

BUY**TP: Rs 240 | ▲ 27%****FINOLEX INDUSTRIES**

Building Materials

10 November 2025

Mixed Q2: margin surprise offsets weak volume

- Reported weak pipe sales volume in Q2 due to muted demand environment, but beats EBITDA estimate on sharp margin improvement
- Pipe volume growth guidance revised down from high-single to low-double-digit rate to mid-single-digit in FY26
- Maintain BUY on strong earnings growth prospects with improving margin profile; TP remains unchanged at Rs 240 per share

Utkarsh Nopany
 Research Analyst
 research@bobcaps.in

Mixed Q2: FNXP Q2FY26 sales volume came well below our estimate (-5.8% YoY vs +5.0% estimated), but sharply beats our EBITDA estimate by 62.5% on account of sharp improvement in operating margin (+619bps QoQ to 15.2% vs 9.4% estimated), due to a sharp increase in the share of non-agri pipe. Overall, FNXP APAT grew by 204% YoY in Q2FY26 on a low base.

Highlights: FNXP appears to have again lost market share, as it reported the weakest pipe volume growth vs all the major listed pipe companies in Q2FY26 (ASTRA: +20.6%; SI: +17.2%; APOLP: +9.0%; PRINCEIP: -1.2%; FNXP: -5.8%). Despite the weak & volatile PVC resin prices, FNXP blended EBITDA per unit improved sharply from Rs10.2/kg in Q1FY26 to Rs19.9/kg in Q2FY26, due to higher share of non-agri pipe (from 30% in Q1FY26 to 44% in Q2FY26). Net cash balance has gone down from Rs25.3bn in Jun'25 to Rs23.6bn in Sep'25.

Outlook: FNXP targets to grow its pipe volume at mid-single-digit (vs earlier guidance of high-single to low-double digit) rate in FY26. EBITDA margin is expected to be 10-12% for FY26. Capex is estimated to be Rs 1-2bn in FY26. No greenfield capex is planned in the near future.

Maintain BUY with unchanged TP of Rs 240: We maintain BUY as we expect: a) healthy earnings growth prospects over a weak base (EPS to grow at 15.0% CAGR over FY25-FY28E) b) structural improvement in margin profile (11.5% in FY25 to 14.2% in FY28E) on rising share of non-agri pipe sales c) reasonable valuation (trades at 18.2x on 1YF P/E vs 5Y average of 25.0x). We have slightly cut our EPS estimates (-0.2%/-1.9% for FY27E/FY28E), based on weak pipe sales volume in Q2FY26, but we have kept our TP unchanged at Rs 240 per share due to the roll forward of our valuation from Jun'27 to Sep'27 estimate. Our target P/E multiple remains unchanged at 22x.

Key changes

Target	Rating
◀ ▶	◀ ▶

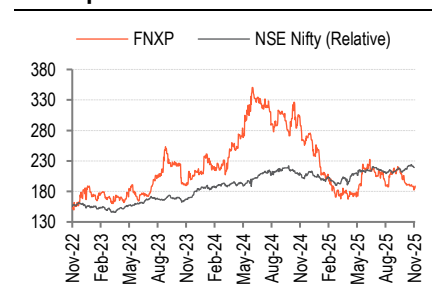
Ticker/Price	FNXP IN/Rs 189
Market cap	US\$ 1.3bn
Free float	48%
3M ADV	US\$ 1.4mn
52wk high/low	Rs 289/Rs 154
Promoter/FPI/DII	52%/6%/12%

Source: NSE | Price as of 10 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	41,420	46,202	54,454
EBITDA (Rs mn)	4,758	6,358	7,757
Adj. net profit (Rs mn)	4,802	5,983	6,597
Adj. EPS (Rs)	7.8	9.7	10.7
Consensus EPS (Rs)	12.9	9.3	11.3
Adj. ROAE (%)	8.2	9.5	9.9
Adj. P/E (x)	24.3	19.5	17.7
EV/EBITDA (x)	20.4	15.0	12.1
Adj. EPS growth (%)	1.0	24.6	10.3

