**BUY**
**TP: Rs 1,788 | ⮝ 49%**

**GOODLUCK INDIA** | Metals & Mining | 25 February 2026

## Well positioned for sustainable long-term growth

- **Goodluck has diversified product portfolio catering to growing sectors – Auto, Infrastructure, Solar and Defence**
- **Defence business to scale with artillery(ammunition) shells and aerospace volumes by FY28E. Outlook is positive on core business**
- **Initiate coverage with BUY rating with TP of Rs1,788 based on 10x EV/EBITDA on Mar'2028E EBITDA**

Sukhwinder Singh
Research Analyst
research@bobcaps.in

**Goodluck is poised to benefit from Industry demand growth by its capacity growth**: Demand for domestic steel pipes and tubes has grown at a CAGR of 5-6% during FY19-FY25. Goodluck has ramped up overall capacity from 364,000 tonnes in FY23 to 500,000 tonnes in FY25, enabling it to benefit from industry demand through higher sales volumes.

**Goodluck has a well-diversified product portfolio catering to multiple segments and strong Clientele**: Product portfolio targets the high growth sectors such as - auto, infrastructure, railways, solar and Defence. Its clientele includes - Indian Railways, DRDO, ISRO, HAL etc.

**Growth capex projects are expected to drive benefit over FY27-FY28:** Goodluck India has invested in Hydraulic tube plant and Defence business subsidiary. Hydraulic tube plant utilisation is at 50% and target to reach 65-70% by Sept. 2026. These initiatives are expected to drive incremental benefits over FY27E – FY29E.

**Defence subsidiary to scale up and contribute incremental revenue over next 3 years:** Goodluck India has made an investment in its Defence subsidiary. Under this, Goodluck manufactures artillery (ammunition) shells for the Indian Army & other markets and would supply parts for tanks, missiles, aircraft under Defence programme. Estimate subsidiary to generate revenue of Rs9,000mn in FY28E.

**Balance sheet parameters to remain a comfort during investment phase**: Net debt increased from Rs5,857mn on Mar'23 to Rs8,354mn on Mar'25 due to increased borrowing for capex projects. Net D/E stands at 0.7x on Sept.25.

**Key risk:** Increased Competition in Defence segment could lead to moderation in margins overtime.

**Valuation:** Initiate coverage on Goodluck India with a BUY rating and TP of Rs1,788 based on 10x EV/EBITDA on Mar'2028E EBITDA.

| | |
|---|---|
| Ticker/Price | GLIN IN/Rs 1,204 |
| Market cap | US$ 440.0mn |
| Free float | 44% |
| 3M ADV | US$ 1.1mn |
| 52wk high/low | Rs 1,349/Rs 589 |
| Promoter/FPI/DII | 56%/1%/4% |

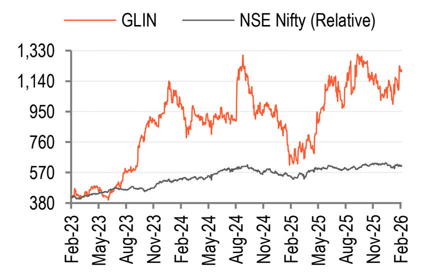
Source: NSE | Price as of 25 Feb 2026

### Key financials

| Y/E 31 Mar | FY25A | FY26E | FY27E |
|---|---|---|---|
| Total revenue (Rs mn) | 38,971 | 40,700 | 43,794 |
| EBITDA (Rs mn) | 3,108 | 3,880 | 4,434 |
| Adj. net profit (Rs mn) | 1,664 | 1,853 | 2,135 |
| Adj. EPS (Rs) | 50.8 | 56.6 | 65.2 |
| Consensus EPS (Rs) | NA | NA | NA |
| Adj. ROAE (%) | 13.7 | 13.3 | 13.5 |
| Adj. P/E (x) | 23.7 | 21.3 | 18.5 |
| EV/EBITDA (x) | 14.9 | 12.4 | 10.9 |
| Adj. EPS growth (%) | 21.8 | 11.3 | 15.2 |

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance




Source: NSE

## Company Overview

Goodluck India is in the business of manufacturing engineering structures, forged components, precision pipes & auto tubes as well as cold rolled coils, pipes & tubes, using steel as a primary input.

Product portfolio serves a wide range of end markets including - Auto, Infra, Railways, Solar and Defence, giving the company a diversified business model across multiple high-growth sectors.

The group comprises five subsidiaries, the most significant being Goodluck Defence & Aerospace, in which Goodluck India holds a 79.43% stake.

**Fig 1 – Subsidiary cos.**

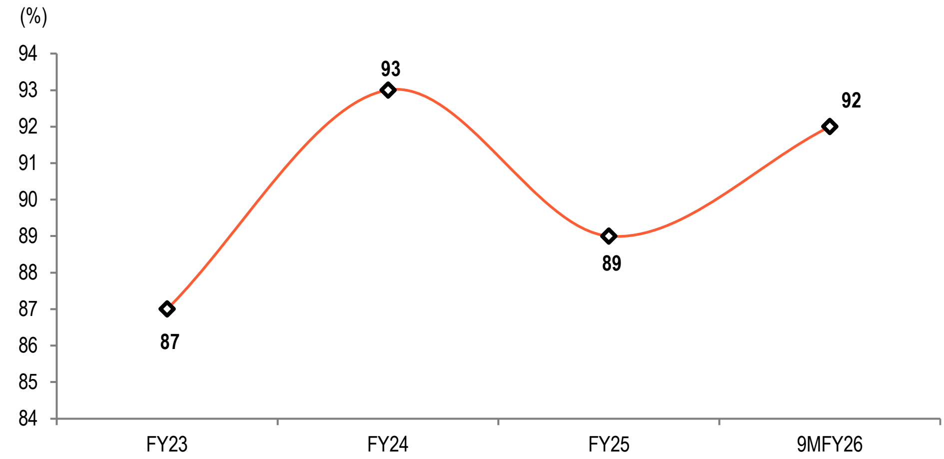
| S.no | Name | % stake |
|---|---|---|
| 1 | Goodluck Defence & Aerospace Limited | 79.43 |
| 2 | Goodluck Infrapower Private Limited | 100.00 |
| 3 | GLS Steel India Limited | 100.00 |
| 4 | GLS Engineering India Limited | 100.00 |
| 5 | GLS Metallics India Limited | 100.00 |

Source: Company

**Assets:** It has plants situated at Bulandshahr & Dadri in UP as well as in Kutch, Gujarat.

Goodluck India's overall capacity is 500,000 tonnes in FY25, with utilisation of 89.0% in FY25. Utilisation increased to 92.0% in 9MFY26.

