

HOLD**TP: Rs 350 | ▼ 2%****HINDWARE HOME
INNOVATION**

| Building Materials

| 12 November 2025

Strong Q2; gears up for accelerated growth H2FY26 onwards

- Bathware operating performance has sharply improved for the second consecutive quarter
- Bathware revenue is projected to grow at early to mid-teens with EBITDA margin of 13-14% in H2FY26
- Downgrade from BUY to HOLD as the stock appears to be fairly valued; TP raise by 9% to Rs 350 per share

Utkarsh Nopany
Research Analyst
 research@bobcaps.in

Strong Q2: HINDWARE beats our estimate for Q2FY26 (Revenue: +11.5%; EBITDA: +36.5%) due to better-than-expected revenue growth for building product division (+8.2% YoY vs flat growth estimated) and sharp improvement in EBITDA margin (+362bps YoY to 8.3% vs 6.8% estimated). Overall, the company's revenue/EBITDA grew by 7.4%/90% YoY in Q2FY26. The company has reported PAT of Rs 47mn in Q2FY26 vs loss of Rs 148mn in Q2FY25.

Highlights: Bathware division revenue grew at a healthy pace (+10.2% YoY in Q2) for the past two consecutive quarters, due to the benefit of key initiatives implemented by the company in the past few quarters. Plastic pipe volume also grew sharply by 14.3% YoY in Q2 due to aggressive pricing policy implemented by the company to gain market share in a weak demand environment. Consumer appliance division reported marginal revenue growth (+1.0% YoY) for the first time in the past 5 quarters with healthy operating margin (8.3%) in Q2FY26. Net debt has gone up from Rs 6.95bn in Mar'25 to Rs 7.46bn in Sep'25, due to higher working capital (WC) and capex for Roorkee plant.

Outlook: Management has shared a positive outlook for each of its segments. Bathware revenue is expected to grow at early-to-mid-teens revenue growth with EBITDA margins of 13-14% in H2FY26. The company has taken a price hike of 3-3.5% across bathware portfolio from 1st Nov'25. Pipe volume is targeted to grow at 15% rate with EBITDA margin of 9% for H2FY26. Consumer appliance revenue is targeted to grow to Rs 4.7-5bn with EBITDA margin 10-12% over the next 2 years.

Downgrade from BUY to HOLD; TP raise by 9% to Rs 350: We downgrade our rating from BUY to HOLD, as we believe the stock is now fairly valued post steep run up in the stock over the past 3-month period. At CMP, the stock trades at a P/E of 31.4x/23.7x on FY27/FY28 estimates. We have increased our TP to Rs 350 per share (Rs 320 earlier) owing to an upward revision in our EPS estimates (+11.6%/+17.9% for FY27/FY28), based on a strong Q2 result and the roll forward of our valuation to Sep'27 (Jun'27 earlier). Our target P/E multiple remains unchanged at 25x.

Key changes

Target	Rating
▲	▼

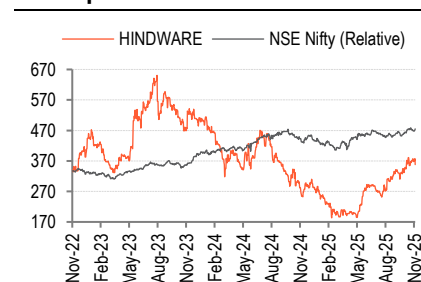
Ticker/Price	HINDWARE IN/Rs 358
Market cap	US\$ 292.2mn
Free float	47%
3M ADV	US\$ 1.0mn
52wk high/low	Rs 393/Rs 177
Promoter/FPI/DII	53%/3%/6%

Source: NSE | Price as of 12 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	25,230	26,848	29,872
EBITDA (Rs mn)	1,430	2,496	3,207
Adj. net profit (Rs mn)	(339)	631	954
Adj. EPS (Rs)	(4.1)	7.5	11.4
Consensus EPS (Rs)	(8.3)	5.8	11.1
Adj. ROAE (%)	(4.9)	7.8	10.8
Adj. P/E (x)	(88.4)	47.4	31.4
EV/EBITDA (x)	23.4	13.0	9.9
Adj. EPS growth (%)	(158.7)	(286.4)	51.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance