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly performance - Consolidated

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)	BOBCAPS Q2FY26E	Variance (%)
Revenue	8,587	8,284	3.7	10,432	(17.7)	19,019	19,689	(3.4)	8,491	1.1
RM	4,922	5,811	(15.3)	7,028	(30.0)	11,951	12,497	(4.4)		
Gross Profit	3,665	2,473	48.2	3,403	7.7	7,068	7,192	(1.7)		
Employee	520	565	(7.9)	584	(10.9)	1,104	1,140	(3.2)		
Others	1,843	1,803	2.2	1,884	(2.1)	3,727	3,880	(3.9)		
EBITDA	1,302	106	1,131.5	936	39.1	2,238	2,172	3.0	801	62.5
D&A	274	264	3.8	266	3.1	541	525	2.9		
EBIT	1,027	-159	(747.7)	670	53.4	1,697	1,647	3.0		
Interest cost	43	68	(36.8)	55	(22.0)	98	135	(27.1)		
Int. & other income	677	846	(20.0)	695	(2.6)	1,372	1,400	(2.0)		
PBT	1,661	619	168.2	1,310	26.8	2,971	2,913	2.0		
Tax	425	213	100.1	328	29.7	753	1,668	(54.8)		
PAT	1,236	407	203.8	982	25.9	2,217	1,244	78.2		
Adj. PAT	1,236	407	203.8	931	32.8	2,166	2,078	4.2	1,052	17.4
As % of net revenues			(bps)		(bps)			(bps)		
Gross margin	42.7	29.9	1,282	32.6	1,006	37.2	36.5	63		
Employee	6.1	6.8	(76)	5.6	46	5.8	5.8	1		
Others	21.5	21.8	(30)	18.1	341	19.6	19.7	(11)		
EBITDA margin	15.2	1.3	1,388	9.0	619	11.8	11.0	73		
Tax rate	25.6	34.3	(872)	25.0	57	25.4	57.3	(3,192)		
APAT margin	14.4	4.9	948	8.9	547	11.4	10.6	84		

Source: Company, BOBCAPS Research

Fig 2 – Key operating metrics

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Pipe sales volume (kt)	65	69	(5.8)	92	(29.1)	157	160	(1.6)
Pipe sales realisation (Rs/kg)	131	118	11.2	113	16.1	121	123	(1.9)
Blended EBITDA per unit (Rs/kg)	19.9	1.5	1,207.0	10.2	96.1	14.2	13.6	4.6

Source: Company, BOBCAPS Research

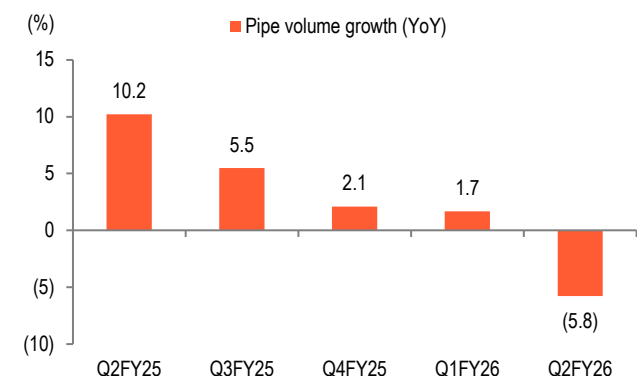
Earnings Call Highlights

- **PVC resin price outlook:** PVC prices have bottomed out with the government's decision on ADD is anticipated within the next week, which will provide support to the resin prices in the near future. ADD implementation could lead to Rs 3-6/kg increase depending on the origin of resin.
- **Guidance:** FNXP targets to grow its pipe volume at a mid-single-digit (vs earlier guidance of high-single to low-double-digit) rate in FY26. EBITDA margin is also expected to improve to 10-12% in FY26.
- **Pipe:** Sales volume declined by 5.8% YoY in Q2FY26 given the muted agri demand and heavy monsoon.
- **Pipe volume mix:** Non-agri volumes grew by 7% in Q2FY26, but agri pipe volume was down 13% YoY in Q2FY26. The share of non-agri pipe improved from 39% in

Q2FY25 to 44% in Q2FY26. FNXP aims to ramp up non-agri pipe the share to 50% over long term to boost margin, as non-agri typically offers higher margin.