**Fig 2 – Capacity Utilisation (%)**




Source: Company

## Management team

Incorporated in 1986, the company is promoted by Mahesh Chandra Garg (an IIT Roorkee alumni).

- Chairperson – Mahesh Chandra Garg
- CEO – Ram Agarwal
- Whole Time Director – Ramesh Chandra Garg
- Whole Time Director – Nitin Garg
- Chief Operating Officer – Manish Garg
- Chief Operating officer – Shyam Agarwal
- CFO – Sanjay Bansal

## Diversified business firm with presence in engineering structures, forging products, precision pipes & auto tubes and CR coils, pipes & tubes

**Diversified business model catering to wider consuming sectors:** Goodluck India is present in 4 business segments of Engineering structures, Forging products, Precision pipes & auto tubes and CR coils, pipes & tubes. In FY25: Domestic business is 75% while the exports business is 25%.

Wide applications of products protect its business from getting impacted due to slowdown in any one sector of the economy. Diversified model and long-term relationship with OEMs place Goodluck India in a better position vs pure pipe and tube players.

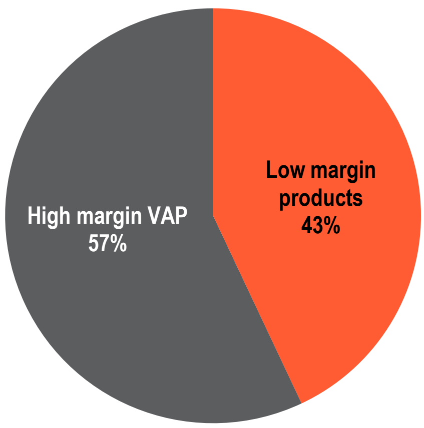
**Fig 3 – Capacity of business segments (FY25)**

| S.no | Business segment | Capacity (tonnes) |
|---|---|---|
| 1 | Engineering structures & precision fabrication | 85,000 |
| 2 | Forging products | 30,000 |
| 3 | Precision pipes & auto tubes | 170,000 |
| 4 | CR coils, Pipes & Tubes | 215,000 |
| | **Total** | **500,000** |

Source: Company

Out of the total capacity of 500,000 metric tonnes p.a. (tpa); 57% of capacity i.e., 285,000tpa is contributed by high-margin value added products and 43% of capacity is 215,000tpa, which is contributed by low-margin high volume products. High margin value added products cater to high growth sectors of auto, solar and railways and these have margins of 10-15%. On the other hand, low margin products have margins of 3-4%.

**Fig 4 – Product mix (%)**




Source: Company

### Fig 5 – Revenue mix (FY25)

| in mn | Revenue | % of revenue |
|---|---|---|
| Engineering structure and fabrication | 8,963 | 23 |
| CR sheet and pipes | 14,030 | 36 |
| Precision pipes and Auto Tubes | 9,743 | 25 |
| Forging | 6,235 | 16 |
| **Total** | **38,971** | **100** |

Source: Company

### Fig 6 – Revenue mix (9MFY26)

| in mn | Revenue | % of revenue |
|---|---|---|
| Engineering structure and fabrication | 6,853 | 23 |
| CR sheet and pipes | 11,025 | 37 |
| Precision pipes and Auto Tubes | 7,449 | 25 |
| Forging | 4,470 | 15 |
| **Total** | **29,797** | **100** |

Source: Company

These 4 segments have products consisting of ERW Steel Pipes (Black, Red Painted & Galvanized), Hollow Sections, CR Coils, CRCA Sheets and Pipes, Galvanized Coils, CDW Tubes, Forgings & Flanges, Telecom & Transmission Line Towers, Substation Structure, Bridges for Road & Railways products. These find application in varied segments of auto, infra, railways, defensc and solar.

