPS (Rs)	162.9	193.3	223.9
Consensus EPS (Rs)	158.3	194.9	224.1
Adj. ROAE (%)	14.9	16.2	17.2
Adj. P/E (x)	35.5	29.9	25.8
EV/EBITDA (x)	24.9	20.5	17.4
Adj. EPS growth (%)	(15.2)	18.6	15.8

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**Fig 1 – Quarterly performance - Consolidated**

Particulars (Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	BOBCAPS Q4FY26E	Variance (%)
Total operating income	6,438	5,780	11.4	4,990	29.0	20,529	19,236	6.7	5,890	9.3
Raw-Material expense	3,510	2,857	22.9	2,489	41.0	10,386	9,117	13.9	2,975	18.0
Gross Profit	2,928	2,923	0.2	2,501	17.1	10,143	10,119	0.2	2,916	0.4
Employee expense	594	605	(1.7)	702	(15.4)	2,603	2,443	6.5	702	(15.4)
Other expense	1,355	1,262	7.3	1,288	5.2	4,828	4,702	2.7	1,435	(5.6)
EBITDA	979	1,056	(7.3)	511	91.8	2,712	2,973	(8.8)	778	25.9
D&A	99	102	(2.3)	98	1.5	391	402	(2.8)	111	(10.1)
EBIT	880	954	(7.8)	413	113.2	2,321	2,571	(9.7)	667	31.8
Interest cost	14	16	(11.5)	20	(28.2)	66	74	(11.5)	20	(28.2)
Non-operating expense/(income)	(169)	(143)	18.8	71	(340.2)	(446)	(596)	(25.2)	(103)	65.2
PBT	1,035	1,081	(4.2)	322	221.1	2,702	3,093	(12.7)	750	38.0
Tax	262	225	16.4	85	206.5	654	613	6.8	189	38.6
Reported PAT	773	856	(9.6)	237	226.3	2,047	2,480	(17.5)	561	37.8
Adjusted PAT	694	868	(20.0)	373	86.1	2,099	2,476	(15.3)	561	23.6
<b>As % of net revenues</b>			<b>chg. (bps)</b>		<b>chg. (bps)</b>			<b>chg. (bps)</b>		
Gross margin	45.5	50.6	(509)	50.1	(464)	49.4	52.6	(319)		
Employee cost	9.2	10.5	(123)	14.1	(484)	12.7	12.7	(2)		
Other cost	21.0	21.8	(80)	25.8	(477)	23.5	24.4	(93)		
EBITDA margin	15.2	18.3	(306)	10.2	498	13.2	15.5	(224)		
Tax rate	25.3	20.8	448	26.5	(120)	24.2	19.8	440		
APAT margin	10.8	15.0	(424)	7.5	331	10.2	12.9	(265)		

Source: Company, BOBCAPS Research

**Fig 2 – Segment financials**

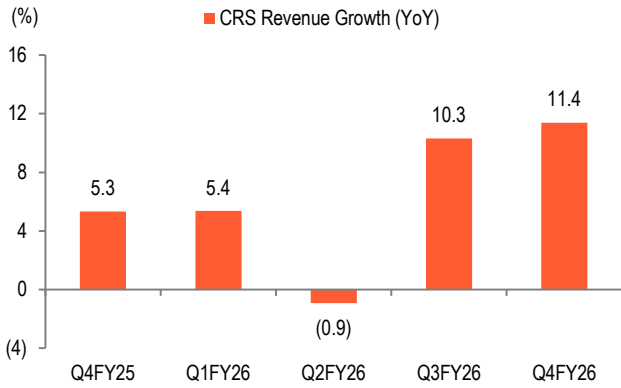
Particulars	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
<b>Revenue (Rs mn)</b>	2,974	2,686	10.7	2,406	23.6	9,765	9,306	4.9
Sanitaryware	2,759	2,220	24.3	1,978	39.5	8,305	7,340	13.1
Faucetware	486	530	(8.3)	515	(5.6)	1,935	1,926	0.4
Tiles	210	160	31.2	90	132.0	515	453	13.5
Wellness	9	183	(95.1)	0	-	10	210	(95.2)
<b>Total</b>	<b>6,438</b>	<b>5,780</b>	<b>11.4</b>	<b>4,990</b>	<b>29.0</b>	<b>20,529</b>	<b>19,236</b>	<b>6.7</b>
<b>Revenue-mix (%)</b>								
Sanitaryware	46.2	46.5	(29)	48.2	(204)	47.6	48.4	(81)
Faucetware	42.9	38.4	445	39.6	321	40.5	38.2	230
Tiles	7.5	9.2	(162)	10.3	(276)	9.4	10.0	(59)
Wellness	3.3	2.8	49	1.8	145	2.5	2.4	15
Others	0.1	3.2	(303)	-	14	0.0	1.1	(104)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>		<b>100.0</b>		<b>100.0</b>	<b>100.0</b>	

