BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 250 | ⮝ 10%

GREENLAM INDUSTRIES | Building Materials | 11 August 2025

Dismal Q1; recovery underway but valuations stretched

- **Dismal Q1 on weak performance across segments and heavy forex loss due to a strong euro**
- **Maintains revenue growth guidance at 18-20% for FY26; along with improvement in laminate margin (13.2% in Q1FY26 to 15% in FY26)**
- **Maintain HOLD with unchanged TP of Rs 250 on a weak return ratio profile of particleboard project and expensive valuations**

Utkarsh Nopany
research@bobcaps.in

Dismal Q1: GRLM reported a dismal performance yet again as it sharply misses our estimates (Revenue/EBITDA/APAT: -2%/-16%/-52%) for Q1FY26 due to weak performance across segments. The company has booked a forex loss of Rs 188mn in Q1FY26 due to a strong euro (considered as non-operating expense for our analysis purpose). Overall, revenue grew by 11% YoY, but EBITDA/APAT was down 15%/76% YoY in Q1FY26.

Highlights: Laminates segment EBITDA was flat (+0.3% YoY) in Q1FY26 as the impact of higher volumes (+5.8%) was offset by margin contraction (-47bps YoY to 13.2%). Plywood segment reported operating loss for the 9th consecutive quarter given the slow ramp-up of the plant (operated at 30% in Q1FY26). Particleboard segment reported operating loss for the 2nd consecutive quarter due to low operating rate (at 29% in Q1FY26). Interest coverage ratio has fallen sharply from 2.7x in Q1FY25 to 1.1x in Q1FY26, owing to weak operating profit and higher debt.

Outlook: GRLM maintained its revenue growth guidance at 18-20% YoY for FY26. Laminate segment EBITDA margin is targeted to be 15% in near future. The company expects plywood and particleboard segments to reach EBITDA breakeven in FY26. Net debt is projected to be ~Rs 10.0bn in Mar'26 (vs Rs 10.4bn in Jun'25). Capex guidance has been revised upward to Rs 1.5bn (Rs 1.0bn earlier).

Maintain HOLD with unchanged TP of Rs 250: We forecast GRLM's EPS to grow at a strong 45.8% CAGR over FY25-FY28E over a weak base. However, we maintain HOLD due to the weak return ratio profile of its newly commissioned particleboard project (likely to generate high-single-digit ROCE even if we assume ramp-up of the plant capacity to full level with 20% EBITDA margin on account of significantly higher capex cost incurred vs industry benchmark) and expensive valuations (the stock trades at a P/E of 67.6x/34.9x/25.6x on FY26E/FY27E/FY28E vs pre-COVID average of ~26x). We have cut our EPS estimates by 8.2%/8.4% for FY26E/FY27E, based on weak Q1 results, but we have kept our TP unchanged at Rs 250 per share due to roll forward of our valuation to Jun'27E (Mar'27 earlier). Our target P/E remains unchanged at 35x.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	GRLM IN/Rs 228
Market cap	US$ 663.4mn
Free float	49%
3M ADV	US$ 0.2mn
52wk high/low	Rs 601/Rs 197
Promoter/FPI/DII	51%/2%/15%

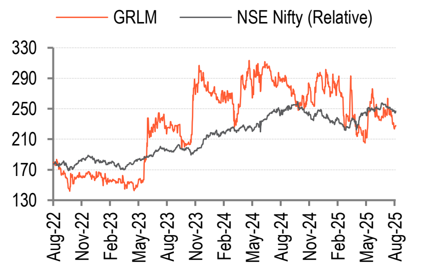
Source: NSE | Price as of 11 Aug 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	25,693	30,726	36,003
EBITDA (Rs mn)	2,746	3,122	4,202
Adj. net profit (Rs mn)	732	860	1,667
Adj. EPS (Rs)	2.9	3.4	6.5
Consensus EPS (Rs)	2.9	6.5	10.1
Adj. ROAE (%)	6.6	7.4	13.1
Adj. P/E (x)	79.5	67.6	34.9
EV/EBITDA (x)	19.1	15.8	11.5
Adj. EPS growth (%)	(47.1)	17.5	93.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance - Consolidated

