

**BUY**

TP: Rs 450 | ▲ 27%

**JK PAPER**

| Paper

| 20 May 2025

## Beats estimate on better cost control

- Top line broadly in line; but beats EBITDA estimate by 24% on improved margin due to operating efficiencies
- Margin to improve over medium term as paper prices bottomed out in Q4FY25 and wood prices to moderate from Q4FY26
- Maintain BUY with an unchanged TP of Rs 450 per share on strong business risk profile with reasonable valuations

**Utkarsh Nopany**

research@bobcaps.in

**Beats estimate:** JKPAPER Q4FY25 top line came broadly in line with our estimate (-1.7% YoY to Rs 16.9bn vs Rs 17.0bn estimate), but sharply beats our EBITDA estimate by 24% on account of better-than-expected EBITDA margin (+256bps QoQ to 12.8% vs 10.3% estimate) due to operating efficiencies.

**Highlights:** JKPAPER paper & board sales volume was flat YoY in Q4FY25. EBITDA de-grew by 39.6% YoY in Q4FY25, due to weak realisations (-3.3% YoY) and higher wood costs. Paper & board sales realisation was flat on QoQ basis at Rs 70.3/kg. However, EBITDA margin improved by 256bps QoQ to 12.8% in Q4FY25. Interest cost has gone up sharply by 44.8% YoY in Q4FY25, due to an increase in net debt (from Rs 10.8bn in Mar'24 to Rs 12.9bn in Mar'25) for funding the inorganic opportunities and capex incurred for BCTMP pulp line.

**Outlook:** We project JKPAPER EPS growth at 35.5% CAGR over FY25-FY27E in anticipation of an improvement in EBITDA margin from 12.8% in Q4FY25 to 13.9%/18.7% in FY26E/FY27E (vs 10Y avg of 22.9%), as we believe paper price has bottomed out in Q4FY25 and wood cost to moderate from Q4FY26. Furthermore, we believe there is a good upside risk to our estimate in case of a favourable outcome on the ongoing anti-dumping duty investigation on paperboard in future.

**Maintain BUY with unchanged TP of Rs 450 per share:** as we believe (a) it could undertake large capex via the organic and inorganic routes, due to strong balance sheet (b) its business risk profile has improved due to rising share of fast growing packaging revenue (c) it could likely generate superior return ratio profiles on cost leadership in a commoditised product due to a diversified manufacturing base, efficient operations and low dependency on expensive imported pulp (d) reasonable valuations (trades at 1YF P/BV of 1.0x vs 5Y average of 1.1x). We have slightly tweaked our EBITDA estimates (-0.4%/-3.3% for FY26E/FY27E) based on the current paper & board realisation trend. Our target EV/EBITDA multiple remains unchanged at 6.0x on Mar'27 estimates.

## Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	JKPAPER IN/Rs 353
Market cap	US\$ 70.1mn
Free float	50%
3M ADV	US\$ 1.9mn
52wk high/low	Rs 639/Rs 276
Promoter/FPI/DII	50%/12%/6%

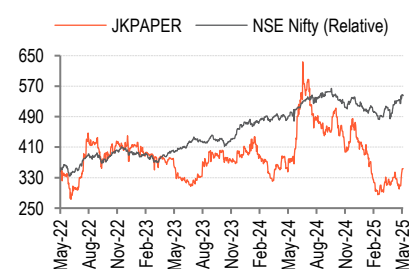
Source: NSE | Price as of 19 May 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	67,181	69,367	73,752
EBITDA (Rs mn)	9,281	9,624	13,771
Adj. net profit (Rs mn)	4,143	4,496	7,605
Adj. EPS (Rs)	24.5	26.5	44.9
Consensus EPS (Rs)	24.5	26.5	44.9
Adj. ROAE (%)	7.9	8.1	12.6
Adj. P/E (x)	14.4	13.3	7.9
EV/EBITDA (x)	(0.9)	(0.6)	(0.4)
Adj. EPS growth (%)	(45.1)	7.8	41.8

