RESULT REVIEW

HOLD

TP: Rs 8,504 | ▲ 6%

DIVI'S LABS | Pharmaceuticals | 03 August 2026

strong earnings, not sustainable

- **Sales/EBITDA/PAT were 11.1%/42.9%/41% above our estimates. EBITDA Margin reported 900 bps above our estimate of 40.5%**
- **The company retained its guidance of sustaining an EBITDA Margin of 32%, as guided last quarter**
- **We continue to ascribe 55x on Jun'28 EPS to arrive at a PT of Rs 8505 (earlier Rs 7500); Maintain Hold**

Foram Parekh
Research Analyst
research@bobcaps.in

Strong beat on estimates - DIVI's reported strong earnings, with sales growing by 27.8% YoY to Rs 30.8 bn, driven by growth in both segments. Raw material cost grew by a mere 3.2% YoY but declined by 11.9% QoQ to Rs 9.8 bn, contributing 32% of sales vs. 39.6% in 1QFY26, primarily due to a higher closing stock of Rs 517 mn in 1QFY27 vs. Rs 54 mn in 1QFY26. Thus, gross profit grew by 43.9% YoY to Rs 20.94 bn in 1QFY27, and gross margin increased by 761 bps YoY to 68%. Subsequently, EBITDA grew by 71% YoY to Rs 12.48 bn, and EBITDA margin increased by 1,023 bps YoY to 40.5%. Healthy operations led to PAT growth of 63.9% YoY to Rs 8.95bn.

API sales reported double digit growth amidst pricing pressure – In 1QFY27, generic API sales grew by 11% YoY to Rs 9.78 bn (9% above our estimates). However, the contribution has lowered to 32% of sales in 1QFY27 vs. 37% in 1QFY26. The growth in API sales was due to stable volume, which offset price erosion pressure across the portfolio. Going forward, this segment is likely to sustain growth as DIVI's ships validation quantities for Gadolinium compounds and engages with a customer for an exclusive order in iodine compound, whose commercial volumes are expected to move in 3–6 months. Thus, we expect API sales to grow at a CAGR of 11% from FY27–29E to Rs 52 bn in FY29E.

Custom Synthesis sales contribution at all time high post Covid - In 1QFY27, CS sales grew by 45% YoY to Rs 18.5 bn (17% above our estimates). The growth was due to increasing shipments for validation products under 3 long-term supply agreements. The company has utilized 70% of the announced capex of Rs 21bn for these 3 long-term supply agreements. The company is awaiting approval from the innovator's end (expected to take ~1 year) to resume commercialization of these products. Hence, we expect this segment to grow at 28% from FY27–29E to Rs 114.4 bn in FY29E.

Valuation – We have revised our EPS upwards. At CMP, rolling forward to Jun'28 EPS of Rs 155, the stock trades at a PE of 52x; we continue to ascribe a PE of 55x to arrive at a PT of Rs 8,504 (earlier PT of Rs 7,500), maintaining Hold.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	DIVI IN/Rs 8,056
Market cap	US$ 22.5bn
Free float	48%
3M ADV	US$ 29.8mn
52wk high/low	Rs 8,090/Rs 5,637
Promoter/FPI/DII	52%/15%/22%

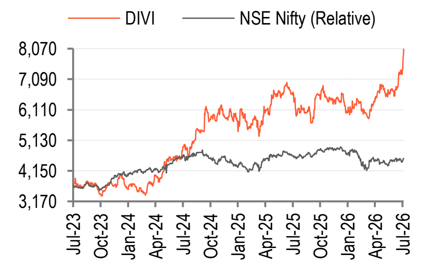
Source: NSE | Price as of 31 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	105,600	121,691	147,853
EBITDA (Rs mn)	34,410	39,869	51,462
Adj. net profit (Rs mn)	26,420	29,986	38,567
Adj. EPS (Rs)	96.7	112.9	145.3
Consensus EPS (Rs)	96.8	115.9	141.2
Adj. ROAE (%)	16.6	17.3	20.2
Adj. P/E (x)	83.3	71.3	55.5
EV/EBITDA (x)	63.2	54.3	41.8
Adj. EPS growth (%)	17.2	16.8	28.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Segmental mix trend

(Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Custom Synthesis	12773	15204	14843	15260	18480
Generics	11327	11946	11197	13050	12320
API	8827.00	9526	9057	10650	9780
Nutraceuticals	2500	2420	2140	2400	2540
Total	24100	27150	26040	28310	30800

Source: Company, BOBCAPS Research

Fig 2 – Segmental Mix trend

(%)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Custom Synthesis	53	56	57	54	60
Generics	47	44	43	46	40
API	37	35	35	38	32
Nutraceuticals	10	9	8	8	8
Total	100	100	100	100	100

Source: Company, BOBCAPS Research

Margins increased due to backward integration -

DIVI's reported a healthy gross margin of 68% and EBITDA margin of 40%, primarily due to the backward integration of Unit 3, Kakinada, and a healthy product mix, where the Custom Synthesis segment contributed 60% of sales. However, going forward, we believe the current reported EBITDA margin of 40% is not sustainable, as the Custom Synthesis sales mix would change while the company awaits USFDA approval for the client's product, which is expected to take ~12 months. Thus, we believe the company's EBITDA margin would remain at 33%/35%/37% for FY27/FY28/FY29, respectively, given that solvent, freight, and logistics costs are high due to the Middle East war.

Quarterly highlights

Fig 3 – Financial highlights

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	BoB estimate	Var (%)
Net Sales	30,800	24,100	27.8	28,310	8.8	27,717	11.1
Other Related Income							
Total Income							
Total Expenses	18,320	16,800	9.0	18,970	(3.4)	18,986	(3.5)
(%) of net sales							
Raw material consumed	9,860	9,550	3.2	11,190	(11.9)	11,087	(11.1)
(%) of net sales	32.0	39.6		39.5		40.0	(20)
Gross Profit	20,940	14,550	43.9	17,120	22.3	16,630	25.9
Staff cost	4,080	3,400	20.0	3,810	7.1	3,880	5.1
(%) of net sales	13.2	14.1		13.5		14.0	(5)
SG&A	4,380	3,850	13.8	3,970	10.3	4,019	9.0
(%) of net sales	14.2	16.0		14.0		14.5	(2)
EBITDA	12,480	7,300	71.0	9,340	33.6	8,731	42.9
Depreciation	1,330	1,120	18.8	1,200	10.8	1,386	(4)
EBIT	11,150	6,180	80.4	8,140	37.0	7,345	52
Interest	60	30		60		60	0
Other Income	640	1,190	(46.2)	1,550	(58.7)	1,200	(47)
PBT	11,730	7,340	59.8	9,630	21.8	8,485	38.2
Less: Taxation	2,780	1,880	47.9	2,120		2,135	645
Less: Minority Interest	0	0		0		0	0
Recurring PAT	8,950	5,460	63.9	7,510	19.2	6,350	40.9
Exceptional items	0	0		0		0	
Reported PAT	8,950	5,460	63.9	7,510	19.2	6,350	41
Key Ratios (%)			**(bps)**		**(bps)**		**(bps)**
Gross Margin	68.0	60.4	761	60.5	7.5	60.0	800
EBITDA Margin	40.5	30.3	1023	33.0	752.8	31.5	902
Tax / PBT	23.7	25.6		22.0		25.2	
NPM	29.1	22.7		26.5		22.9	
EPS (Rs)	33.7	20.6		28.3	19.2	23.9	