Particulars (Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)	BOBCAPS Q1FY26E	Variance (%)
Total operating income	6,738	6,047	11.4	6,818	(1.2)	6,889	(2.2)
Raw-Material expense	3,163	2,901	9.0	3,363	(5.9)		
Gross Profit	3,575	3,147	13.6	3,455	3.5		
Employee expense	1,527	1,229	24.3	1,305	17.0		
Other expense	1,501	1,278	17.5	1,510	(0.6)		
EBITDA	547	640	(14.5)	640	(14.5)	652	(16.1)
D&A	351	263	33.5	333	5.4		
EBIT	196	377	(48.1)	307	(36.2)		
Interest cost	177	138	28.4	199	(11.0)		
Non-operating expense/(income)	164	(31)	NM	0	NM		
PBT	(145)	270	NM	108	NM		
Tax	12	72	(82.8)	93	(86.8)		
Reported PAT	(157)	199	NM	15	NM		
Adjusted PAT	47	199	(76.4)	20	133.2	97	(51.6)
As % of net revenues			**(bps)**		**(bps)**		
Gross margin	53.1	52.0	102	50.7	238		
Employee cost	22.7	20.3	234	19.1	352		
Other cost	22.3	21.1	115	22.2	13		
EBITDA margin	8.1	10.6	(247)	9.4	(127)		
Tax rate	(8.5)	26.5	NM	86.3	NM		
APAT margin	0.7	3.3	(259)	0.3	40		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

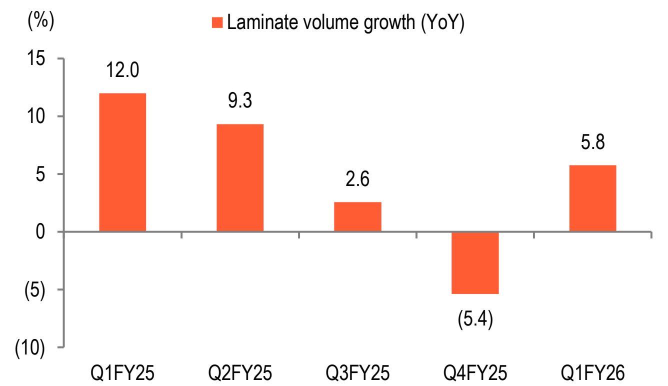
Particulars	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Segment Revenue (Rs mn)					
Laminate	5,548	5,343	3.8	5,754	(3.6)
Plywood (incl Veneer)	880	704	25.0	1,013	(13.1)
Particleboard	310	-	NA	51	505.3
Segment Volume					
Laminate (mn sheets)	4.9	4.7	5.8	4.9	0.2
Plywood (msm)	1.4	1.1	21.1	1.5	(8.6)
Particleboard (CBM)	14,609	-	NA	2,395	NM
Segment Realisation					
Laminate (Rs/sheet)	1,123	1,144	(1.8)	1,167	(3.8)
Plywood (Rs/msm)	268	242	10.7	256	4.8
Particleboard (Rs/CBM)	21,220	-	NA	21,294	(0.4)
Segment EBITDA (Rs mn)					
Laminate	731	729	0.3	790	(7.5)
Plywood (incl Veneer)	(86)	(88)	(2.0)	(32)	169.6
Particleboard	(98)	-	NA	(118)	(16.9)
Segment EBITDA margin (%)					
Laminate	13.2	13.6	(47bps)	13.7	(55bps)
Plywood (incl Veneer)	(9.8)	(12.5)	270bps	(3.2)	(664bps)
Particleboard	(31.6)	-	NA	(230.5)	NM
Total	8.1	10.6	(247bps)	9.4	(127bps)