Source: NSE



Fig 1 – Quarterly financials - consolidated

Particulars (Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)	BOBCAPS Q2FY26E	Variance (%)
Total operating income	6,763	6,298	7.4	5,312	27.3	12,075	12,297	(1.8)	6,063	11.5
Raw-Material expense	3,787	3,517	7.7	2,757	37.4	6,544	6,696	(2.3)		
Gross Profit	2,976	2,781	7.0	2,555	16.5	5,531	5,602	(1.3)		
Employee expense	1,053	1,077	(2.2)	982	7.2	2,036	2,156	(5.6)		
Energy costs	238	224	6.3	184	29.1	422	433	(2.3)		
Other expense	1,121	1,183	(5.2)	900	24.5	2,021	2,286	(11.6)		
EBITDA	564	297	89.9	488	15.7	1,052	727	18	413	36.5
D&A	290	309	(6.1)	302	(4.1)	592	616	(3.9)		
EBIT	274	(12)	(2,422.9)	185	48.1	459	111	313.7		
Interest cost	171	236	(27.2)	179	(4.4)	351	475	(26.1)		
Non-operating expense/(income)	(12)	(63)	(80.7)	364	(103.4)	434	(148)	(393.7)		
PBT	115	(184)	(162.4)	(358)	(132.1)	(326)	(216)	50.7		
Tax	64	(39)	(265.0)	(149)	(143.2)	(84)	(37)	129.1		
Reported PAT	51	(145)	(134.9)	(209)	(124.2)	(241)	(179)	(78)		
Adjusted PAT	47	(148)	(131.6)	37	27.0	84	(188)	(144.4)	(15)	(415.0)
As % of net revenues			(bps)		(bps)			(bps)		
Gross margin	44.0	44.2	(15)	48.1	(409)	45.8	45.6	25		
Employee cost	15.6	17.1	(153)	18.5	(292)	16.9	17.5	(68)		
Other cost	16.6	18.8	(221)	16.9	(38)	16.7	18.6	(185)		
EBITDA margin	8.3	4.7	362	9.2	(84)	8.7	5.9	280		
Tax rate	55.9	21.1	3476	41.5	1436	25.9	17.0	885		
APAT margin	0.7	(2.4)	305	0.7	(0)	0.7	(1.5)	222		

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

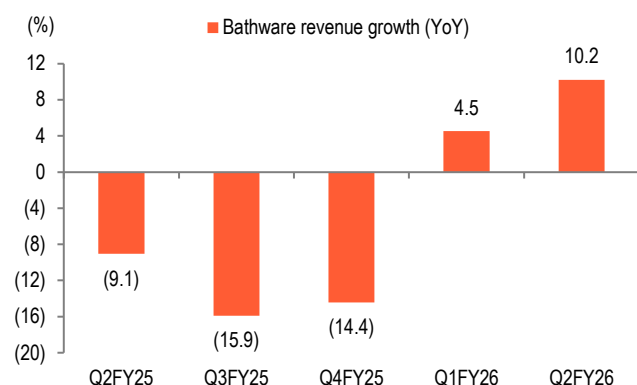
Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Revenue (Rs mn)								
Bathware	3,970	3,602	10.2	3,410	16.4	7,380	6,864	7.5
Plastic Pipe	1,960	1,871	4.8	1,190	64.7	3,150	3,503	(10.1)
Consumer Products	844	836	1.0	720	17.3	1,564	1,916	(18.4)
EBITDA margin (%)			(bps)		(bps)			(bps)
Bathware	10.8	9.5	136	12.6	(178)	11.7	11.0	62
Plastic Pipe	6.1	6.8	(67)	5.9	24	6.0	6.7	(71)
Consumer Products	8.3	(8.6)	1691	5.6	274	7.0	(2.2)	923