Source: Company, Bloomberg, BOBCAPS Research

## Stock performance



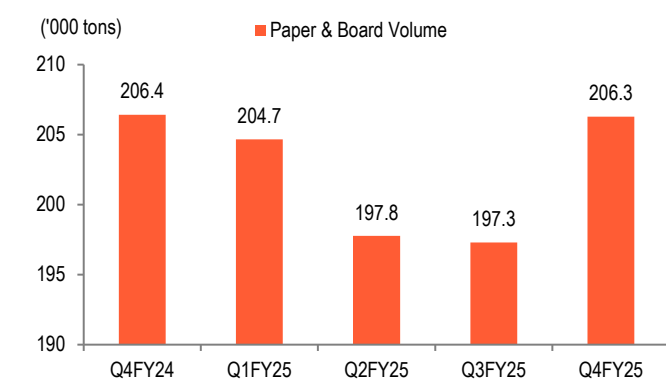
Source: NSE



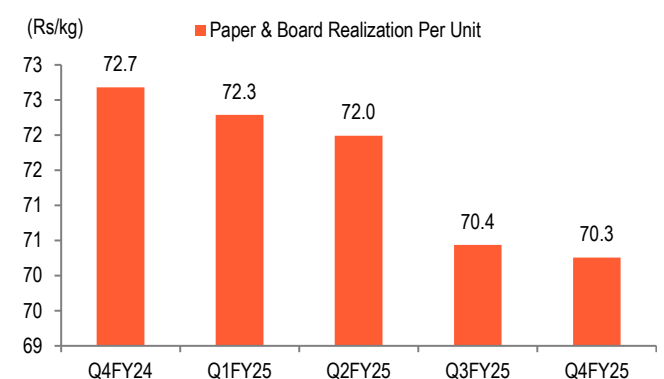
**Fig 1 – Quarterly performance – Consolidated**

Particulars	Q4FY25	Q4FY24	% chg	Q3FY25	% chg	FY25	FY24	% chg
Total operating income	16895	17186	(1.7)	16320	3.5	67181	66592	0.9
Raw-Material expense	10620	9486	12.0	10326	2.8	40788	34523	18.1
Gross Profit	6275	7700	(18.5)	5994	4.7	26393	32070	(17.7)
Employee expense	1,496	1,421	5.3	1,618	(7.5)	6251	5662	10.4
Power & Fuel	1,265	1,212	4.4	1,323	(4.4)	5162	5421	(4.8)
Other expense	1,348	1,478	(8.8)	1,378	(2.2)	5699	4830	18.0
EBITDA	2167	3590	(39.6)	1675	29.3	9281	16157	(42.6)
D&A	865	731	18.4	827	4.6	3317	3198	3.7
EBIT	1302	2859	(54.5)	848	53.5	5964	12959	(54.0)
Interest cost	501	346	44.8	240	109.0	1777	2081	(14.6)
Non-operating expense/(income)	(251)	(672)	(62.7)	(223)	12.7	(1083)	(2369)	(54.3)
PBT	1052	3185	(67.0)	831	26.5	5270	13247	(60.2)
Tax	280	399	(29.8)	178	56.9	1149	1915	(40.0)
Reported PAT	772	2786	(72.3)	653	18.2	4121	11332	(63.6)
Less: Minority Interests	10	30	(66.9)	(1)	(1080.0)	23	114	(80.0)
PAT after minority interests	762	2756	(72.4)	654	16.5	4098	11218	(63.5)
Adjusted PAT	763	2672	(71.4)	654	16.7	410	1113	(63.2)
<b>As % of net revenues</b>			<b>(bps)</b>		<b>(bps)</b>			<b>(bps)</b>
Gross margin	37.1	44.8	(766)	36.7	41	39.3	48.2	(887)
Employee cost	8.9	8.3	59	9.9	(106)	9.3	8.5	80
Power & Fuel	7.5	7.1	44	8.1	(62)	7.7	8.1	(46)
Other cost	8.0	8.6	(62)	8.4	(47)	8.5	7.3	123
EBITDA margin	12.8	20.9	(806)	10.3	256	13.8	24.3	(1045)
Tax rate	26.6	12.5	1409	21.5	515	21.8	14.5	734
APAT margin	4.5	15.5	(1103)	4.0	51	0.6	1.7	(106)