Source: Company, BOBCAPS Research

Earnings call highlights

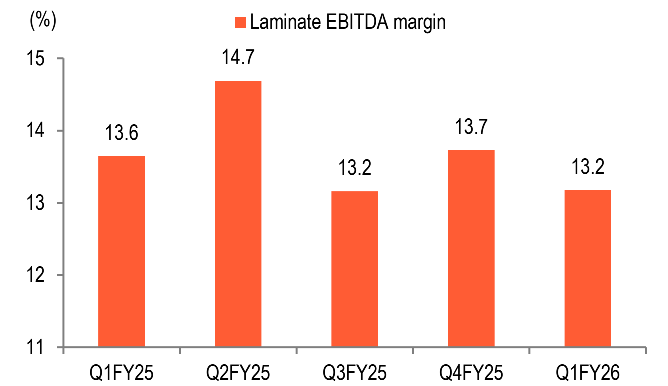
- **Guidance:** GRLM has maintained its guidance of growing revenue at 18-20% YoY in FY26.
- **Laminate:** GRLM laminates revenue grew at a muted pace (+3.8% YoY in Q1FY26) for the 3rd consecutive quarter. Exports revenue was flat on YoY basis in Q1FY26. Laminates segment EBITDA margin (excl-forex impact) was down 47bps YoY to 13.2% in Q1FY26. Revenue share from exports is 50%. The company has not seen any negative impact of exports to US markets (account for 4-5% share) due to higher tariffs in 4MFY26. Going ahead, the segment margin is expected to be 15% in the coming quarters. The company may plan for a brownfield expansion in FY27 based on demand conditions.
- **Plywood (including veneer):** The segment's operating loss has gone up from Rs 32mn in Q4FY25 to Rs 86mn in Q1FY26, due to slow ramp-up of capacity (from 31% in Q4FY25 to 30% in Q1FY26). The company expects the plywood segment operating profit to reach a breakeven level in FY26.
- **Particleboard:** The segment operating loss has gone down from Rs 118mn in Q4FY24 to Rs 98mn in Q1FY26, due to the ramp-up of its plant (from 18% in Q4FY25 to 29% in Q1FY26). Breakeven point is 40-50% rate - which is expected to achieved in FY26.
- **Capex:** The company has revised its capex guidance upward to Rs 1.5bn (Rs 1bn earlier) in FY26.
- **Net debt:** Peaked out at Rs 10.4bn in Q1FY26 and it is projected to be around Rs 10.0bn in Mar'26.