Source: Company, BOBCAPS Research

## Earnings Call Highlights

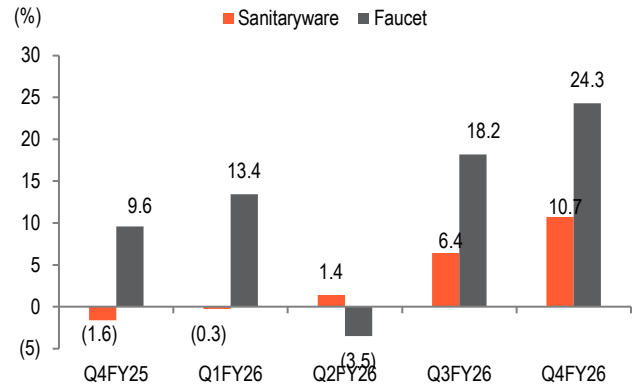
- **Retail recovery improving; guidance for a stronger FY27:** Management indicated that retail demand recovery, which started from Q3FY26, continued into Q4FY26 and Apr'26, with improving traction across urban and tier-2/3 markets. Project demand also remained healthy, with the retail-project mix expected to stabilise near 60:40. CRS guided for revenue growth of 18-20% in FY27, to be led by a 12% growth in sanitaryware and an 18% growth in faucetware.
- **Price hikes largely offsetting raw-material inflation; discount control now key:** CRS implemented cumulative price hikes of ~12% in sanitaryware and ~16% in faucetware over Mar-Apr'26, to offset the elevated brass and gas costs. Management indicated that brass prices rose ~30% YoY, with the current price hikes largely compensating for raw-material inflation. Going forward, the margin recovery is expected to be supported by tighter discount control as retail demand improves. EBITDA margin guidance maintained at 14-15%.
- **Morbi disruption creating near-term opportunity for organised players:** Management highlighted that gas availability issues and elevated gas prices continue to disrupt the Morbi-based sanitaryware suppliers, particularly in Q1FY27. CRS indicated that adequate inventory and internalisation of outsourced SKUs should support supply continuity, while weaker unorganised players may face operational challenges. Tiles may see witness a disruption due to its higher dependence on outsourcing.
- **Senator and Polipluz remain investment phase initiatives:** Management indicated that Senator and Polipluz generated a combined FY26 revenue of ~Rs 190 mn and are expected to scale to ~Rs 700-800 mn in FY27. Senator remains positioned as the premium/luxury brand, while Polipluz targets the entry segment and the deeper tier-3/4 markets. CRS plans to scale up Senator stores to 60 (vs 40 currently) and Polipluz distribution to 200 distributors and 2,000 dealers by FY27-end. Management clarified that these brands are still in the investment phase, with profitability likely only from FY28 onwards, following marketing investments.
- **Advertising and brand-building spends to stay elevated:** CRS plans to raise the brand-building investments in FY27 across digital, social and retail channels; including the onboarding of a brand ambassador. Senator alone is expected to incur Rs 100-120 mn of spend on publicity in FY27 vs that of ~Rs 40 mn in FY26.
- **Product mix:** Revenue share of entry:mid:premium — 21%:38%:41% in Q4FY26 vs 23%:35%:42% in Q4FY25. Sales contribution by Tier 1/2/3 was 36%/24%/40% in Q4FY26 vs 35%/21%/44% in Q4FY25.
- **Capex:** FY27 capex guided at ~Rs 430-450 mn, including faucetware debottlenecking, maintenance capex and office-space acquisition. Management indicated the sanitaryware greenfield expansion (~Rs 1.5 bn remaining capex) will depend on demand visibility over the following quarters.
- **Working capital improves sharply; balance sheet remains strong:** Net working capital improved materially to 64 days in Q4FY26 from 78 days YoY, driven by inventory reduction and stable receivables.
- **Net cash:** has gone up from Rs 7.5bn in Dec'25 to Rs 8.5bn in Mar'26.