### Fig 7 – Engineering structure and fabrication

Source: Company

### Fig 8 – Precision pipes and Auto Tubes

Source: Company

### Fig 9 – Forgings

Source: Company

### Fig 10 – CR coils, pipes & tubes

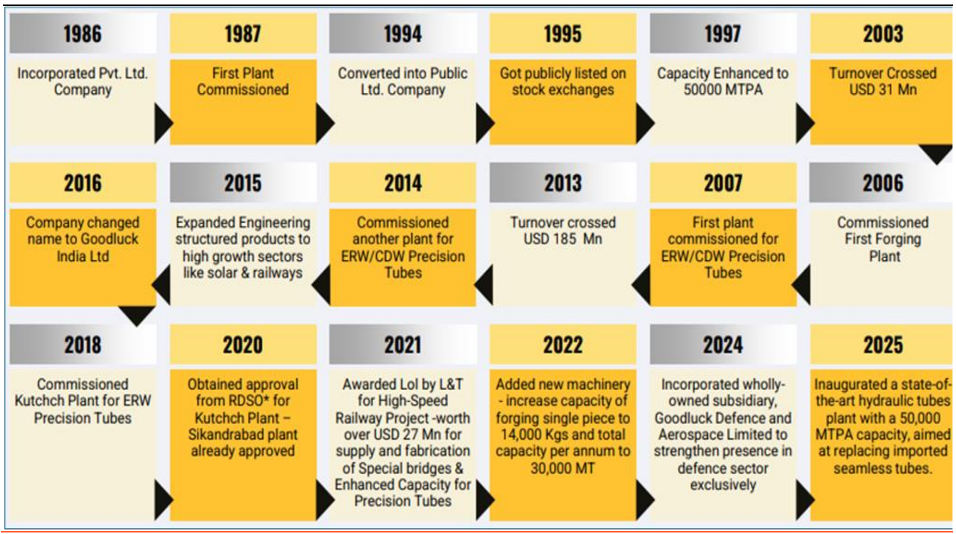
Source: Company

**Manufacturing footprint:** Manufacturing plants are situated at Bulandshahr in UP, Dadri in UP and Kutch in Gujarat.

### Fig 11 – Manufacturing footprint across India


Source: Company

### Fig 12 – Journey

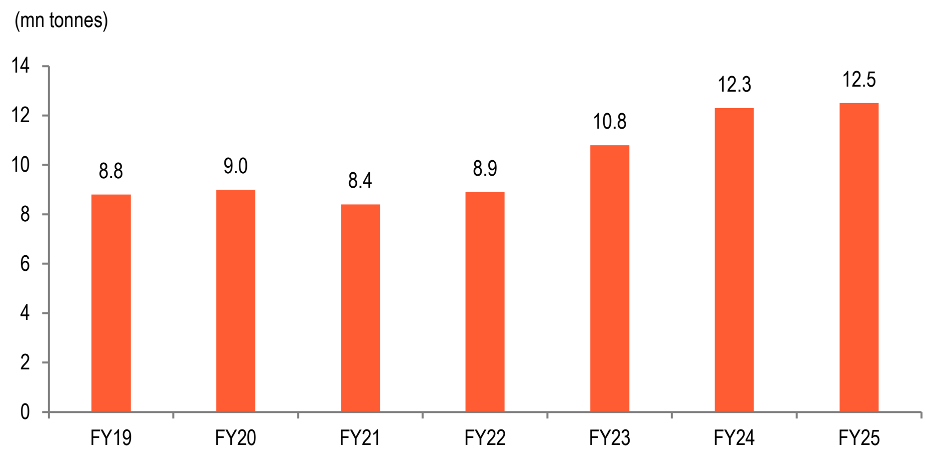



Source: Company

## Investment Rationale

- **Goodluck poised to benefit from Industry demand growth with its capacity growth:** India's Steel Pipes & Tubes sector growth has been in line with the growth trend of domestic steel industry demand growth. Domestic steel industry demand reported a CAGR of 7-8% between FY19 and FY25, rising to 152mn tonnes, driven by growth in end-user segments – auto, infrastructure and construction.
  - In comparison to that, demand for domestic steel pipes and tubes has grown at a CAGR of 5-6% during FY19-FY25 from 8.8mn tonnes in FY19 to 12.5mn tonnes in FY25.
  - As per CRISIL estimates (Market Intelligence & Analytics), domestic steel pipes and tubes industry is estimated to grow at 8-9% CAGR over FY25-FY29 period.

**Fig 13 – Domestic demand steel pipes & tubes**

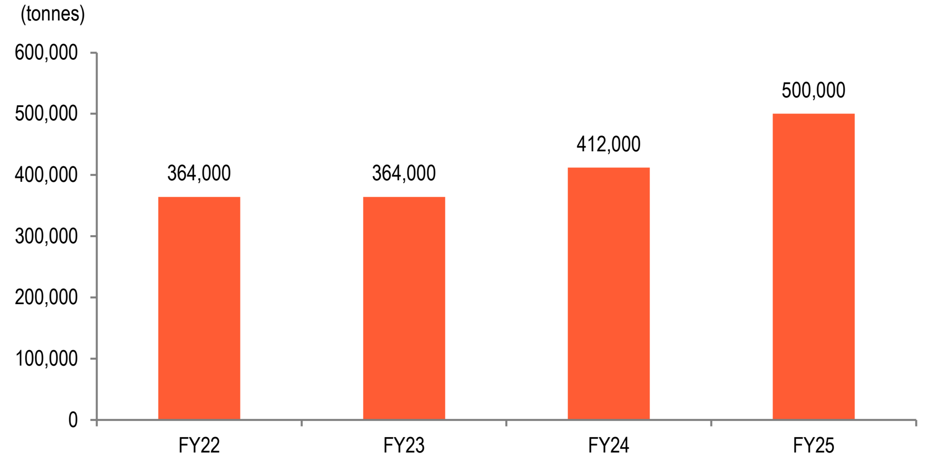



Source: CRISIL Market Intelligence & Analytics

Goodluck India leveraged this growth through capacity expansion in the last 3 years. This benefit will likely continue. The company ramped up overall capacity from 364,000 tonnes in FY23 to 500,000 tonnes in FY25, which is associated with utilisation of 89% in FY25.

This has helped the company to benefit from demand growth with volumes growth of 18.3%YoY in FY25 and 11.0%YoY in 9MFY26. With utilisation at 92% in 9MFY26, it is well poised to benefit from Industry demand and higher utilisation resulting in upside in blended realization going forward.

**Fig 14 – Capacity**




Source: Company

- **Goodluck has well diversified product portfolio catering to varied business and strong Clientele:** Goodluck India has a wide product portfolio and a strong Clientele. Product portfolio targets the growing sectors of the economy - Auto, Infrastructure, Railways, Solar and Defence.
  - **Strong Clientele base:** The company has a strong Clientele base of OEMs in key business segments of engineering structures, forgings, and auto tubes. Some of the clients are as follows:
  - Engineering structure clients: Indian Railways, ABB, L&T, GMR, PowerGrid, NTPC, etc.
  - Forgings clients: DRDO, ISRO, HAL, GE Oil and Gas, BHEL, etc.
  - Auto tubes: BMW, Sudi, Toyota, Mercedes Benz, Mahindra, TVS
  - Long term relationship with OEMS will help Goodluck to target incremental business from new products and scale up in existing volumes.

**Fig 15 – Clientele**


Source: Company

- **Growth capex projects to benefit over FY27-FY28:** Goodluck India has invested in Hydraulic tube plant and Defence business subsidiary. These initiatives will help drive incremental benefits in coming years:
    - **Hydraulic Tube plant:** In 2025, the company commissioned hydraulic tubes plant at Bulandshahr, UP in Jan 2025 with 50,000 tonnes capacity. Investment was Rs2,750mn. Demand is strong as product has replaced imported seamless tubes and has higher margins than blended margins of 8.0%. The product will have value added applications in automotive and engineering sectors. Goodluck would be primarily targeting existing relationship with OEMs to drive offtake from this plant.
    - Current utlisation is 50% and targets to achieve 65-70% utilisation by Sept. 2026. This plant can generate a revenue of Rs4,500mn – 5,000mn at optimum utilisation.
- **Defence subsidiary to scale up and result in incremental revenue in next 3 years**: Goodluck India has investment in its Defence subsidiary. Under this, Goodluck manufactures artillery (ammunition) shells for the Indian Army & other markets and would supply parts for tanks, missiles, aircraft under Defence programme. These investments will benefit due to increase in Defence allocation. In FY26-27 budget, government allocated Rs7,850bn to the Ministry of Defence, an increase of 15.2% over FY25-26 Budget Estimates
    - In 2024, the company incorporated its wholly owned subsidiary Goodluck Defence and Aerospace Ltd to strengthen presence in the Defence sector.