Fig 3 – GRLM's laminates volumes grew by 5.8% YoY in Q1FY26



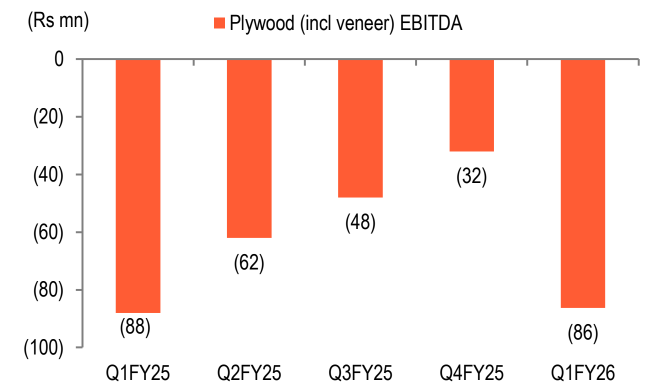
Source: Company, BOBCAPS Research

Fig 4 – Laminates EBITDA margin down 47bps YoY to 13.2% in Q1FY26



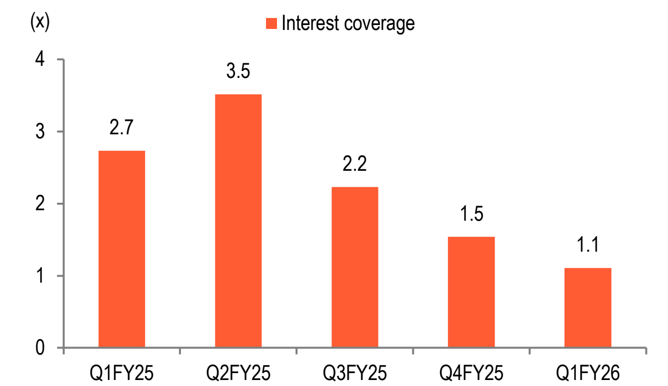
Source: Company, BOBCAPS Research

Fig 5 – Plywood segment reported operating loss for the 9th straight quarter due to slow ramp-up of the plant



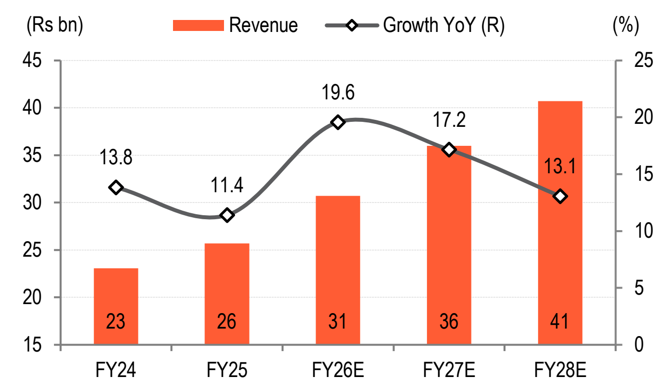
Source: Company, BOBCAPS Research

Fig 6 – GRLM interest coverage ratio has fallen sharply from 2.7x in Q1FY25 to 1.1x in Q1FY26



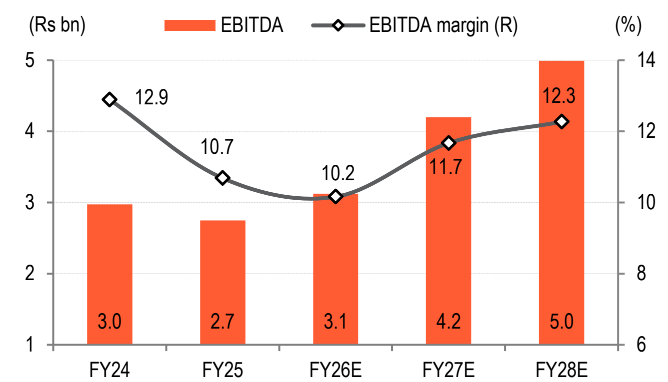
Source: Company, BOBCAPS Research

Fig 7 – GRLM revenue is projected to grow at 16.6% CAGR over FY25-FY28E



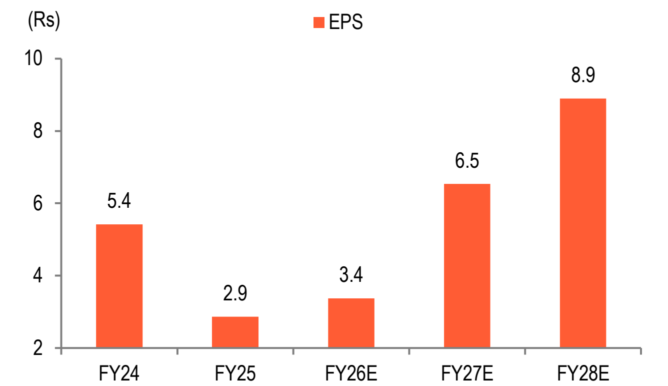
Source: Company, BOBCAPS Research

Fig 8 – GRLM EBITDA margin is forecast to improve from 10.7% in FY25 to 12.3% in FY28E