**Fig 3 – CRS’s revenue grew by 11.4% YoY in Q4FY26**



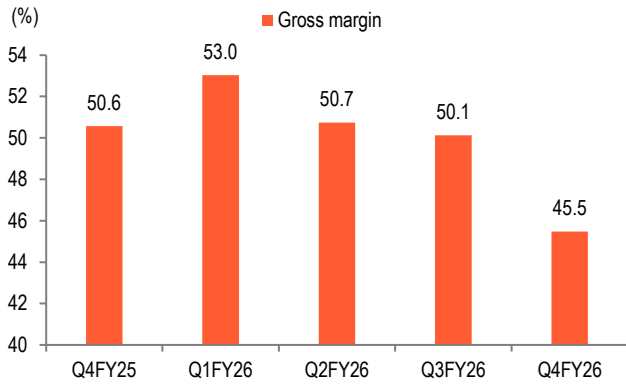
Source: Company, BOBCAPS Research

**Fig 4 – CRS reported strong YoY revenue growth for both sanitaryware and faucet in Q4FY26**



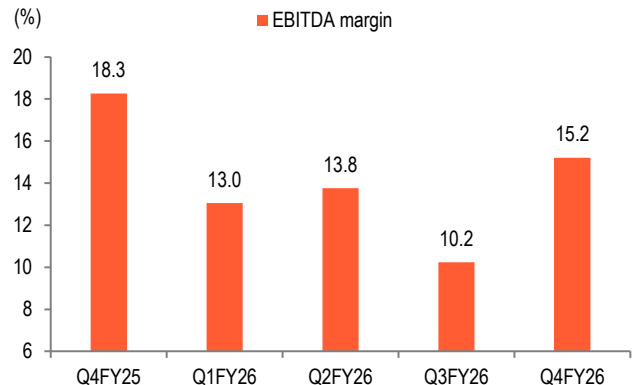
Source: Company, BOBCAPS Research

**Fig 5 – Gross margin was down 509bps YoY to 45.5% in Q4FY26**



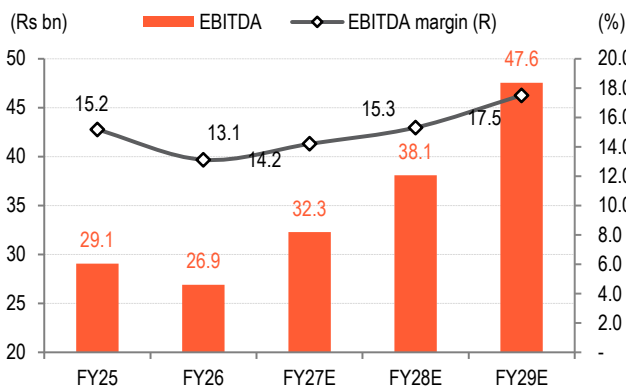
Source: Company, BOBCAPS Research

**Fig 6 – EBITDA margin was down 306bps YoY in Q4FY26**



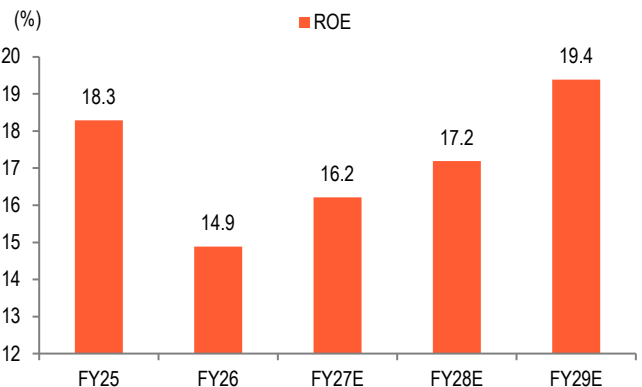
Source: Company, BOBCAPS Research

**Fig 7 – EBITDA forecast to grow at a moderate pace of 20.9% CAGR over FY26-FY29E**



Source: Company, BOBCAPS Research

**Fig 8 – ROE profile will likely stay healthy over the medium term**



Source: Company, BOBCAPS Research

### Valuation Methodology

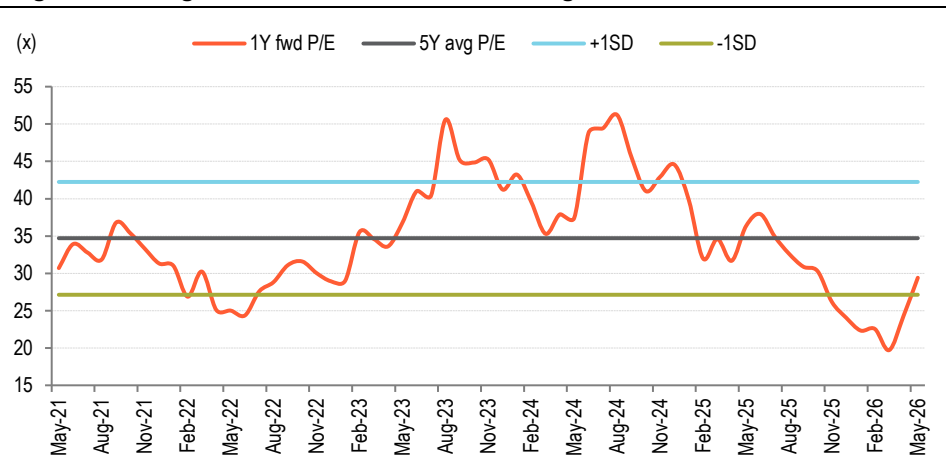