Source: Company, BOBCAPS Research

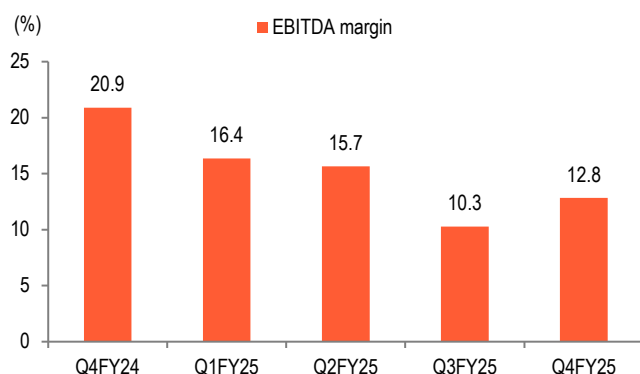
**Fig 2 – JKPAPER paper and board sales volume was relatively flat on YoY basis**

Source: Company, BOBCAPS Research

**Fig 3 – JKPAPER paper and board realisation was flattish on QoQ basis**

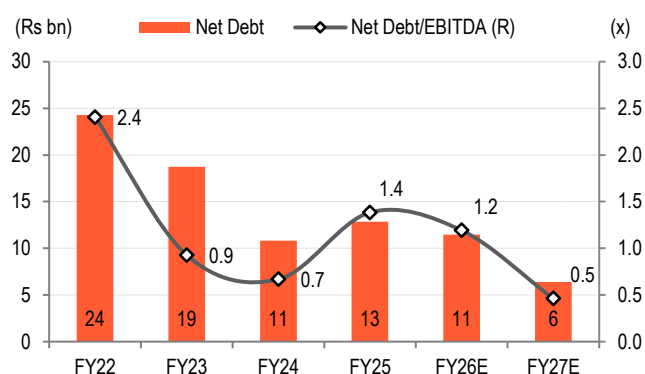
Source: Company, BOBCAPS Research

**Fig 4 – JKPAPER EBITDA margin improved by 256bps QoQ to 12.8% in Q4FY25 on operating efficiencies**



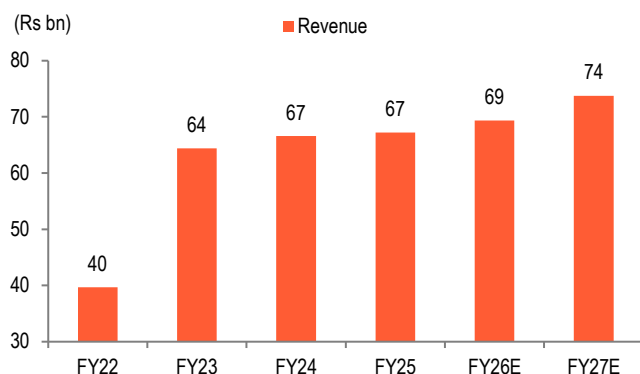
Source: Company, BOBCAPS Research

**Fig 5 – Net debt has gone up to fund growth capex plan, but likely to come down from FY26**



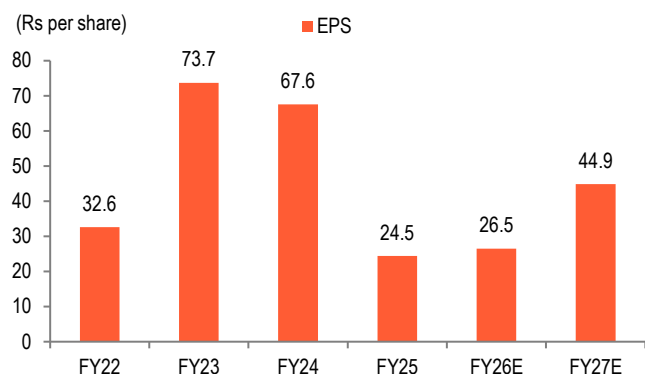
Source: Company, BOBCAPS Research

**Fig 6 – JKPAPER revenue is projected to grow at a meagre 4.8% CAGR over FY25-FY27E..**



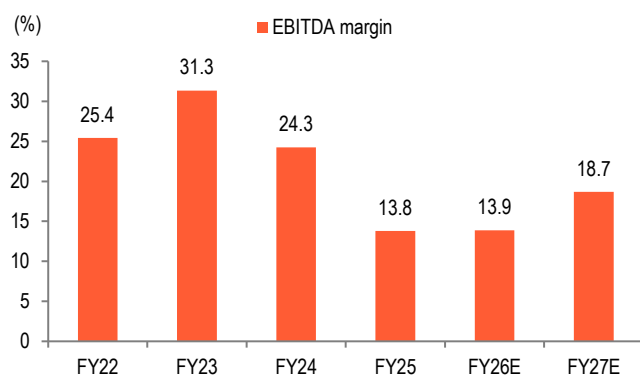
Source: Company, BOBCAPS Research

**Fig 7 – ..but EPS forecast to grow at 35.5% CAGR over FY25-FY27E on expectation of...**



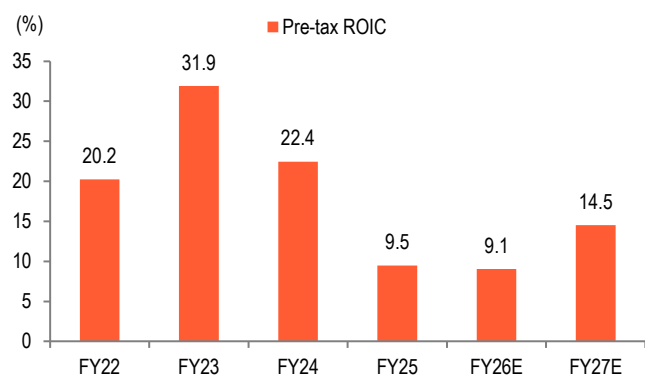
Source: Company, BOBCAPS Research

**Fig 8 – ...a gradual recovery in margin from 13.8% in FY25 to 18.7% in FY27E (vs 10Y average of 22.9%)**



Source: Company, BOBCAPS Research

**Fig 9 – JKP pre-tax ROIC is projected to improve from 9.5% in FY25 to 14.5% in FY27**



Source: Company, BOBCAPS Research

## Valuation Methodology

We maintain BUY with unchanged TP of Rs 450 per share as we believe (a) it could undertake large capex via the organic and inorganic routes (unlike most of its peers) due to strong balance sheet positions and large size of operations (b) its business risk profile has improved due to rising share of fast-growing packaging revenue (c) it could likely generate superior return ratio profiles due to cost leadership in a commoditised product on a diversified manufacturing base, efficient operations and low dependency on expensive imported pulp (d) reasonable valuations (trades at a 1YF P/BV of 1.0x vs 5Y average of 1.1x).