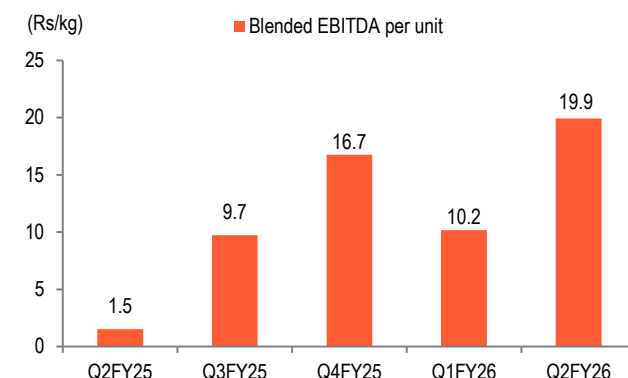
- **Capex:** Annual capex is planned at Rs 1-2bn for the new net capacity additions (not maintenance), to support growth with addition of 60-80 ktpa every year. Over the last 6-9 months, FNXP has added 50 ktpa, taking the total capacity to 520 ktpa.
- **Net cash:** balance has gone down from Rs25.3bn in Jun'25 to Rs23.6bn in Sep'25.

Fig 3 – FNXP pipe volume de-grew by 5.8% YoY in Q2FY26 on muted demand environment



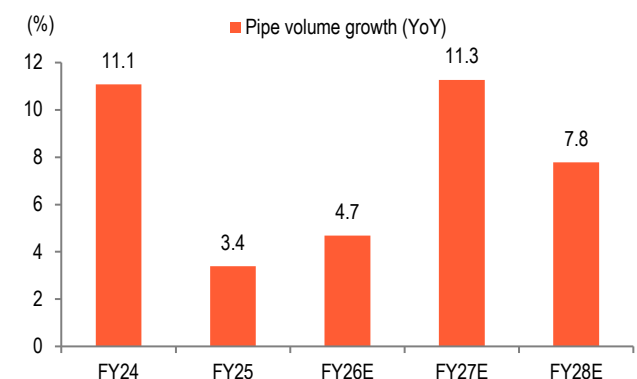
Source: Company, BOBCAPS Research

Fig 4 – FNXP blended EBITDA per unit improved sharply in Q2FY26 due to high share of plumbing pipe revenue