Source: Company, BOBCAPS Research

Fig 4 – Segmental Mix

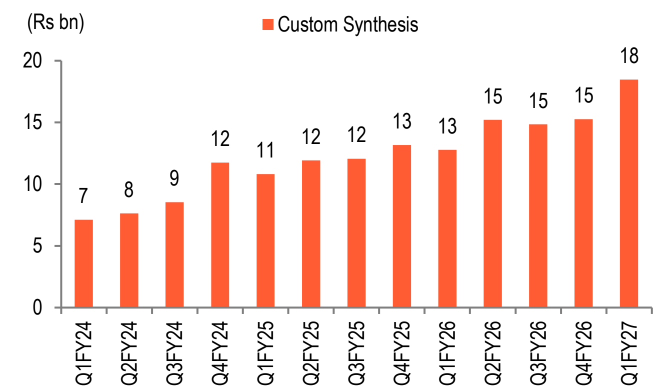
(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	BoB estimate	Var (%)
Custom Synthesis	18,480	12,773	44.7	15,260	21.1	15,839	16.7
Generic Segment	12,320	11,327	8.8	13,050	(5.6)	11,879	3.7
API	9,780	8,827	10.8	10,650	(8.2)	9,004	8.6
Nutraceuticals	2,540	2,500	1.6	2,400	5.8	2,875	(11.7)
Total	**30,800**	**24,100**	**27.8**	**28,310**	**8.8**	**27,717**	**11.12**