Source: Company, BOBCAPS Research

Earnings Call Highlights

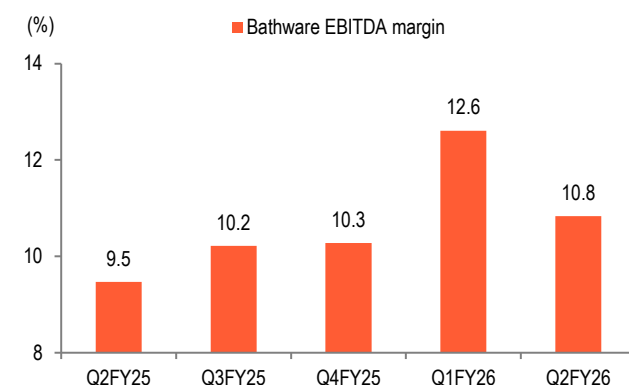
- **Bathware:** Revenue grew by 10.2% YoY in Q2FY26 over a weak base. Division EBITDA margin improved by 136bps YoY to 10.8% in Q2FY26. Faucetware revenue share stood at 45% in Q2FY26. Institutional business holds 23% of sales (earns 400 bps lower margin vs retail sales) with a healthy order book from large builders. Mid-premium and premium products currently represent ~50% of revenue and the company target to increase the share through new product launches in the premium range. The company has taken price hike of 3-3.5% from 1st Nov'25. Management believes that brass prices will move upwards in the coming months and the company will be taking price increase accordingly. Management expects early-to-mid-teens revenue growth with EBITDA margins of 13-14% and institutional sales growth is guided at 15-20% for H2FY26. The company targets to grow bathware revenue at 1.25-1.5x of the market growth rate. EBITDA margin is also expected to improve by 100-200bps in FY27 over FY26.
- **Plastic pipes:** Volume grew at a healthy rate of 14.3% YoY in Q2FY26 over a weak base (+1.0% YoY in Q2FY25). Pipe EBITDA margin was down 67bps YoY to 6.1% in Q2FY26, due to aggressive pricing pressure in the weak demand condition. Management expressed optimism about price correction once the expected ADD on PVC is implemented. New offerings such as foam core pipes, DWC pipes, and fire sprinkler systems would deliver superior gross margins (at 30-32%). Trial production has commenced at the company's Roorkee plant and commercial production will likely begin by end of Q3FY26. The Roorkee plant will make only CPVC pipes (catering North India) and is expected to ramp to peak sales of ~Rs 200mn/month by end of FY27. The company expects pipe volume to grow at 15% rate with EBITDA margin of 9% for H2FY26.
- **Consumer appliances:** Segment revenue marginally grew by 1.0% YoY in Q2FY26 over a weak base (-13.3% YoY in Q2FY25), due to the impact of discontinuation of trading of non-core product categories. Segment EBITDA margin improved from 5.6% in Q1FY26 to 8.3% in Q2FY26, owing to operating leverage benefit. The company targets revenue of Rs 4.7-5bn with steady-state EBITDA margin 10-12% over the next two years. Focus categories like cooktops and hobs are expected to drive incremental market share gains.
- **Water heater:** Share of loss from the water heater JV business stood at Rs 32mn in Q2FY26 vs Rs 35mn in Q2FY25. HINDWARE has entered into an agreement with Ariston Water Heating Products India Private Limited (unrelated party) for the sale of manufacturing operation of water heater business for a consideration of Rs 1.16bn. Proceeds from the asset sale will flow directly to the JV entity, Hintastica Private Limited and the same would be utilized for debt repayment of the JV entity.
- **Net debt:** rose from Rs 6.95bn in Mar'25 to Rs 7.46bn in Sep'25 on higher working capital and capex for Roorkee plant. Debt is expected to decline gradually as operations stabilise.
- **Working Capital:** WC days stood at ~95 days in Q2FY26. Management aims to reduce it by 5-6 days by FY26-end through a tighter control of inventory and receivables.