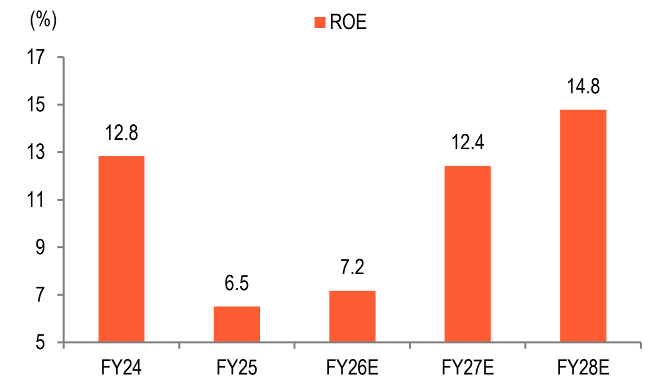
Source: Company, BOBCAPS Research

Fig 9 – GRLM's EPS to grow at 45.8% CAGR over FY25-FY28E mainly due to a low base



Source: Company, BOBCAPS Research

Fig 10 – ROE projected to improve from 6.5% in FY25 to 14.8% in FY28E due to ramp-up of existing plant



Source: Company, BOBCAPS Research

Valuation Methodology

We forecast GRLM's EPS to grow at a strong 45.8% CAGR over FY25-FY28E over a weak base. However, we maintain HOLD due to the weak return ratio profile of its newly commissioned particleboard project (likely to generate high-single-digit ROCE even if we assume the plant capacity gets ramp-up to full level with 20% EBITDA margin on account of significantly higher capex cost incurred vs industry benchmark) and expensive valuations (the stock trades at a P/E of 67.6x/34.9x/25.6x on FY26E/FY27E/FY28E vs pre-COVID average of ~26x).

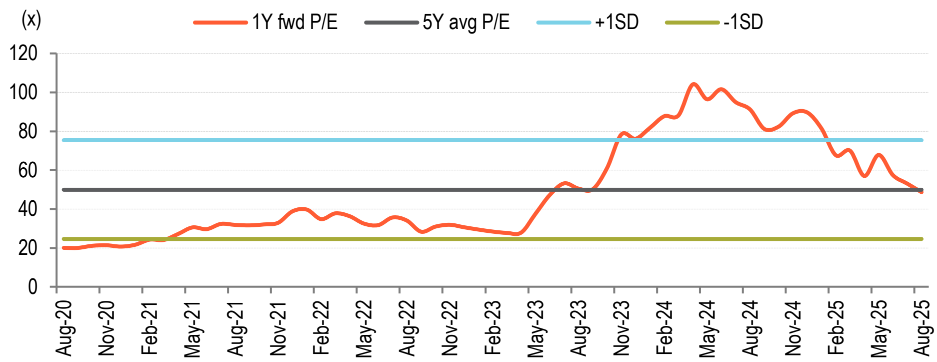
We have cut our EPS estimates by 8.2%/8.4% for FY26E/FY27E based on weak Q1 results, but we have kept our TP unchanged at Rs 250 per share due to roll forward of our valuation to Jun'27E (Mar'27 earlier). Our target P/E remains unchanged at 35x.

Fig 11 – Revised estimates

Change in Estimates	New		Old		Change (%)	
Consolidated (Rs bn)	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Total operating income	30.7	36.0	31.4	36.4	(2.2)	(1.0)
EBITDA	3.1	4.2	3.3	4.6	(5.8)	(7.9)
EBITDA Margin (%)	10.2	11.7	10.5	12.6	(38bps)	(88bps)
Adjusted PAT	0.9	1.7	0.9	1.8	(8.2)	(8.4)

Source: BOBCAPS Research

Fig 12 – GRLM stock trades at 48.6x on 1Y forward P/E vs 5Y average of 50.0x



Source: Bloomberg, BOBCAPS Research

Fig 13 – Key assumptions

Particulars (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue mix					
Laminates	88.4	86.7	78.7	73.9	72.6
Plywood	2.5	4.8	6.4	8.4	8.2
Particleboard	-	0.2	7.1	10.1	11.8
Sales volume growth					
Laminates	9.5	4.2	9.0	10.0	10.0
Plywood	NM	98.7	50.9	55.6	10.4
Particleboard	NA	NM	4,172.4	67.9	31.9
EBITDA margin					
Laminates	16.0	13.8	14.8	15.0	15.0
Plywood	(51.8)	(19.2)	(2.6)	6.6	8.2
Particleboard	NA	(231.4)	(13.6)	2.4	6.8