**Artillery (Ammunition) shell facility**

- Goodluck Defence has received an industrial license under the Indian Arms Act, 1959, for the manufacturing of medium-caliber artillery shells
- These Includes a wide range of calibers such as 105mm, 120mm, 125mm, 130mm, and 155mm shells, along with the 155mm category HE M107, ERFB, ERFB BB, and ERFB BIT shells.
- Phase-I operations began in Oct. 2025 with initial capacity of 150,000 shells per annum. It plans to scale up capacity to 4,00,000 shells annually from 150,000 by Sept.2026, backed by an investment of Rs5,000mn (Debt + Equity).
- Phase-II incremental capacity is likely to generate revenue from Q1FY28E (Apr-June 2027),

**Fig 16 – Ammunition facility**

Source: Company

**Fig 17 – Ammunition shells**

Source: Company

**Supplier of parts to various Defence programmes:**

- Goodluck would supply parts for Defence requirements under this.
- Goodluck India has existing relationship with HAL, DRDO, ISRO, BEML Mazgaon Dock Shipbuilders, Walchandnagar Industries, Brahmo aerospace, L&T Defence and Godrej Aerospace.

Overall Defence subsidiary is estimated to generate revenue of Rs9,000mn in FY28E with EBITDA margin of 29.0%.

**Fig 18 – Prestigious Defence projects**

| Project Name | Platform / Systems | Grades | Types of Parts | Weight |
|---|---|---|---|---|
| HAL- HTFE (Hindustan Turbofan Engine) Program |   | Nickel Alloys and Titanium | 6 Parts | 90 kg to 150 Kg |
| Brahmos Missiles |   | Titanium, Stainless and Alloys | 12 Parts | 200 gram to 5 kg |
| K9 Vajra – Tracked Howitzer |  | Carbon, Alloys and Stainless | 12 Parts | 50 gram to 200 Kg |
| Pinaka Rockets & Indigenous Rocket Launcher |  | Carbon, Alloys and Stainless | 12 Parts | 50 gram to 200 Kg |

Source: Company

- **Balance sheet parameters to remain a comfort during investment phase:**

  Net debt increased from Rs5,857mn on Mar’23 to Rs8,354mn on Mar’25 due to increased borrowing for capex projects. Gross debt was Rs8,816mnmn on Mar’2025.

  - Net D/E stands at 0.6x and Net debt/EBITDA at 2.7x on Mar.25.
  - Net debt further increased to Rs9,623mn on Sept’25 with Net D/E at 0.7x.
  - Capex: The company incurred a capex of Rs1,860mn in 9MFY26.

**Fig 19 – Overall debt structure**

| Details (Rs mn) | Mar.23 | Mar.24 | Mar.25 | Sept.25 |
|---|---|---|---|---|
| Long term debt | 909 | 1,002 | 1,622 | 1,650 |
| Short term debt | 5,067 | 5,118 | 7,193 | 8,438 |
| Total debt | 5,975 | 6,120 | 8,816 | 10,088 |
| Cash & bank balance | 118 | 2,108 | 461 | 465 |
| **Net debt** | **5,857** | **4,013** | **8,354** | **9,623** |
| **Net Debt/Equity (x)** | **0.9** | **0.3** | **0.6** | **0.7** |
| **Net Debt/EBITDA (x)** | **2.9** | **1.4** | **2.7** | **3.4** |

Source: Company

## Result update – Q3FY26

- **Decent Q3 performance driven by volume growth:** Consolidated Revenue came at Rs10,280mn (+10.1%YoY, +5.0%QoQ). EBITDA came at Rs1,011mn (+26.1%YoY, +10.1%QoQ). Net profit came at Rs436mn (+6.0%YoY, +3.0%QoQ). Standalone Revenue came at Rs10,225mn, (+9.5%YoY,+4.5%QoQ). EBITDA/t was Rs8,164 for the quarter; higher by 13.1%YoY.

- **Volumes performance:** Volumes came at 0.12mnt; higher by 8.2%YoY on good demand from auto and infra/construction segments. Volumes grew 6.4% QoQ. 9MFY26 volumes grew by 9.4%YoY to 0.35mnt.

- **Blended realisation improved:** Realisation increased by 1.2%YoY to Rs85,066/tonne. Realisation decreased by 1.8%QoQ. Management is positive on pricing and expects the price to improve in coming quarters based on improvement in steel prices.

- **Orderbook:** Infra segment orderbook is booked for next 12-18months on account of infrastructure investments by GoI. Defence business is fully booked for next 12 months supported by governments focus on indigenous Defence manufacturing. Defence has 2 years LoI from clients.

- **Hydraulic tube plant:** Operated with 45% utilisation during Q3FY26. Current rate is 50%. Management expects the plant to achieve 65-70% utilisation by Sept 2026.

- **Raw material sourcing and environment:** Raw materials are Hot rolled coil (HRC) for pipes business, Angles and Plates for Engineering structures and Billet for forgings business. Indicated volumes are given to suppliers based on demand visibility. Whenever steel prices increase, it does have some impact. For Auto tubes segment, there is a pass through with a lag; for infra segment – there is a complete pass through. Broadly, management commented that impact is not significant in value addition business.

- **Defence & Aerospace business (subsidiary):** Business has successfully commenced production with Artillery shells and first order is ready for dispatch. It is currently awaiting necessary permissions. Management commented that this business possesses strong visibility over coming years given the current demand – supply mismatch. This is fully booked for next 12 months supported by governments focus on indigenous Defence manufacturing.
    - Commenced production of ammunition shells. It has decided to increase capacity from 150,000t to 400,000t. Incremental capacity will be commissioned by Q1FY28.

- **Capex:** The company incurred a capex of Rs1,860mn in 9MFY26.