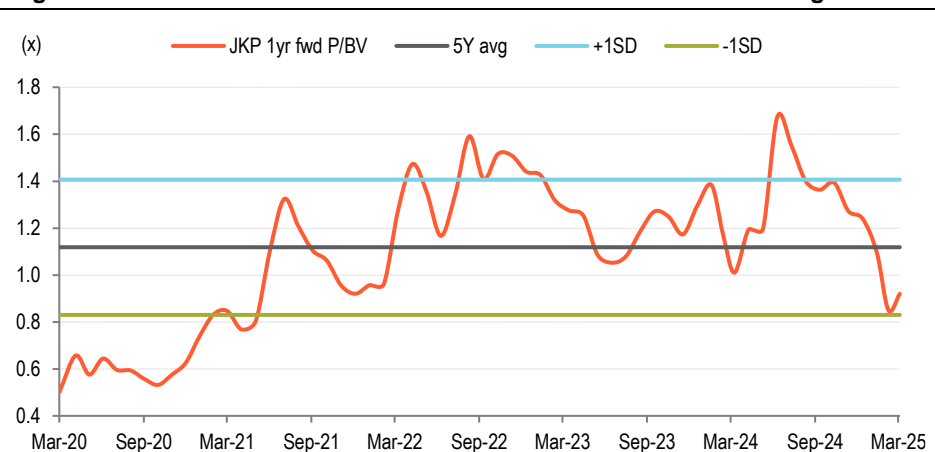
We have slightly tweaked our EBITDA estimates (-0.4%/-3.3% for FY26E/FY27E) based on the current paper & board realisation trend. Our target EV/EBITDA multiple remains unchanged at 6.0x on Mar'27 estimates.

**Fig 10 – Revised estimates**

Consolidated (Rs bn)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	69.4	73.8	71.6	76.5	(3.2)	(3.6)
EBITDA	9.6	13.8	9.7	14.2	(0.4)	(3.3)
EBITDA margin	13.9	18.7	13.5	18.6	6bps	1bps
Adjusted PAT	4.4	7.5	4.5	8.0	(1.3)	(6.1)
Adjusted EPS (Rs)	26.3	44.4	26.6	47.3	(1.3)	(6.1)

Source: Company, BOBCAPS Research

**Fig 11 – JK PAPER stock trades at 7.1x on 1YF EV/EBITDA vs 5Y average of 5.7x**



Source: Bloomberg, BOBCAPS Research

**Fig 12 – Key assumptions**

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Paper & Board Capacity (MTPA)	761,000	761,000	761,000	761,000	761,000	761,000
Capacity Utilization (%)	88.3	101.4	104.4	105.9	108.2	108.5
Volume Growth (YoY)	20.8	29.0	2.3	1.4	2.2	0.2
Realization Growth (YoY)	19.4	21.5	(7.9)	(3.4)	(0.1)	5.4
EBITDA Margin (%)	25.4	31.3	24.3	13.8	13.9	18.7
Net Debt/EBITDA (x)	2.4	0.9	0.7	1.4	1.2	0.5
Pre-tax ROIC (%)	20.2	31.9	22.4	9.5	9.1	14.5

Source: Company, BOBCAPS Research

## Key Risks

Key risks to our estimates:

- Sharp fall in global pulp prices and a strong rupee
- Steep rise in local timber prices
- Persistent pressure of cheap paper and board imports

## Sector recommendation snapshot

Company	Ticker	Market Cap (US\$ bn)	Price (Rs)	Target (Rs)	Rating
JK Paper	JKPAPER IN	0.1	353	450	BUY