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

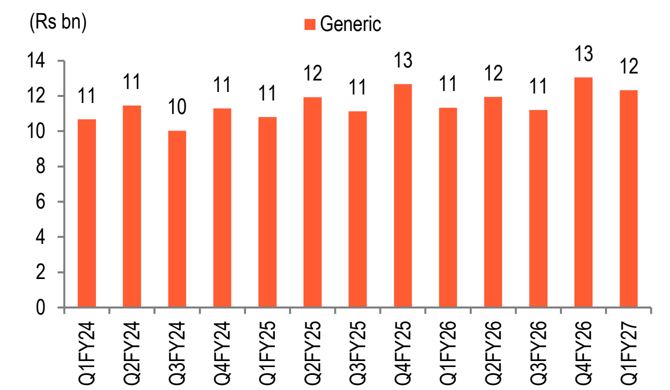
Financial Charts

Fig 5 – Sales grew due to higher shipment of products for validation



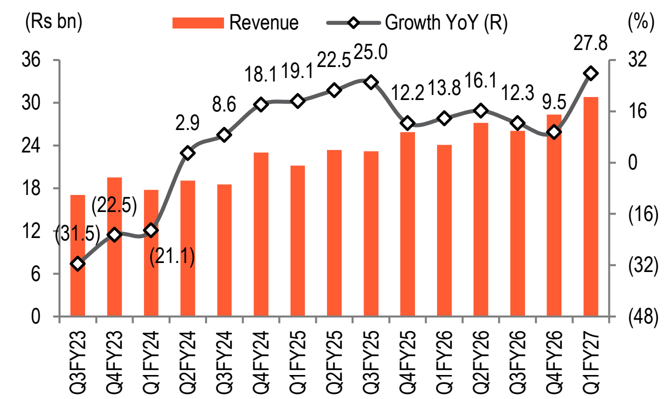
Source: Company, BOBCAPS Research

Fig 6 – Generics sales lowered due to API price erosion



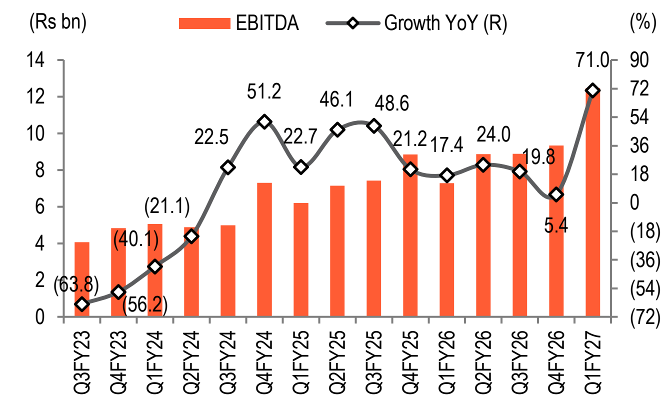
Source: Company, BOBCAPS Research

Fig 7 – Sales growth driven by higher custom synthesis growth



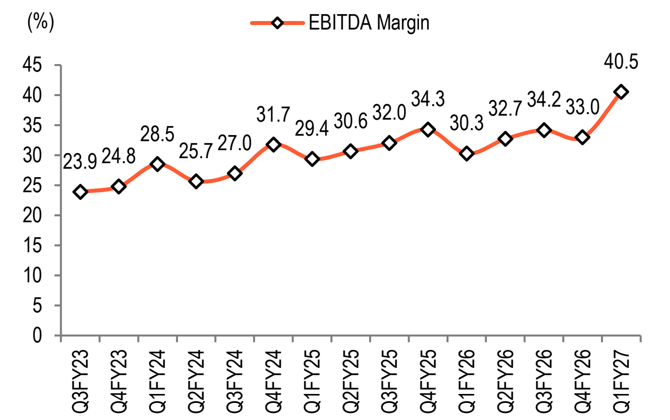
Source: Company, BOBCAPS Research

Fig 8 – EBITDA growth driven by lower RM cost



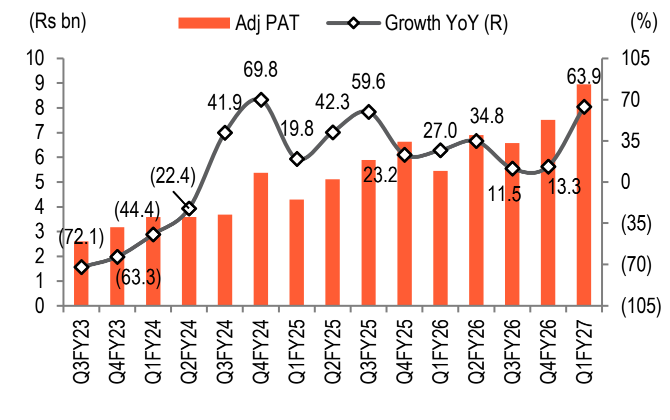
Source: Company, BOBCAPS Research

Fig 9 – EBITDA Margin increased due to backward integration



Source: Company, BOBCAPS Research

Fig 10 – APAT growth driven by healthy operations



Source: Company, BOBCAPS Research

Valuation methodology

Earnings were above our estimates on all fronts, primarily due to backward integration. We expect backward integration benefits to sustain, as the company is working on many projects across stages. The company has also adopted a new strategy of maintaining 3 months' inventory to enable smooth supplies during the Middle East war. As a result, we factor in a lower raw material cost, which would increase margins and EPS. Consequently, our EPS increased by 1%/9%/12% to Rs 112.94, Rs 145.26, and Rs 182.67 for FY27E, FY28E, and FY29E, respectively. Thus, we arrive at a Sales/EBITDA/PAT CAGR of 21%/28%/27%, respectively.

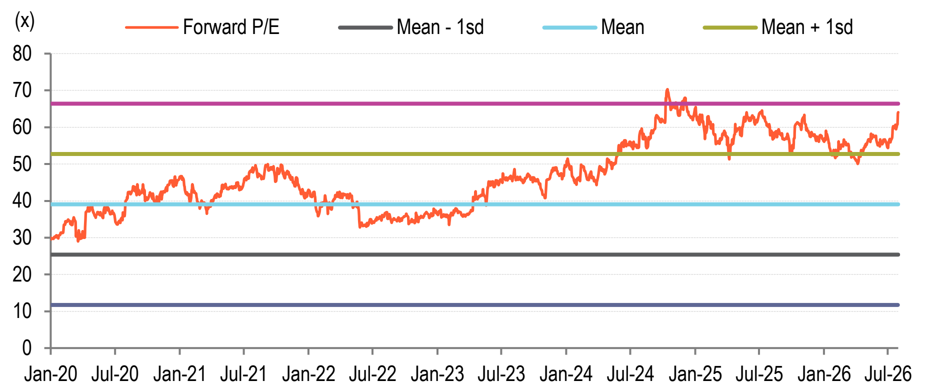
At CMP, rolling forward to Jun'28 EPS of Rs 155, the stock trades at a PE of 52x, and we continue to ascribe a PE of 55x, factoring in backward integration benefits and the commercialization of 3 long-term supply agreements, to arrive at a PT of Rs 8,504 (earlier PT of Rs 7,500), implying a 6% upside, and maintain Hold