### Fig 20 – Quarterly performance (consolidated)

| Rs mn | Q3FY26 | Q2FY26 | QoQ (%) | Q3FY25 | YoY (%) | 9MFY26 | 9MFY25 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Revenue | 10,280 | 9,787 | 5.0 | 9,335 | 10.1 | 29,797 | 28,047 | 6.2 |
| EBITDA | 1,011 | 918 | 10.1 | 801 | 26.1 | 2,852 | 2,262 | 26.1 |
| EBITDA margin (%) | 9.83 | 9.38 | | 8.59 | | 9.57 | 8.06 | |
| Depreciation | 172 | 149 | 15.9 | 103 | 67.8 | 466 | 307 | 52.1 |
| Interest | 271 | 261 | 3.7 | 200 | 35.2 | 811 | 587 | 38.2 |
| Other income | 17 | 62 | (72.0) | 40 | (56.1) | 115 | 270 | (57.3) |
| PBT | 585 | 571 | 2.6 | 538 | 8.7 | 1,689 | 1,638 | 3.1 |
| Tax | 148 | 144 | 3.0 | 126 | 17.6 | 424 | 401 | 6.0 |
| Reported PAT | 436 | 424 | 3.0 | 412 | 6.0 | 1,262 | 1,231 | 2.5 |
| Exceptional item | 0 | 0 | NA | 0 | NA | 0 | 0 | NA |
| Adjusted PAT | 436 | 424 | 3.0 | 412 | 6.0 | 1,262 | 1,231 | 2.5 |
| Adj. PATM (%) | 4.25 | 4.33 | | 4.41 | | 4.23 | 4.39 | |
| EPS (Rs) | 13.13 | 12.75 | 3.0 | 12.58 | 4.4 | 37.96 | 37.61 | 0.9 |

Source: Company

### Fig 21 – Operational performance (standalone)

| Rs mn | Q3FY26 | Q2FY26 | QoQ (%) | Q3FY25 | YoY (%) | 9MFY26 | 9MFY25 | YoY (%) |
|---|---|---|---|---|---|---|---|---|
| Sales volume | 0.12 | 0.11 | 6.4 | 0.11 | 8.2 | 0.35 | 0.31 | 11.0 |
| Realisation/t | 85,066 | 86,660 | (1.8) | 84,041 | 1.2 | 86,150 | 90,021 | (4.3) |
| EBITDA/t | 8,164 | 8,130 | 0.4 | 7,215 | 13.1 | 8,244 | 7,259 | 13.6 |

Source: Company

## Financial Analysis

**Robust financial performance:** Over the past 3 years (FY22–FY25), Goodluck India has delivered a robust revenue /EBITDA / PAT/ CAGR of 15%/19%/30% on the back of volume growth supported by capacity expansion. Increase in value added mix led to margin expansion over this period.

**Volumes performance:** It reported sales volume growth of 18.3% YoY in FY25 to 442,619 tonnes, driven by strong demand across business segments.

**Balance sheet position:** The company reported an increase in gross debt during FY25, due to ongoing capex for expansion. Improved cashflows have kept leverage ratios below 1x. Net Debt/Equity stood at 0.6x on Mar.25. Capex increased to Rs4,910mn in FY25 from Rs1,960mn in FY24. Gross debt is Rs8,816mn on Mar.25 vs Rs6,120mn on Mar.24. Net working capital days stood at 90days as on March 2025.

**Fig 22 – Financial snapshot (consolidated)**

| Particulars (Rs mn) | FY22 | FY23 | FY24 | FY25 | 9MFY26 |
|---|---|---|---|---|---|
| Revenue | 26,132 | 30,720 | 35,248 | 39,359 | 30,118 |
| EBITDA | 1,830 | 2,044 | 2,822 | 3,108 | 2,852 |
| EBITDA Margin (%) | 7.0 | 6.7 | 8.0 | 7.9 | 9.5 |
| EBIT | 1,540 | 1,718 | 2,470 | 2,659 | 2,385 |
| PBT | 1,006 | 1,211 | 1,824 | 2,209 | 1,689 |
| Tax | 256 | 333 | 502 | 552 | 424 |
| Reported PAT | 750 | 878 | 1,323 | 1,656 | 1,262 |
| PAT Margin (%) | 2.9 | 2.9 | 3.8 | 4.2 | 4.2 |
| EPS (Rs) | 28.8 | 32.2 | 41.6 | 50.6 | 38.0 |
| Total Assets | 12,535 | 14,710 | 20,324 | 25,293 | 27,796 |
| Gross Debt | 5,904 | 5,975 | 6,120 | 8,816 | 10,088 |
| Cash & other balance with banks | 132 | 118 | 2,108 | 461 | 465 |
| Net Debt | 5,772 | 5,857 | 4,013 | 8,354 | 9,623 |
| Net worth | 4,659 | 6,200 | 11,194 | 13,110 | 14,806 |
| Net Debt/ equity | 1.2 | 0.9 | 0.4 | 0.6 | 0.6 |
| Receivables | 2,831 | 3,509 | 3,512 | 5,056 | 4,923 |
| days | 40 | 42 | 36 | 47 | 44 |
| Inventories | 4,281 | 5,201 | 6,092 | 6,280 | 7,411 |
| Days | 60 | 62 | 63 | 58 | 66 |
| Payables | 1,032 | 1,278 | 1,372 | 1,164 | 1,238 |
| Days | 20 | 21 | 19 | 15 | 19 |
| Net working capital | 6,080 | 7,432 | 8,231 | 10,172 | 11,096 |
| Days | 79 | 83 | 80 | 90 | 92 |
| Operating Cash Flow | 778 | 649 | (459) | 1,583 | 571 |
| Capex | 853 | 783 | 1,964 | 4,910 | 1,472 |
| Free Cash Flow | (76) | (134) | (2,423) | (3,327) | (901) |
| ROE (%) | 16.1 | 16.2 | 15.2 | 13.6 | 13.5 |
| ROCE (%) | 14.5 | 14.9 | 14.7 | 13.5 | 14.8 |
| Dupont | | | | | |
| Asset turnover | 2.1 | 2.1 | 1.7 | 1.6 | 1.1 |
| Financial leverage (A/E) | 2.7 | 2.4 | 1.8 | 1.9 | 1.9 |
| PAT margin (%) | 2.9 | 2.9 | 3.8 | 4.2 | 4.2 |
| ROE (%) | 16.1 | 16.2 | 15.2 | 13.6 | 13.5 |