CRS EBITDA is projected to grow at a moderate pace of 9% CAGR over FY26-FY28E. However, we maintain BUY, as (a) The initiative to enter the Economy-range bath fittings and enhance revenue contribution from its luxury portfolio — will expand the addressable market opportunity and be margin-accretive b) CRS is likely to generate healthy ROE (~15% over FY26-FY28) c) reasonable valuations (the stock trades at a P/E of 26x on 1YF basis vs 5Y average of 35.1x). We have cut our EPS estimates (-5%/-1% for FY27E/FY28E), based on the rising input costs. We ascribe 30x to factor in lower profitability, on account of input cost inflation as it moderates EBITDA growth, we arrive at Mar-27 TP of Rs 6,700. Maintain BUY.

**Fig 9 – Revised estimates**

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	22.7	24.9	27.2	21.2	23.1	NA	7.1	7.4	NA
EBITDA	3.2	3.8	4.8	3.2	3.6	NA	2.0	5.7	NA
EBITDA Margin (%)	14.2	15.3	17.5	14.9	15.6	NA	-71	-25	NA
Adjusted PAT	2.5	2.9	3.6	2.5	2.9	NA	(2.1)	(0.0)	NA
EPS (Rs)	193.3	223.9	278.1	197.4	223.9	NA	(2.1)	(0.0)	NA