Fig 11 – Change in estimates

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	121,691	147,853	177,698	120930	145348	173143	1	2	3
EBITDA	39,869	51,462	64,960	39015	47320	58100	2	9	12
EBITDA M (%)	32.8	34.8	36.6	32.3	32.6	33.6	0bps	2bps	448.8
EPS	112.94	145.26	182.67	111.40	133.80	163.00	1	9	12

Source: Company, BOBCAPS Research

Fig 12 – 1year forward PE band



Source: Company, BOBCAPS Research

Key Risks

Key upside risks:

- Closure of War can ease solvent prices leading to lower RM cost
- Earlier than expected supply of commercialization supply of three long term supply agreements

Key downside risks:

- Slowdown in capacity utilization of all 3 units
- Price erosion in generics portfolio to impact margins.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**93,600**	**105,600**	**121,691**	**147,853**	**177,698**
EBITDA	29,680	34,410	39,869	51,462	64,960
Depreciation	4,020	4,630	5,384	5,840	6,378
EBIT	25,660	29,780	34,484	45,622	58,582
Net interest inc./(exp.)	(20)	(230)	(200)	(150)	(150)
Other inc./(exp.)	3,520	5,070	5,171	5,275	5,380
Exceptional items	0	0	0	0	0
EBT	29,160	34,620	39,456	50,747	63,813
Income taxes	7,250	8,200	9,469	12,179	15,315
Extraordinary items	0	(740)	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**21,910**	**25,680**	**29,986**	**38,567**	**48,498**
Adjustments	0	740	0	0	0
Adjusted net profit	**21,910**	**26,420**	**29,986**	**38,567**	**48,498**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	9,100	12,110	12,669	14,988	17,526
Other current liabilities	9,950	12,420	12,420	12,420	12,420
Provisions	540	7,330	7,390	7,456	7,529
Debt funds	40	50	200	150	150
Other liabilities	0	0	0	0	0
Equity capital	531	531	531	531	531
Reserves & surplus	149,160	167,610	177,276	202,664	234,590
Shareholders' fund	149,691	168,141	177,807	203,195	235,121
Total liab. and equities	**169,321**	**200,051**	**210,486**	**238,209**	**272,746**
Cash and cash eq.	37,371	34,141	16,826	8,972	6,199
Accounts receivables	27,310	29,840	33,340	40,508	48,684
Inventories	32,360	39,540	41,675	50,634	60,855
Other current assets	6,990	9,430	9,350	9,350	9,350
Investments	650	690	690	690	690
Net fixed assets	54,370	65,150	76,435	84,975	92,977
CWIP	10,220	21,130	32,040	42,950	53,860
Intangible assets	50	130	130	130	130
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**169,321**	**200,051**	**210,486**	**238,209**	**272,746**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**19,551**	**31,030**	**30,635**	**30,816**	**39,239**
Capital expenditures	(16,810)	(25,370)	(25,290)	(25,290)	(25,290)
Change in investments	170	(40)	1	1	1
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(16,640)**	**(25,410)**	**(25,289)**	**(25,289)**	**(25,289)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	10	10	0	0	0
Interest expenses	(20)	(230)	(200)	(150)	(150)
Dividends paid	0	0	0	0	0
Other financing cash flows	(7,850)	(7,600)	(20,320)	(13,179)	(16,572)
Cash flow from financing	**(7,860)**	**(7,820)**	**(20,520)**	**(13,329)**	**(16,722)**
Chg in cash & cash eq.	**(4,948)**	**(2,200)**	**(15,175)**	**(7,803)**	**(2,773)**
Closing cash & cash eq.	**34,051**	**31,851**	**16,677**	**9,023**	**6,199**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	82.5	96.7	112.9	145.3	182.7
Adjusted EPS	82.5	96.7	112.9	145.3	182.7
Dividend per share	35.0	33.1	38.6	49.6	62.4
Book value per share	563.8	633.3	669.7	765.3	885.6