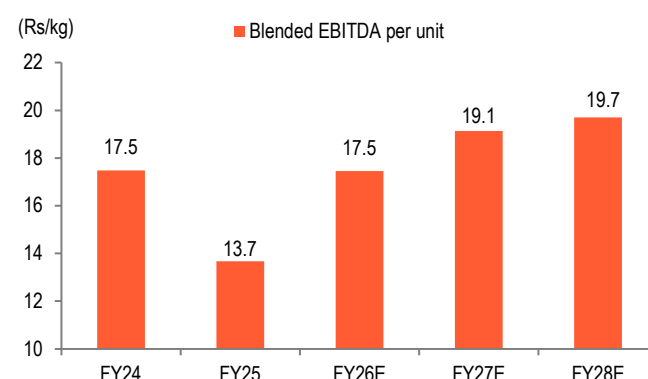
Source: Company, BOBCAPS Research

Fig 5 – FNXP pipe volume is projected to grow at 7.9% CAGR over FY25-FY28E



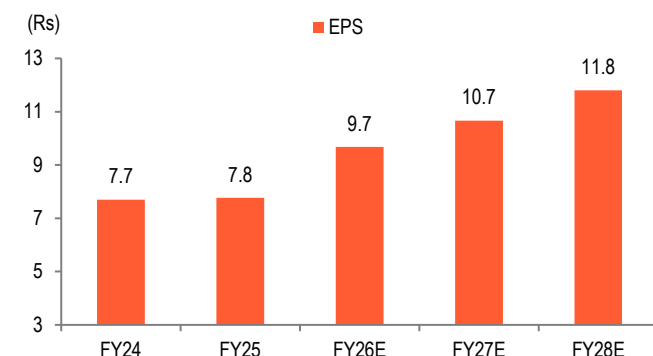
Source: Company, BOBCAPS Research

Fig 6 – FNXP Pipe EBITDA per unit to structurally improve on higher non-agri pipe sales



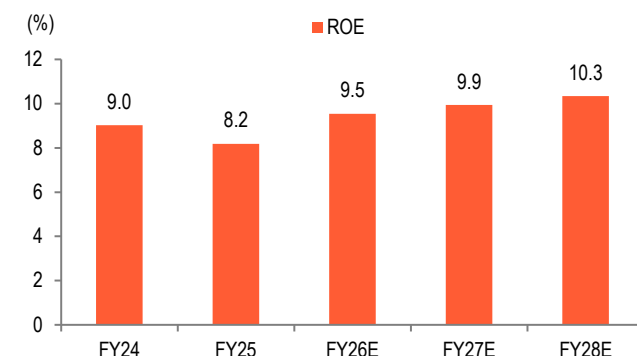
Source: Company, BOBCAPS Research

Fig 7 – EPS to grow at a healthy 15.0% CAGR over FY25-FY28E over a weak base



Source: Company, BOBCAPS Research

Fig 8 – FNXP return ratio profile to remain weak over FY26E-FY28E on poor capital allocation



Source: Company, BOBCAPS Research

Valuation Methodology

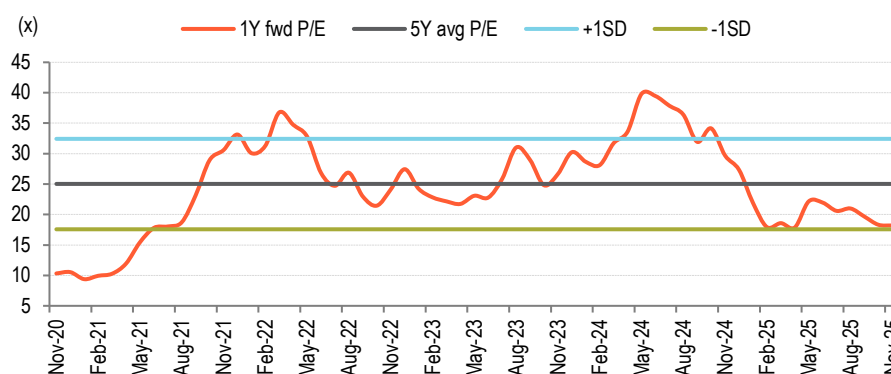
We maintain BUY as we expect: a) healthy earnings growth prospects over a weak base (EPS to grow at 15.0% CAGR over FY25-FY28E) b) structural improvement in margin profile (11.5% in FY25 to 14.2% in FY28E) on rising share of non-agri pipe sales c) reasonable valuation (trades at 18.2x on 1YF P/E vs 5Y average of 25.0x). We have slightly cut our EPS estimates (-0.2%/-1.9% for FY27E/FY28E) based on weak pipe sales volume in Q2FY26, but we have kept our TP unchanged at Rs 240 per share due to the roll forward of our valuation from Jun'27 to Sep'27 estimate. Our target P/E multiple remains unchanged at 22x.