Source: BOBCAPS Research, Company

**Fig 23 – Income statement (standalone)**

| Rs mn | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | Q2FY26 | Q3FY26 |
|---|---|---|---|---|---|---|---|
| Net Sales | 9,048 | 9,664 | 9,335 | 10,924 | 9,730 | 9,787 | 10,225 |
| Total Expenses | 8,381 | 9,052 | 8,618 | 10,199 | 8,910 | 8,996 | 9,335 |
| (Inc.)/Dec. in stock | (63) | 549 | (546) | 410 | (304) | (79) | (469) |
| Consumption of RM | 6,659 | 6,631 | 7,325 | 7,607 | 7,171 | 7,177 | 7,679 |
| Employee cost | 416 | 429 | 412 | 528 | 433 | 508 | 526 |
| Other Expenses | 1,368 | 1,443 | 1,427 | 1,654 | 1,611 | 1,390 | 1,600 |
| Operating Income | 82 | 98 | 85 | 123 | 103 | 127 | 91 |
| EBITDA | 750 | 710 | 801 | 847 | 922 | 918 | 981 |
| Other Income | 26 | 164 | 23 | 85 | 35 | 43 | 16 |
| Interest | 217 | 171 | 199 | 216 | 280 | 260 | 260 |
| PBDT | 559 | 704 | 625 | 717 | 678 | 701 | 738 |
| Depreciation | 101 | 103 | 103 | 143 | 145 | 149 | 155 |
| PBT | 458 | 601 | 523 | 574 | 533 | 553 | 582 |
| PBT after except. item | 458 | 601 | 523 | 574 | 533 | 553 | 582 |
| Tax | 113 | 151 | 122 | 153 | 132 | 140 | 148 |
| PAT | 345 | 451 | 401 | 421 | 401 | 413 | 435 |
| PAT | 345 | 451 | 401 | 421 | 401 | 413 | 435 |
| EPS (Rs) | 10.53 | 13.76 | 12.24 | 12.87 | 12.08 | 12.43 | 13.08 |

Source: Company

## Peer Comparison

**Goodluck India is positioned** strongly in relation to comparable peers like APL Apollo Tubes, Hi Tech pipes and JTL Industries due to diversification of its businesses. Its engineering structures and forging products business have growing revenue from Clientele from Infra and Auto segment, respectively. This provides stability for cashflow. Auto OEMS has Clientele from domestic and global markets.

**Fig 24 – Financial parameters Goodluck India v/s peers – FY25**

| Company | Total Revenue (Rs mn) | EBITDA (Rs mn) | EBITDA % margin | PAT (Rs mn) | PAT % margin |
|---|---|---|---|---|---|
| APL Apollo | 206,895 | 11,980 | 5.8 | 7,570 | 3.7 |
| Hi-Tech pipes | 30,676 | 1,600 | 5.2 | 730 | 2.4 |
| JTL Industries | 19,163 | 1,230 | 6.4 | 988 | 5.2 |
| **Goodluck India** | **39,359** | **3,108** | **7.9** | **1,648** | **4.2** |

Source: Company, BOBCAPS Research

There is no direct competition of Goodluck India with listed peers as Goodluck has business of engineering structures and forging products combined with pipes business. Peers do not have businesses of engineering and forging products. Pipes business contributes 61% of overall revenue for Goodluck vs 100% for listed peers – APL Apollo Tubes, Hi Tech pipes and JTL Industries.

**Fig 25 – Operational parameters Goodluck India v/s peers – FY25**

| Company | Capacity ('000 tonnes) | Sales volumes ('000 tonnes) | Utilisation (%) | EBITDA/tonne (Rs) | EBITDA/kg (Rs) |
|---|---|---|---|---|---|
| APL Apollo | 4,500 | 3,158 | 70.2 | 3,794 | 3.8 |
| Hi-Tech pipes | 750 | 485 | 64.7 | 3,296 | 3.3 |
| JTL Industries | 686 | 388 | 56.5 | 3,174 | 3.2 |
| **Goodluck India** | **500** | **443** | **88.5** | **7,023** | **7.0** |

Source: Company, BOBCAPS Research

## Outlook and Valuation

Management expects volume performance to continue. Investment done in Hydraulic tube plant will help drive business growth with ramp up in operation. Going forward, existing business will continue to provide decent growth while Defence subsidiary will likely bring in incremental business over FY27 – FY29E on account of order book from artillery shells. Blended EBITDA margin will likely increase from 7.9% in FY25 to a level of 12.5% in FY28 on account of 28%-29.5% margin in Defence subsidiary

- Estimate Defence subsidiary to generate revenue of Rs2,000mn in FY27E, Rs9,000mn in FY28E and Rs9,900mn in FY29E. EBITDA margin estimated to be in range of 28.0-29.5%
- Overall blended margin is estimated to increase from 8.0% in FY25 to 9.5% in FY26E, 10.1% in FY27E, 12.6% in FY28E and 12.8% in FY29E

**Fig 26 – Key assumptions**

| | FY24 | FY25 | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|
| Installed capacity (tonne) | 412,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Sales volumes (tonnes) | 374,165 | 442,618 | 460,000 | 470,000 | 480,000 | 490,000 |
| Utilisation (%) | 90.8 | 88.5 | 92.0 | 94.0 | 96.0 | 98.0 |
| Realization (Blended) (Rs/tonne) | 93,110 | 88,047 | 87,606 | 88,920 | 90,254 | 91,608 |
| **% growth YoY** | | | | | | |
| Sales volumes | 18.1 | 18.3 | 3.9 | 2.2 | 2.1 | 2.1 |
| Realization | (3.2) | (5.4) | (0.5) | 1.5 | 1.5 | 1.5 |
| EBITDA (Rs /tonne) | 7,555 | 7,023 | 8,190 | 8,241 | 8,279 | 8,304 |
| **Subsidiary - Defence** | | | | | | |
| Revenue (Rs mn) | 0 | 0 | 400 | 2,000 | 9,000 | 9,900 |
| EBITDA % margin | 0.0 | 0.0 | 28.0 | 28.0 | 29.0 | 29.5 |
| **Consolidated** | | | | | | |
| Revenues (Rs mn) incl op. income | 35,248 | 39,359 | 41,092 | 44,189 | 52,723 | 55,193 |
| EBITDA (Rs mn) | 2,822 | 3,108 | 3,880 | 4,434 | 6,584 | 6,990 |

Source: Company, BOBCAPS Research

## Valuation summary

Initiate coverage on Goodluck India with a BUY rating and TP of Rs1,788 based on 10x EV/EBITDA on Mar'2028 EBITDA. Multiple is at a discount to Average multiple of peers who are in pure pipe sector and is in line with its last 10-year average multiple.