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	23.3	20.6	17.8	14.6	12.1
EV/EBITDA	73.4	63.2	54.3	41.8	33.1
Adjusted P/E	97.6	83.3	71.3	55.5	44.1
P/BV	14.3	12.7	12.0	10.5	9.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.1	76.3	76.0	76.0	76.0
Interest burden (PBT/EBIT)	113.6	116.3	114.4	111.2	108.9
EBIT margin (EBIT/Revenue)	27.4	28.2	28.3	30.9	33.0
Asset turnover (Rev./Avg TA)	14.5	14.3	14.8	16.5	17.4
Leverage (Avg TA/Avg Equity)	1.1	1.2	1.2	1.2	1.2
Adjusted ROAE	15.4	16.6	17.3	20.2	22.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	19.3	12.8	15.2	21.5	20.2
EBITDA	34.6	15.9	15.9	29.1	26.2
Adjusted EPS	39.6	17.2	16.8	28.6	25.7
Profitability & Return ratios (%)					
EBITDA margin	31.7	32.6	32.8	34.8	36.6
EBIT margin	27.4	28.2	28.3	30.9	33.0
Adjusted profit margin	23.4	25.0	24.6	26.1	27.3
Adjusted ROAE	15.4	16.6	17.3	20.2	22.1
ROCE	14.8	15.9	16.8	20.4	22.6
Working capital days (days)					
Receivables	95	99	100	100	100
Inventory	125	124	125	125	125
Payables	85	95	100	100	100
Ratios (x)					
Gross asset turnover	1.1	1.0	1.0	1.1	1.2
Current ratio	5.3	3.5	3.1	3.1	3.3
Net interest coverage ratio	1,283.0	129.5	172.4	304.1	390.5
Adjusted debt/equity	(0.3)	(0.2)	(0.1)	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%

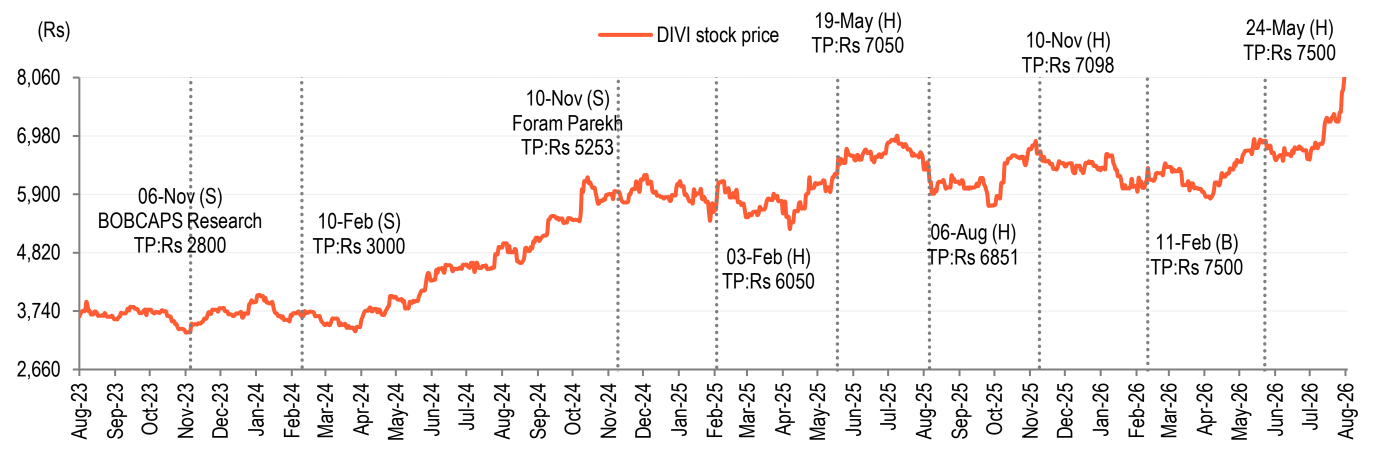
HOLD – Expected return from -6% to +15%

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): DIVI'S LABS (DIVI 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.