Source: BOBCAPS Research, NSE | Price as of 19 May 2025

## Financials

### Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Total revenue</b>	<b>66,592</b>	<b>67,181</b>	<b>69,367</b>	<b>73,752</b>	<b>77,419</b>
EBITDA	16,157	9,281	9,624	13,771	14,435
Depreciation	3,101	3,317	3,550	3,821	4,058
EBIT	13,056	5,964	6,074	9,949	10,377
Net interest inc./(exp.)	(2,081)	(1,777)	(1,097)	(841)	(585)
Other inc./(exp.)	2,272	1,082	998	998	998
Exceptional items	1	0	0	0	0
EBT	13,247	5,269	5,976	10,107	10,790
Income taxes	1,915	1,149	1,504	2,544	2,716
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	114	23	25	42	45
<b>Reported net profit</b>	<b>11,446</b>	<b>4,143</b>	<b>4,496</b>	<b>7,605</b>	<b>8,119</b>
Adjustments	1	0	0	0	0
<b>Adjusted net profit</b>	<b>11,447</b>	<b>4,143</b>	<b>4,496</b>	<b>7,605</b>	<b>8,119</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	6,777	7,537	7,004	7,447	7,817
Other current liabilities	2,906	2,924	2,924	2,924	2,924
Provisions	126	119	123	130	137
Debt funds	21,253	17,497	13,841	10,185	6,529
Other liabilities	10,097	10,845	10,845	10,845	10,845
Equity capital	1,694	1,694	1,694	1,694	1,694
Reserves & surplus	49,001	52,379	55,809	61,806	67,972
Shareholders' fund	50,695	54,073	57,503	63,500	69,666
<b>Total liab. and equities</b>	<b>91,854</b>	<b>92,995</b>	<b>92,240</b>	<b>95,031</b>	<b>97,918</b>
Cash and cash eq.	10,432	4,644	2,361	3,800	4,582
Accounts receivables	3,613	4,322	3,801	4,041	4,242
Inventories	9,416	12,492	11,422	11,027	11,705
Other current assets	7,115	7,162	7,305	7,591	7,830
Investments	1,886	1,865	1,865	1,865	1,865
Net fixed assets	54,890	54,914	57,865	59,043	59,986
CWIP	710	1,100	1,100	1,100	1,100
Intangible assets	3,614	7,725	7,725	7,725	7,725
Deferred tax assets, net	0	88	88	88	88
Other assets	1,602	1,166	1,166	1,166	1,166
<b>Total assets</b>	<b>93,278</b>	<b>95,476</b>	<b>94,697</b>	<b>97,445</b>	<b>1,00,287</b>

### Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Cash flow from operations</b>	<b>12,382</b>	<b>5,803</b>	<b>9,063</b>	<b>11,588</b>	<b>11,022</b>
Capital expenditures	(3,201)	(7,842)	(6,500)	(5,000)	(5,000)
Change in investments	(496)	410	0	0	0
Other investing cash flows	2,271	1,082	998	998	998
<b>Cash flow from investing</b>	<b>(1,426)</b>	<b>(6,351)</b>	<b>(5,502)</b>	<b>(4,002)</b>	<b>(4,002)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(6,132)	(3,756)	(3,656)	(3,656)	(3,656)
Interest expenses	(2,081)	(1,777)	(1,097)	(841)	(585)
Dividends paid	(1,440)	(847)	(1,016)	(1,525)	(1,863)
Other financing cash flows	579	1,161	(50)	(84)	(90)
<b>Cash flow from financing</b>	<b>(9,073)</b>	<b>(5,219)</b>	<b>(5,819)</b>	<b>(6,106)</b>	<b>(6,194)</b>
<b>Chg in cash &amp; cash eq.</b>	<b>1,882</b>	<b>(5,767)</b>	<b>(2,258)</b>	<b>1,481</b>	<b>827</b>
<b>Closing cash &amp; cash eq.</b>	<b>10,547</b>	<b>4,665</b>	<b>2,386</b>	<b>3,842</b>	<b>4,627</b>

### Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	67.6	24.5	26.5	44.9	47.9
Adjusted EPS	67.6	24.5	26.5	44.9	47.9
Dividend per share	8.5	5.0	6.0	9.0	11.0
Book value per share	299.3	319.2	339.5	374.9	411.3

### Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	(0.2)	(0.1)	(0.1)	(0.1)	0.0
EV/EBITDA	(1.0)	(0.9)	(0.6)	(0.4)	(0.2)
Adjusted P/E	5.2	14.4	13.3	7.9	7.4
P/BV	1.2	1.1	1.0	0.9	0.9

### DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	86.4	78.6	75.2	75.2	75.2
Interest burden (PBT/EBIT)	101.5	88.3	98.4	101.6	104.0
EBIT margin (EBIT/Revenue)	19.6	8.9	8.8	13.5	13.4
Asset turnover (Rev./Avg TA)	71.4	70.4	73.3	75.7	77.2
Leverage (Avg TA/Avg Equity)	2.0	1.8	1.7	1.6	1.5
<b>Adjusted ROAE</b>	<b>25.1</b>	<b>7.9</b>	<b>8.1</b>	<b>12.6</b>	<b>12.2</b>

### Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
<b>YoY growth (%)</b>					
Revenue	3.5	0.9	3.3	6.3	5.0
EBITDA	(19.9)	(42.6)	3.7	43.1	4.8
Adjusted EPS	(16.8)	(45.1)	7.8	41.8	6.6

### Profitability & Return ratios (%)

EBITDA margin	24.3	13.8	13.9	18.7	18.6
EBIT margin	19.6	8.9	8.8	13.5	13.4
Adjusted profit margin	17.2	6.2	6.5	10.3	10.5
Adjusted ROAE	25.1	7.9	8.1	12.6	12.2
ROCE	21.3	9.8	9.9	14.9	14.9

### Working capital days (days)

Receivables	20	23	20	20	20
Inventory	52	68	60	55	55
Payables	37	41	37	37	37

### Ratios (x)

Gross asset turnover	1.0	1.0	0.9	0.9	0.9
Current ratio	2.1	1.9	1.7	1.7	1.8
Net interest coverage ratio	6.3	3.4	5.5	11.8	17.7
<b>Adjusted debt/equity</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>

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:  **BOBCAPS**  
TRUST | INNOVATION | EXCELLENCE

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%

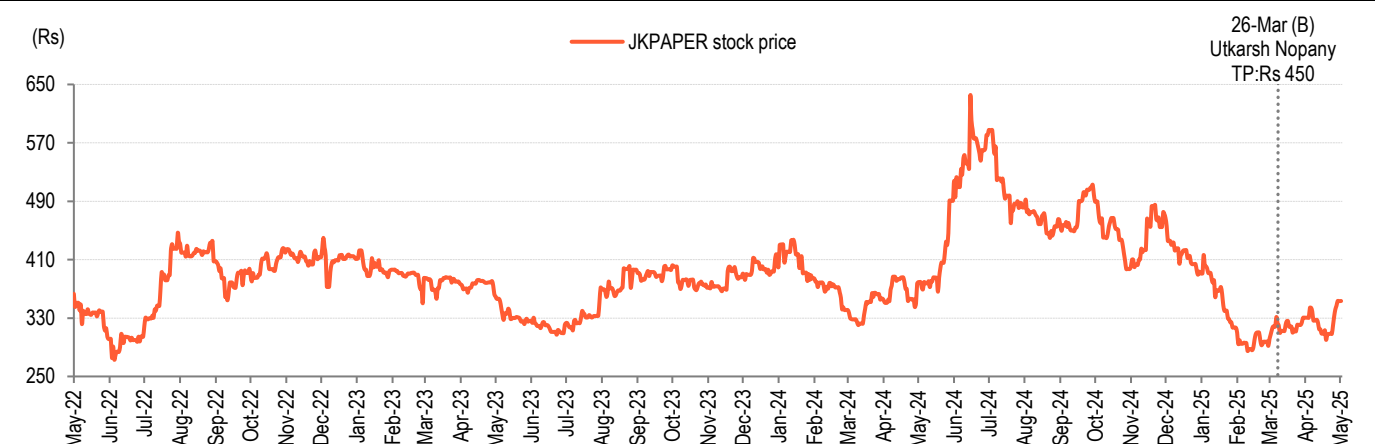
**HOLD** – Expected return from -6% to +15%

**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): JK PAPER (JKPAPER 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.