**Fig 27 – Valuation summary**

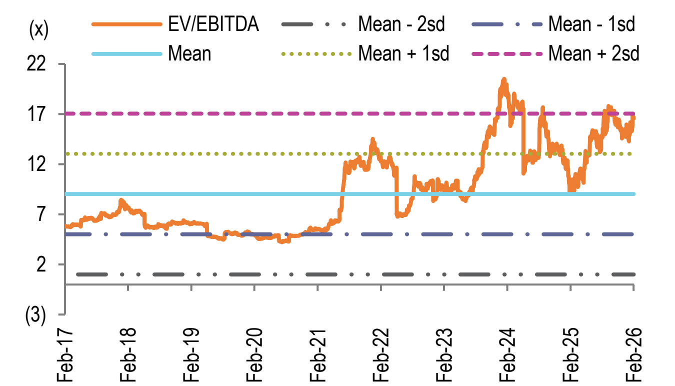
| Particular | Mar'28 EBITDA (Rs mn) | Multiple (x) | Value (Rs mn) | Rs/share |
|---|---|---|---|---|
| Goodluck India | 6,584 | 10 | 66,880 | 2,043 |
| Net debt | | | 8,354 | 255 |
| **Target price (Rs)** | | | **58,526** | **1,788** |

Source: Company

## Key risks

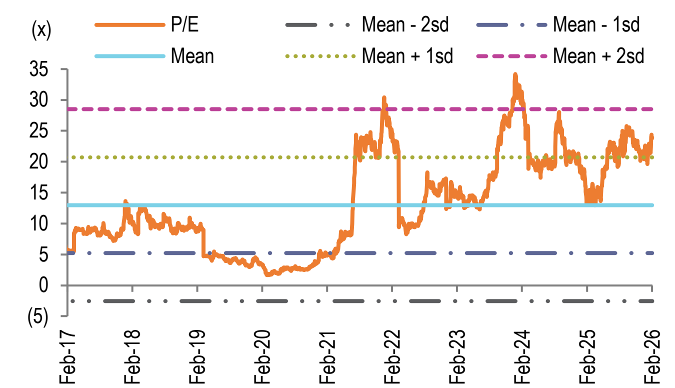
**Competition in Defence segment can lead to moderation in margins overtime:** Goodluck is currently working on projects in Defence through Artillery shells and aerospace parts, any increase in competition in these initiatives can lead to moderation in margins and can have an impact on the company's growth profile and valuation.

**Fig 28 – EV/EBITDA 1YF**




Source: Bloomberg

**Fig 29 – P/E 1YF**




Source: Bloomberg

## Financials

**Income Statement**

| Y/E 31 Mar (Rs mn) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Total revenue** | **38,971** | **40,700** | **43,794** | **52,323** | **54,789** |
| EBITDA | 3,108 | 3,880 | 4,434 | 6,584 | 6,990 |
| Depreciation | 449 | 737 | 739 | 872 | 1,025 |
| EBIT | 3,012 | 3,503 | 4,062 | 6,087 | 6,347 |
| Interest exp. | 803 | 1,014 | 1,117 | 1,168 | 1,113 |
| Other inc./(exp.) | 353 | 360 | 367 | 375 | 382 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 2,209 | 2,489 | 2,945 | 4,919 | 5,234 |
| Income taxes | (552) | (622) | (736) | (1,229) | (1,307) |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Min. int./Inc. from assoc. | 8 | 15 | 74 | 333 | 367 |
| **Reported net profit** | **1,664** | **1,853** | **2,135** | **3,357** | **3,560** |
| Adjustments | 0 | 0 | 0 | 0 | 0 |
| **Adjusted net profit** | **1,664** | **1,853** | **2,135** | **3,357** | **3,560** |

**Balance Sheet**

| Y/E 31 Mar (Rs mn) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Accounts payables | 1,164 | 1,658 | 1,784 | 2,131 | 2,232 |
| Other current liabilities | 6 | 6 | 6 | 6 | 6 |
| Provisions | 1,343 | 1,343 | 1,343 | 1,343 | 1,343 |
| Debt funds | 8,816 | 8,816 | 9,716 | 10,616 | 10,116 |
| Other liabilities | 497 | 497 | 497 | 497 | 497 |
| Equity capital | 65 | 65 | 65 | 65 | 65 |
| Reserves & surplus | 13,045 | 14,758 | 16,746 | 19,947 | 23,343 |
| Shareholders' fund | 13,468 | 15,196 | 17,258 | 20,793 | 24,556 |
| **Total liab. and equities** | **25,293** | **27,515** | **30,603** | **35,385** | **38,749** |
| Cash and cash eq. | 461 | 734 | 920 | 1,118 | 1,546 |
| Accounts receivables | 5,056 | 5,117 | 5,506 | 6,578 | 6,889 |
| Inventories | 6,280 | 6,605 | 7,107 | 8,492 | 8,892 |
| Other current assets | 2,856 | 2,856 | 2,856 | 2,856 | 2,856 |
| Investments | 135 | 135 | 135 | 135 | 135 |
| Net fixed assets | 7,993 | 9,556 | 11,567 | 13,694 | 15,919 |
| CWIP | 2,436 | 2,436 | 2,436 | 2,436 | 2,436 |
| Intangible assets | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets, net | 0 | 0 | 0 | 0 | 0 |
| Other assets | 211 | 211 | 211 | 211 | 211 |
| **Total assets** | **25,293** | **27,516** | **30,603** | **35,385** | **38,749** |