Source: Company, BOBCAPS Research

Key risks

- A sharp recovery in the laminates demand and a quick ramp-up of new facilities are the key upside risks to our estimates.
- Market share loss in the laminates division and weak demand sentiments in the domestic market are the key downside risks.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**23,063**	**25,693**	**30,726**	**36,003**	**40,711**
EBITDA	2,974	2,746	3,122	4,202	4,995
Depreciation	871	1,137	1,410	1,467	1,495
EBIT	2,103	1,609	1,713	2,736	3,500
Net interest inc./(exp.)	(443)	(655)	(749)	(725)	(684)
Other inc./(exp.)	217	110	188	218	218
Exceptional items	27	0	0	0	0
EBT	1,849	1,064	1,151	2,228	3,034
Income taxes	469	380	291	561	764
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	4	13	0	0	0
Reported net profit	**1,384**	**697**	**860**	**1,667**	**2,270**
Adjustments	(1)	35	0	0	0
Adjusted net profit	**1,383**	**732**	**860**	**1,667**	**2,270**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	3,479	4,146	5,088	5,962	6,741
Other current liabilities	1,914	1,690	1,690	1,690	1,690
Provisions	48	45	56	65	74
Debt funds	9,988	10,751	10,658	10,065	9,471
Other liabilities	1,160	1,201	1,201	1,201	1,201
Equity capital	128	255	255	255	255
Reserves & surplus	10,644	11,014	11,748	13,171	15,109
Shareholders' fund	10,769	11,253	11,987	13,410	15,348
Total liab. and equities	**27,358**	**29,086**	**30,679**	**32,393**	**34,526**
Cash and cash eq.	1,803	986	613	944	1,911
Accounts receivables	1,521	1,573	1,881	2,204	2,492
Inventories	6,091	6,647	7,821	9,484	11,031
Other current assets	1,426	1,730	2,123	2,488	2,813
Investments	0	0	0	0	0
Net fixed assets	9,725	17,388	17,479	16,512	15,517
CWIP	6,110	281	281	281	281
Intangible assets	137	110	110	110	110
Deferred tax assets, net	99	98	98	98	98
Other assets	445	273	273	273	273
Total assets	**27,358**	**29,086**	**30,679**	**32,393**	**34,526**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**2,368**	**1,897**	**1,908**	**2,175**	**2,859**
Capital expenditures	(6,986)	(2,733)	(1,500)	(500)	(500)
Change in investments	0	0	0	0	0
Other investing cash flows	189	110	188	218	218
Cash flow from investing	**(6,796)**	**(2,623)**	**(1,312)**	**(282)**	**(282)**
Equities issued/Others	1	128	0	0	0
Debt raised/repaid	4,289	763	(93)	(593)	(593)
Interest expenses	(443)	(655)	(749)	(725)	(684)
Dividends paid	(421)	(107)	(126)	(244)	(332)
Other financing cash flows	226	(220)	0	0	0
Cash flow from financing	**3,652**	**(91)**	**(968)**	**(1,563)**	**(1,609)**
Chg in cash & cash eq.	**(777)**	**(818)**	**(372)**	**330**	**968**
Closing cash & cash eq.	**1,803**	**986**	**613**	**944**	**1,911**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	5.4	2.7	3.4	6.5	8.9
Adjusted EPS	5.4	2.9	3.4	6.5	8.9
Dividend per share	1.7	0.4	0.5	1.0	1.3
Book value per share	42.2	44.2	47.1	52.6	60.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.4	2.0	1.6	1.3	1.2
EV/EBITDA	18.7	19.1	15.8	11.5	9.7
Adjusted P/E	42.1	79.5	67.6	34.9	25.6
P/BV	5.4	5.2	4.8	4.3	3.8