Fig 3 – HINDWARE's bathware revenue grew by 10.2% YoY in Q2FY26 over a weak base



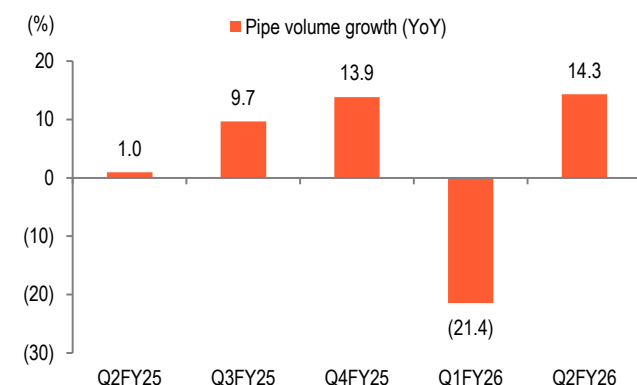
Source: Company, BOBCAPS Research

Fig 4 – Bathware EBITDA margin improved by 136bps YoY to 10.8% in Q2FY26



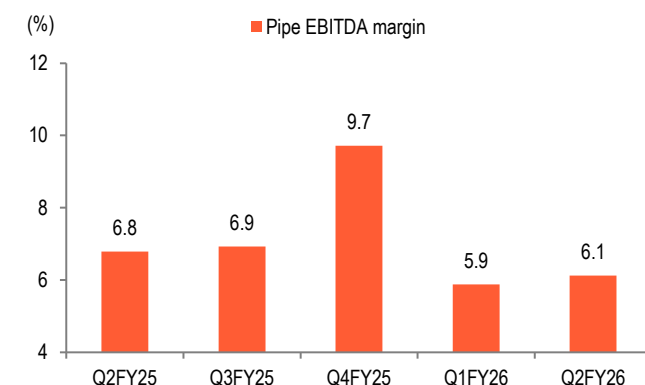
Source: Company, BOBCAPS Research

Fig 5 – Pipe volume grew at a healthy rate of 14.3% YoY in Q2FY26



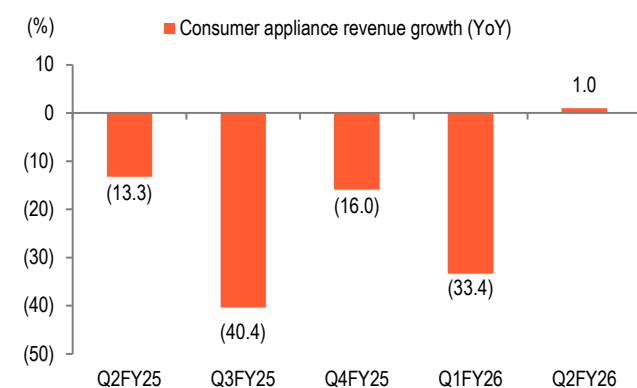
Source: Company, BOBCAPS Research

Fig 6 – Pipe EBITDA margin was down 67bps YoY to 6.1% in Q2FY26 on aggressive pricing to gain market share



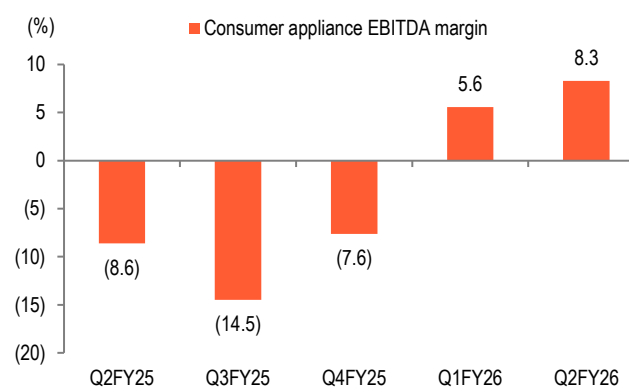
Source: Company, BOBCAPS Research

Fig 7 – Consumer appliance revenue grew by 1.0% YoY in Q2FY26 on discontinuation of non-core products