Fig 9 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	46.2	54.5	60.4	42.6	48.5	53.9	8.5	12.2	12.2
EBITDA	6.4	7.8	8.6	5.5	7.4	8.4	16.0	4.7	2.2
EBITDA margin	13.8	14.2	14.2	12.9	15.3	15.6	89	(102)	(140)
Adjusted PAT	6.0	6.6	7.3	5.6	6.6	7.4	6.5	(0.2)	(1.9)
Adjusted EPS	9.7	10.7	11.8	9.1	10.7	12.0	6.5	(0.2)	(1.9)

Source: BOBCAPS Research

Fig 10 – Trading at 18.2x 1YF P/E vs. 5Y average of 25.0x



Source: Bloomberg, BOBCAPS Research

Fig 11 – Key assumptions

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Pipes volume growth	11.1	3.4	4.7	11.3	7.8
Pipe realisation growth	(8.4)	(5.2)	7.5	5.9	3.0
Blended EBITDA per unit (Rs/kg)	17.5	13.7	17.5	19.1	19.7

Source: Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Steep decline in PVC resin prices
- Weak demand for agricultural pipe
- Market share loss in the plumbing pipe

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	43,174	41,420	46,202	54,454	60,444
EBITDA	5,882	4,758	6,358	7,757	8,606
Depreciation	1,160	1,067	1,050	1,124	1,198
EBIT	4,721	3,691	5,308	6,634	7,408
Net interest inc./(exp.)	(365)	(296)	(184)	(172)	(172)
Other inc./(exp.)	1,800	2,466	2,354	2,154	2,316
Exceptional items	33	0	0	0	0
EBT	6,123	5,861	7,478	8,616	9,552
Income taxes	1,770	2,432	2,020	2,219	2,455
Extraordinary items	0	(4,170)	0	0	0
Min. int./Inc. from assoc.	382	402	524	200	200
Reported net profit	4,736	8,000	5,983	6,597	7,297
Adjustments	21	(3,198)	0	0	0
Adjusted net profit	4,757	4,802	5,983	6,597	7,297

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	2,886	4,442	4,954	5,839	6,482
Other current liabilities	4,285	3,026	3,026	3,026	3,026
Provisions	45	99	110	130	144
Debt funds	3,820	2,211	2,211	2,211	2,211
Other liabilities	3,201	3,074	3,074	3,074	3,074
Equity capital	1,237	1,237	1,237	1,237	1,237
Reserves & surplus	55,106	59,732	63,241	67,056	71,570
Shareholders' fund	56,343	60,969	64,478	68,292	72,807
Total liab. and equities	70,579	73,819	77,853	82,572	87,743
Cash and cash eq.	22,465	22,694	24,519	25,648	28,082
Accounts receivables	4,576	3,793	4,230	4,986	5,534
Inventories	7,280	7,824	8,594	10,462	11,784
Other current assets	798	448	499	588	653
Investments	23,711	27,656	27,656	27,656	27,656
Net fixed assets	10,411	9,871	10,821	11,697	12,499
CWIP	189	732	732	732	732
Intangible assets	143	213	213	213	213
Deferred tax assets, net	215	51	51	51	51
Other assets	791	539	539	539	539
Total assets	70,579	73,819	77,853	82,572	87,743

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	4,385	3,958	4,128	3,930	5,072
Capital expenditures	(817)	(1,140)	(2,000)	(2,000)	(2,000)
Change in investments	(4,454)	(3,945)	0	0	0
Other investing cash flows	1,767	6,636	2,354	2,154	2,316
Cash flow from investing	(3,505)	1,551	354	154	316
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(1,445)	(1,609)	0	0	0
Interest expenses	(1,546)	(2,226)	(2,473)	(2,783)	(2,783)
Dividends paid	(365)	(296)	(184)	(172)	(172)
Other financing cash flows	4,122	(1,148)	0	0	0
Cash flow from financing	767	(5,279)	(2,658)	(2,955)	(2,955)
Chg in cash & cash eq.	1,647	229	1,824	1,130	2,433
Closing cash & cash eq.	22,465	22,694	24,519	25,648	28,082

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	7.7	12.9	9.7	10.7	11.8
Adjusted EPS	7.7	7.8	9.7	10.7	11.8
Dividend per share	2.5	3.6	4.0	4.5	4.5
Book value per share	91.1	98.6	104.3	110.4	117.7