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	74.8	68.8	74.7	74.8	74.8
Interest burden (PBT/EBIT)	87.9	66.1	67.2	81.5	86.7
EBIT margin (EBIT/Revenue)	9.1	6.3	5.6	7.6	8.6
Asset turnover (Rev./Avg TA)	84.3	88.3	100.2	111.1	117.9
Leverage (Avg TA/Avg Equity)	2.5	2.6	2.6	2.4	2.2
Adjusted ROAE	12.8	6.5	7.2	12.4	14.8

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	13.8	11.4	19.6	17.2	13.1
EBITDA	27.5	(7.7)	13.7	34.6	18.9
Adjusted EPS	12.5	(47.1)	17.5	93.8	36.2
Profitability & Return ratios (%)					
EBITDA margin	12.9	10.7	10.2	11.7	12.3
EBIT margin	9.1	6.3	5.6	7.6	8.6
Adjusted profit margin	6.0	2.8	2.8	4.6	5.6
Adjusted ROAE	13.6	6.6	7.4	13.1	15.8
ROCE	11.2	7.8	8.4	12.6	15.0
Working capital days (days)					
Receivables	24	22	22	22	22
Inventory	96	94	93	96	99
Payables	55	59	60	60	60
Ratios (x)					
Gross asset turnover	1.9	1.3	1.2	1.4	1.6
Current ratio	1.2	1.2	1.2	1.4	1.5
Net interest coverage ratio	4.7	2.5	2.3	3.8	5.1
Adjusted debt/equity	0.8	0.9	0.8	0.7	0.5

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

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

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
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%

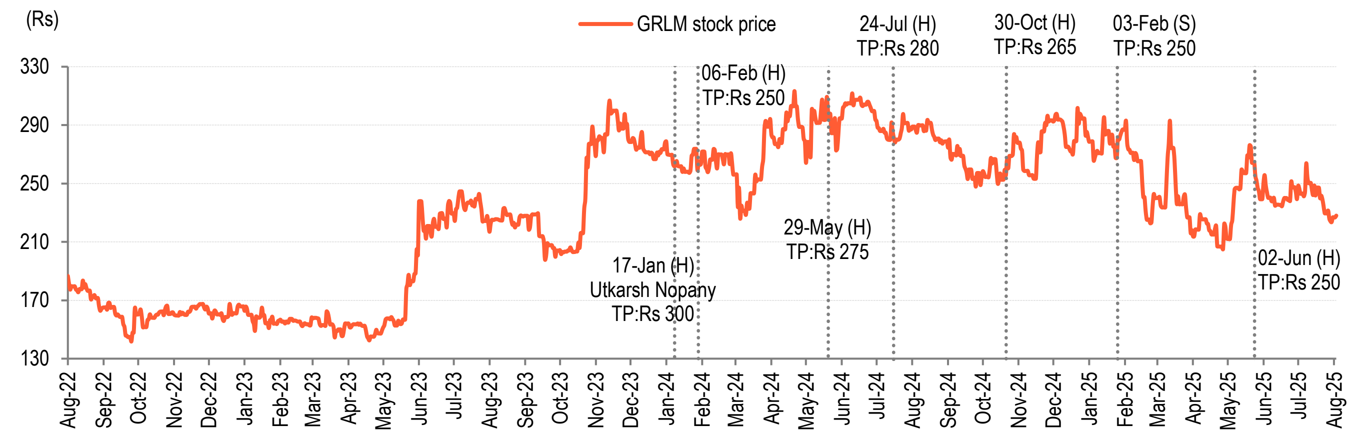
HOLD – Expected return from -6% to +15%

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): GREENLAM INDUSTRIES (GRLM 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.