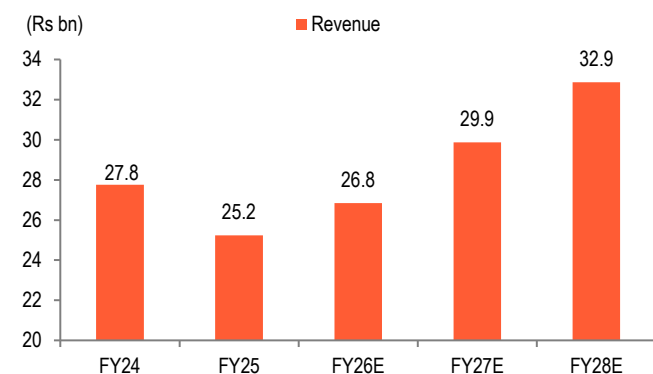
Source: Company, BOBCAPS Research

Fig 8 – Consumer appliances posted a sharp margin improvement in Q2FY26



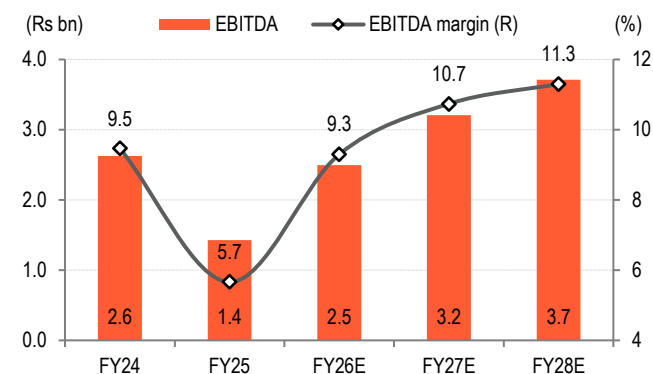
Source: Company, BOBCAPS Research

Fig 9 – HINDWARE’s revenue is projected to grow at a 9.2% CAGR over FY25-FY28E



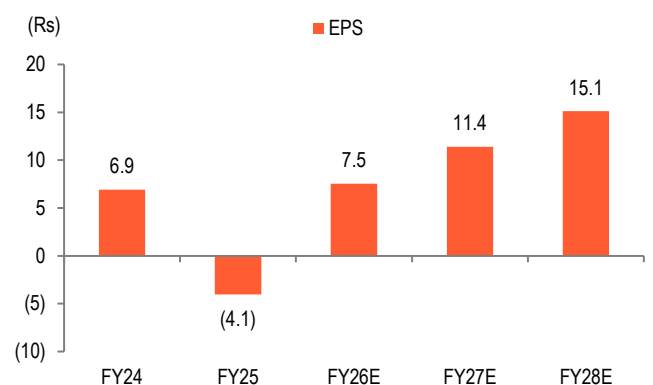
Source: Company, BOBCAPS Research

Fig 10 – HINDWARE EBITDA margin to gradually improve from 8.3% in Q2FY26 to 11.3% in FY28E



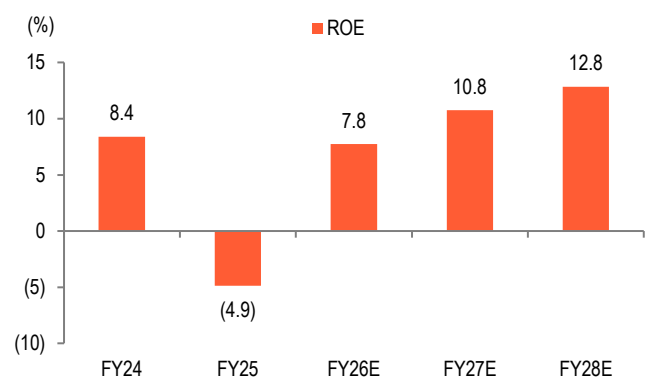
Source: Company, BOBCAPS Research

Fig 11 – HINDWARE’s EPS forecast to grow sharply over FY25-FY28E over a weak base



Source: Company, BOBCAPS Research

Fig 12 – ROE is also projected to improve gradually over the next 3 years



Source: Company, BOBCAPS Research

Valuation Methodology

We downgrade our rating from BUY to HOLD as we believe the stock is now fairly valued post a steep run-up in the stock over the past 3-month period. At CMP, the stock trades at a P/E of 31.4x/23.7x on FY27/FY28 estimates. We have increased our TP to Rs 350 per share (Rs 320 earlier) due to an upward revision in our EPS estimates (+11.6%/+17.9% for FY27/FY28), based on strong Q2 result and roll forward of our valuation to Sep'27 (Jun'27 earlier). Our target P/E multiple remains unchanged at 25x.