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.3	2.3	2.1	1.7	1.5
EV/EBITDA	16.9	20.4	15.0	12.1	10.7
Adjusted P/E	24.5	24.3	19.5	17.7	16.0
P/BV	2.1	1.9	1.8	1.7	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	77.7	81.9	80.0	76.6	76.4
Interest burden (PBT/EBIT)	129.7	158.8	140.9	129.9	128.9
EBIT margin (EBIT/Revenue)	10.9	8.9	11.5	12.2	12.3
Asset turnover (Rev./Avg TA)	61.2	56.1	59.3	65.9	68.9
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.2	1.2	1.2
Adjusted ROAE	9.0	8.2	9.5	9.9	10.3

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(1.8)	(4.1)	11.5	17.9	11.0
EBITDA	80.9	(19.1)	33.6	22.0	10.9
Adjusted EPS	83.0	1.0	24.6	10.3	10.6

Profitability & Return ratios (%)

EBITDA margin	13.6	11.5	13.8	14.2	14.2
EBIT margin	10.9	8.9	11.5	12.2	12.3
Adjusted profit margin	11.0	11.6	12.9	12.1	12.1
Adjusted ROAE	9.0	8.2	9.5	9.9	10.3
ROCE	10.8	9.7	11.5	12.5	13.0

Working capital days (days)

Receivables	39	33	33	33	33
Inventory	62	69	68	70	71
Payables	24	39	39	39	39

Ratios (x)

Gross asset turnover	1.6	1.5	1.6	1.8	1.9
Current ratio	3.2	3.6	3.7	3.7	3.9
Net interest coverage ratio	13.0	12.5	28.8	38.6	43.1
Adjusted debt/equity	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



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%

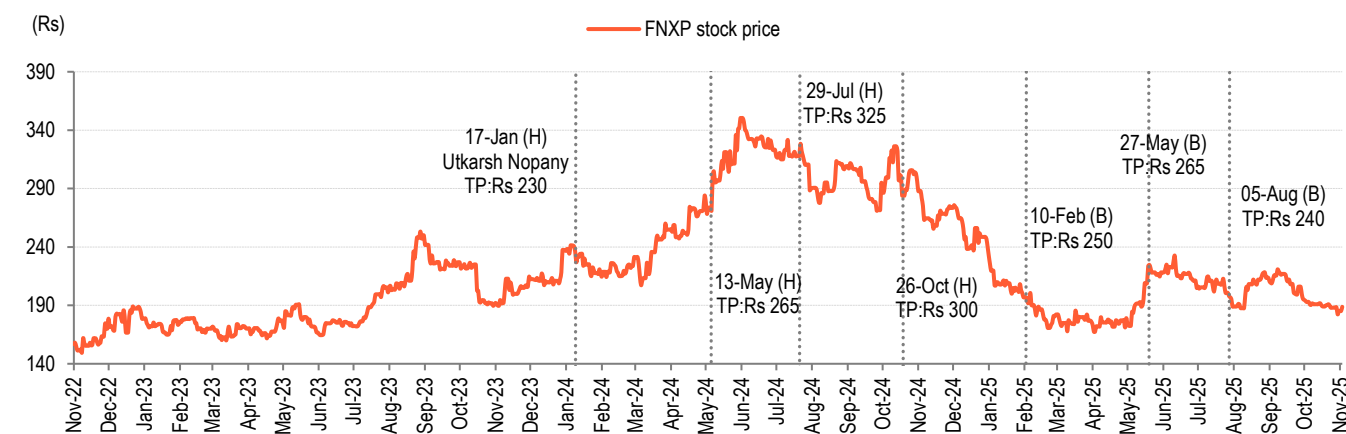
HOLD – Expected return from -6% to +15%

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): FINOLEX INDUSTRIES (FNPX IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

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

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

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

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

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

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

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

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

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

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

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

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom (“UK”):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.