**Cash Flows**

| Y/E 31 Mar (Rs mn) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Cash flow from operations** | **1,152** | **3,726** | **3,301** | **3,621** | **5,455** |
| Capital expenditures | (4,904) | (2,300) | (2,750) | (3,000) | (3,250) |
| Change in investments | (101) | 0 | 0 | 0 | 0 |
| Other investing cash flows | 11 | 0 | 0 | 0 | 0 |
| **Cash flow from investing** | **(4,994)** | **(2,300)** | **(2,750)** | **(3,000)** | **(3,250)** |
| Equities issued/Others | 2 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 2,695 | 0 | 900 | 900 | (500) |
| Interest expenses | (803) | (1,014) | (1,117) | (1,168) | (1,113) |
| Dividends paid | 131 | 139 | 147 | 156 | 164 |
| Other financing cash flows | 170 | (278) | (295) | (311) | (327) |
| **Cash flow from financing** | **2,195** | **(1,153)** | **(365)** | **(423)** | **(1,776)** |
| **Chg in cash & cash eq.** | **(1,647)** | **273** | **186** | **198** | **428** |
| **Closing cash & cash eq.** | **461** | **734** | **920** | **1,118** | **1,546** |

**Per Share**

| Y/E 31 Mar (Rs) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Reported EPS | 50.8 | 56.6 | 65.2 | 102.5 | 108.7 |
| Adjusted EPS | 50.8 | 56.6 | 65.2 | 102.5 | 108.7 |
| Dividend per share | 4.0 | 4.3 | 4.5 | 4.8 | 5.0 |
| Book value per share | 400.4 | 452.8 | 513.5 | 611.3 | 715.0 |

**Valuations Ratios**

| Y/E 31 Mar (x) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| EV/Sales | 1.2 | 1.2 | 1.1 | 0.9 | 0.9 |
| EV/EBITDA | 14.9 | 12.4 | 10.9 | 7.5 | 7.0 |
| Adjusted P/E | 23.7 | 21.3 | 18.5 | 11.7 | 11.1 |
| P/BV | 3.0 | 2.7 | 2.3 | 2.0 | 1.7 |

**DuPont Analysis**

| Y/E 31 Mar (%) | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Tax burden (Net profit/PBT) | 75.3 | 74.4 | 72.5 | 68.2 | 68.0 |
| Interest burden (PBT/EBIT) | 73.3 | 71.1 | 72.5 | 80.8 | 82.5 |
| EBIT margin (EBIT/Revenue) | 7.7 | 8.6 | 9.3 | 11.6 | 11.6 |
| Asset turnover (Rev./Avg TA) | 1.7 | 1.5 | 1.5 | 1.6 | 1.5 |
| Leverage (Avg TA/Avg Equity) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Adjusted ROAE | 13.7 | 13.3 | 13.5 | 18.2 | 16.4 |

**Ratio Analysis**

| Y/E 31 Mar | FY25A | FY26E | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **YoY growth (%)** | | | | | |
| Revenue | 11.9 | 4.4 | 7.6 | 19.5 | 4.7 |
| EBITDA | (4.5) | (2.0) | 32.7 | 12.7 | 0.0 |
| Adjusted EPS | 21.8 | 11.3 | 15.2 | 57.2 | 6.1 |
| **Profitability & Return ratios (%)** | | | | | |
| EBITDA margin | 8.0 | 9.5 | 10.1 | 12.6 | 12.8 |
| EBIT margin | 7.7 | 8.6 | 9.3 | 11.6 | 11.6 |
| Adjusted profit margin | 4.3 | 4.6 | 4.9 | 6.4 | 6.5 |
| Adjusted ROAE | 13.7 | 13.3 | 13.5 | 18.2 | 16.4 |
| ROCE | 14.7 | 14.8 | 15.6 | 20.5 | 18.9 |
| **Working capital days (days)** | | | | | |
| Receivables | 47 | 46 | 46 | 46 | 46 |
| Inventory | 59 | 59 | 59 | 59 | 59 |
| Payables | 12 | 100 | 104 | 120 | 121 |
| **Ratios (x)** | | | | | |
| Gross asset turnover | 1.7 | 1.5 | 1.5 | 1.6 | 1.5 |
| Current ratio | 1.5 | 1.5 | 1.5 | 1.5 | 1.7 |
| Net interest coverage ratio | (3.7) | (3.5) | (3.6) | (5.2) | (5.7) |
| Adjusted debt/equity | 0.6 | 0.5 | 0.5 | 0.5 | 0.3 |

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 01 February 2030**
Brand Name: **BOBCAPS**
Trade Name: **www.barodaetrade.com**
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%

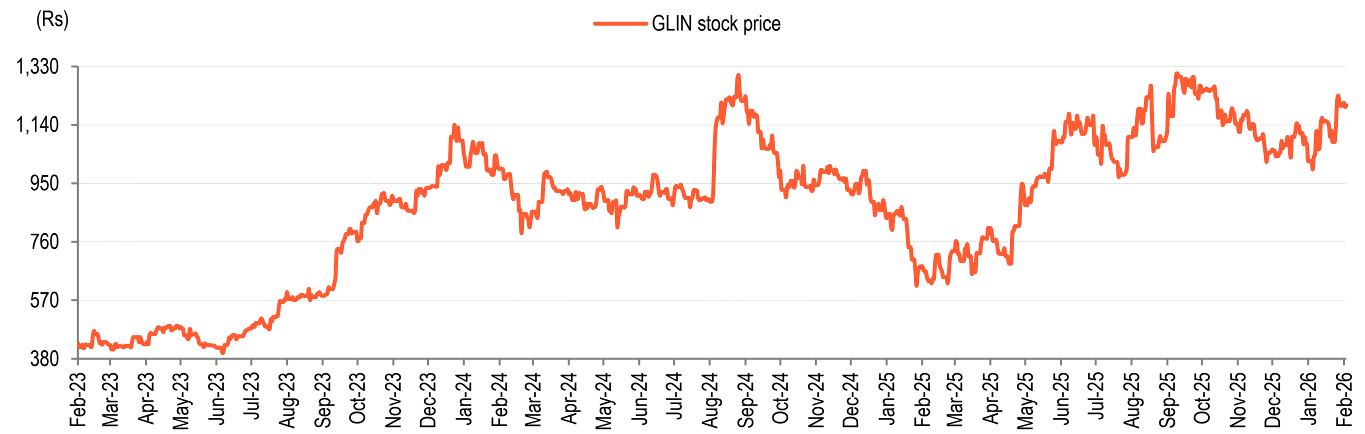
**HOLD** – Expected return from -6% to +15%

**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): GOODLUCK INDIA (GLIN 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.