Fig 13 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total operating income	26.8	29.9	32.9	24.7	27.7	30.7	8.7	8.0	7.0
EBITDA	2.5	3.2	3.7	2.2	2.9	3.3	12.8	10.3	13.9
EBITDA Margin (%)	9.3	10.7	11.3	9.0	10.5	10.6	34bps	22bps	69bps
Adjusted PAT	0.6	1.0	1.3	0.5	0.9	1.1	32.8	11.6	17.9
EPS (Rs)	7.5	11.4	15.1	5.7	10.2	12.8	32.8	11.6	17.9

Source: Company, BOBCAPS Research

Fig 14 – Key assumptions

Key Assumptions	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue-Mix (%)					
Bathware	56.9	54.9	57.4	56.7	56.7
Plastic Pipe	27.9	31.2	30.4	31.1	31.1
Consumer Product	15.1	13.9	12.3	12.2	12.2
Segment Revenue Growth (%)					
Bathware	3.2	(12.4)	11.3	10.0	10.0
Plastic Pipe	(1.3)	1.5	3.6	13.9	10.0
Consumer Product	(15.5)	(17.2)	(5.5)	10.0	10.0
EBITDA margin (%)					
Bathware	15.4	10.6	12.1	13.8	14.3
Plastic Pipe Segment	9.3	7.7	7.6	8.5	9.0
Consumer Products Segment	(3.8)	(6.0)	6.0	6.3	7.3

Source: Company, BOBCAPS Research

Key risks

- Sharp slowdown in real estate activity
- Market share loss in bathware and plastic pipes

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	27,763	25,230	26,848	29,872	32,859
EBITDA	2,628	1,430	2,496	3,207	3,713
Depreciation	1,188	1,225	1,173	1,224	1,314
EBIT	1,440	205	1,323	1,983	2,399
Net interest inc./(exp.)	(926)	(891)	(694)	(686)	(686)
Other inc./(exp.)	364	405	205	153	153
Exceptional items	5	0	0	0	0
EBT	872	(281)	835	1,451	1,867
Income taxes	295	(68)	45	321	426
Extraordinary items	0	296	0	0	0
Min. int./Inc. from assoc.	(110)	(182)	(158)	(176)	(176)
Reported net profit	467	(691)	631	954	1,265
Adjustments	32	352	0	0	0
Adjusted net profit	499	(339)	631	954	1,265

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	3,120	4,066	4,327	4,814	5,295
Other current liabilities	4,026	3,919	3,919	3,919	3,919
Provisions	44	50	53	59	64
Debt funds	8,367	7,199	7,949	8,449	8,949
Other liabilities	2,580	2,183	2,183	2,183	2,183
Equity capital	145	167	167	167	167
Reserves & surplus	5,834	7,603	8,172	9,030	10,169
Shareholders' fund	6,067	7,861	8,430	9,288	10,427
Total liab. and equities	24,203	25,277	26,860	28,711	30,837
Cash and cash eq.	293	253	1,794	2,620	3,683
Accounts receivables	4,533	5,078	4,439	4,939	5,433
Inventories	5,894	6,007	6,273	6,862	7,586
Other current assets	1,404	1,343	1,429	1,590	1,750
Investments	1,035	731	731	731	731
Net fixed assets	7,012	6,983	7,310	7,086	6,772
CWIP	539	2,085	2,085	2,085	2,085
Intangible assets	2,178	1,774	1,774	1,774	1,774
Deferred tax assets, net	598	727	727	727	727
Other assets	718	296	296	296	296
Total assets	24,203	25,277	26,860	28,711	30,837

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	1,541	1,032	2,844	1,954	2,222
Capital expenditures	(1,831)	(1,901)	(1,500)	(1,000)	(1,000)
Change in investments	(156)	304	0	0	0
Other investing cash flows	359	109	205	153	153
Cash flow from investing	(1,628)	(1,487)	(1,295)	(847)	(847)
Equities issued/Others	0	23	0	0	0
Debt raised/repaid	1,250	(1,168)	750	500	500
Interest expenses	(926)	(891)	(694)	(686)	(686)
Dividends paid	(29)	0	(63)	(95)	(127)
Other financing cash flows	(7)	2,452	0	0	0
Cash flow from financing	288	415	(7)	(281)	(312)
Chg in cash & cash eq.	201	(41)	1,542	826	1,063
Closing cash & cash eq.	293	253	1,794	2,620	3,683