Source: BOBCAPS Research

**Fig 10 – Trading at 29.4x on 1YF P/E vs 5Y average of 34.7x**



Source: Bloomberg, BOBCAPS Research

### Key Risks

Key downside risks to our estimates:

- A sharp slowdown in real estate activity
- Market share loss in sanitaryware and faucet

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
<b>Total revenue</b>	<b>19,153</b>	<b>20,501</b>	<b>22,721</b>	<b>24,860</b>	<b>27,157</b>
EBITDA	2,907	2,692	3,229	3,809	4,755
Depreciation	385	387	436	462	532
EBIT	2,522	2,305	2,793	3,346	4,223
Net interest inc./(exp.)	(71)	(65)	(57)	(57)	(57)
Other inc./(exp.)	625	529	594	569	603
Exceptional items	0	0	0	0	0
EBT	3,076	2,769	3,331	3,859	4,769
Income taxes	596	649	838	971	1,183
Extraordinary items	15	78	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
<b>Reported net profit</b>	<b>2,465</b>	<b>2,042</b>	<b>2,493</b>	<b>2,887</b>	<b>3,586</b>
Adjustments	12	59	0	0	0
<b>Adjusted net profit</b>	<b>2,477</b>	<b>2,101</b>	<b>2,493</b>	<b>2,887</b>	<b>3,586</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,910	2,199	2,438	2,667	2,913
Other current liabilities	1,464	1,343	1,343	1,343	1,343
Provisions	182	109	121	132	144
Debt funds	155	9	10	11	12
Other liabilities	1,195	1,198	1,198	1,198	1,198
Equity capital	64	64	64	64	64
Reserves & surplus	13,439	14,659	15,971	17,490	19,378
Shareholders' fund	13,503	14,723	16,035	17,555	19,442
<b>Total liab. and equities</b>	<b>18,409</b>	<b>19,582</b>	<b>21,145</b>	<b>22,906</b>	<b>25,053</b>
Cash and cash eq.	6,979	8,493	8,127	8,609	9,594
Accounts receivables	2,680	2,739	3,035	3,321	3,628
Inventories	4,058	3,958	4,982	5,396	5,738
Other current assets	380	402	445	487	532
Investments	314	149	149	149	149
Net fixed assets	3,346	3,310	4,174	5,012	5,779
CWIP	107	72	(228)	(528)	(828)
Intangible assets	439	400	400	400	400
Deferred tax assets, net	0	0	0	0	0
Other assets	105	60	60	60	60
<b>Total assets</b>	<b>18,409</b>	<b>19,582</b>	<b>21,145</b>	<b>22,906</b>	<b>25,053</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
<b>Cash flow from operations</b>	<b>2,596</b>	<b>3,415</b>	<b>1,276</b>	<b>2,337</b>	<b>3,137</b>
Capital expenditures	(274)	(209)	(1,000)	(1,000)	(1,000)
Change in investments	0	0	0	0	0
Other investing cash flows	36	31	594	569	603
<b>Cash flow from investing</b>	<b>(238)</b>	<b>(178)</b>	<b>(406)</b>	<b>(431)</b>	<b>(397)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	0	0	1	1	1
Interest expenses	(20)	(14)	(57)	(57)	(57)
Dividends paid	(780)	(838)	(1,181)	(1,368)	(1,699)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(801)</b>	<b>(852)</b>	<b>(1,237)</b>	<b>(1,424)</b>	<b>(1,755)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>1,557</b>	<b>2,385</b>	<b>(366)</b>	<b>482</b>	<b>985</b>
<b>Closing cash &amp; cash eq.</b>	<b>9,698</b>	<b>12,083</b>	<b>11,717</b>	<b>12,199</b>	<b>13,184</b>

### Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	191.1	158.3	193.3	223.9	278.1
Adjusted EPS	192.0	162.9	193.3	223.9	278.1
Dividend per share	65.0	75.0	91.6	106.1	131.7
Book value per share	1,047.0	1,141.6	1,243.3	1,361.1	1,507.4

### Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.5	3.3	2.9	2.7	2.4
EV/EBITDA	23.1	24.9	20.5	17.4	13.8
Adjusted P/E	30.1	35.5	29.9	25.8	20.8
P/BV	5.5	5.1	4.7	4.2	3.8

### DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.5	75.9	74.8	74.8	75.2
Interest burden (PBT/EBIT)	122.0	120.1	119.3	115.3	112.9
EBIT margin (EBIT/Revenue)	13.2	11.2	12.3	13.5	15.5
Asset turnover (Rev./Avg TA)	104.0	104.7	107.5	108.5	108.4
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.4	1.4
Adjusted ROAE	18.3	14.9	16.2	17.2	19.4

### Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
<b>YoY growth (%)</b>					
Revenue	1.9	7.0	10.8	9.4	9.2
EBITDA	(4.3)	(7.4)	20.0	18.0	24.9
Adjusted EPS	3.8	(15.2)	18.6	15.8	24.2
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	15.2	13.1	14.2	15.3	17.5
EBIT margin	13.2	11.2	12.3	13.5	15.5
Adjusted profit margin	12.9	10.2	11.0	11.6	13.2
Adjusted ROAE	18.3	14.9	16.2	17.2	19.4
ROCE	23.0	19.2	21.1	22.3	24.8
<b>Working capital days (days)</b>					
Receivables	51	49	49	49	49
Inventory	77	70	80	79	77
Payables	36	39	39	39	39
<b>Ratios (x)</b>					
Gross asset turnover	3.1	3.2	3.1	2.9	2.8
Current ratio	3.8	4.3	4.2	4.3	4.4
Net interest coverage ratio	35.4	35.6	49.4	59.1	74.6
Adjusted debt/equity	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)

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](mailto: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. Manoj Pawar

Email ID: [head-customer@bobcaps.in](mailto:head-customer@bobcaps.in); Phone no: 0+91-22-69417333

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%

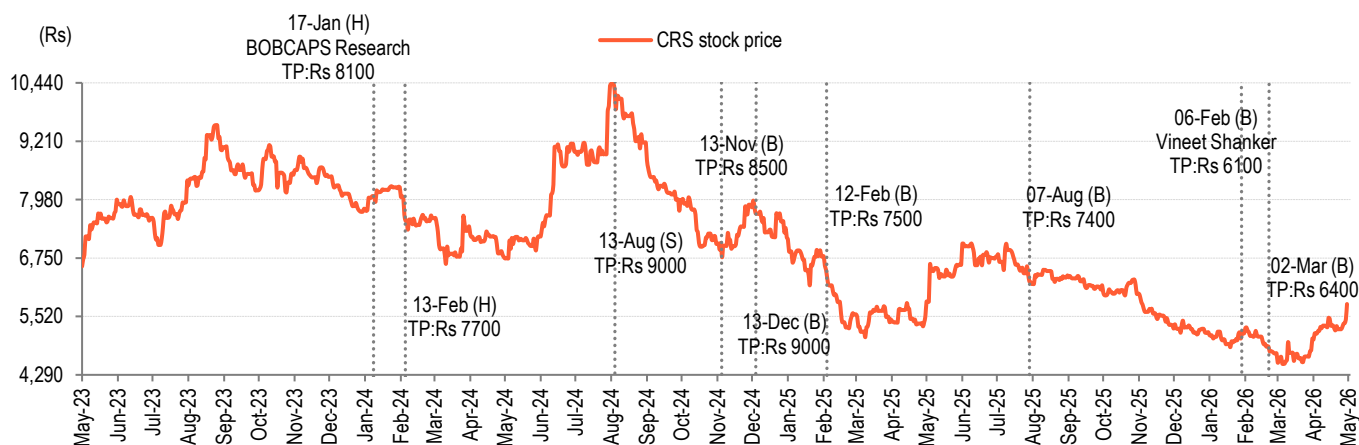
**HOLD** – Expected return from -6% to +15%

**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): CERA SANITARYWARE (CRS 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.