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	6.5	(8.3)	7.5	11.4	15.1
Adjusted EPS	6.9	(4.1)	7.5	11.4	15.1
Dividend per share	0.4	0.0	0.8	1.1	1.5
Book value per share	82.7	92.9	99.7	110.0	123.6

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.2	1.3	1.2	1.1	1.0
EV/EBITDA	12.7	23.4	13.0	9.9	8.5
Adjusted P/E	51.9	(88.4)	47.4	31.4	23.7
P/BV	4.3	3.9	3.6	3.3	2.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	57.3	120.5	75.7	65.8	67.8
Interest burden (PBT/EBIT)	60.6	(137.2)	63.1	73.2	77.8
EBIT margin (EBIT/Revenue)	5.2	0.8	4.9	6.6	7.3
Asset turnover (Rev./Avg TA)	114.7	99.8	100.0	104.0	106.6
Leverage (Avg TA/Avg Equity)	4.1	3.6	3.3	3.2	3.1
Adjusted ROAE	8.4	(4.9)	7.8	10.8	12.8

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(3.3)	(9.1)	6.4	11.3	10.0
EBITDA	6.9	(45.6)	74.5	28.5	15.8
Adjusted EPS	(13.0)	(158.7)	(286.4)	51.0	32.7
Profitability & Return ratios (%)					
EBITDA margin	9.5	5.7	9.3	10.7	11.3
EBIT margin	5.2	0.8	4.9	6.6	7.3
Adjusted profit margin	1.8	(1.3)	2.4	3.2	3.9
Adjusted ROAE	8.4	(4.9)	7.8	10.8	12.8
ROCE	12.5	4.1	9.3	12.0	13.2
Working capital days (days)					
Receivables	60	73	60	60	60
Inventory	77	87	85	84	84
Payables	41	59	59	59	59
Ratios (x)					
Gross asset turnover	2.6	2.3	2.2	2.2	2.3
Current ratio	1.0	1.1	1.2	1.3	1.4
Net interest coverage ratio	1.6	0.2	1.9	2.9	3.5
Adjusted debt/equity	1.3	0.9	0.7	0.6	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**



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%

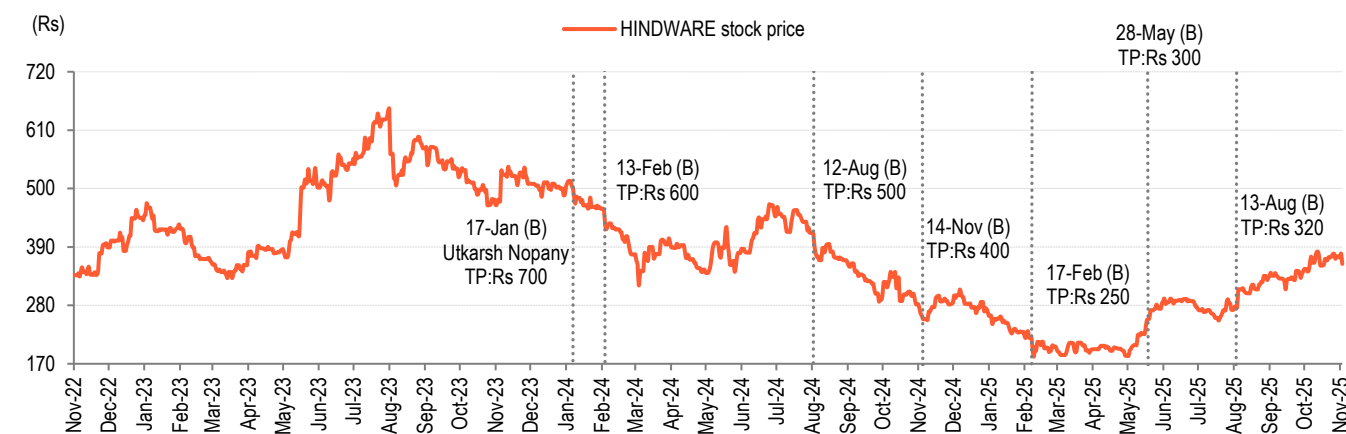
HOLD – Expected return from -6% to +15%

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): HINDWARE HOME INNOVATION (HINDWARE 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.