

HOLD

TP: Rs 1,213 | ▲ 13%

JINDAL STEEL

| Metals & Mining

| 29 October 2025

Volumes to normalise in H2; supported by demand pick-up

- Q2 results were lower than expectations, due to lower-than-expected volume performance
- Pricing environment likely to improve in H2FY26E on seasonally strong period
- Maintain TP at Rs1,213 based on 6.5x Sept' 27 EBITDA. Owing to an improved stock performance, we reduce rating to HOLD from BUY

Sukhwinder Singh
Research Analyst
research@bobcaps.in

Results below expectations on subdued volume growth: Revenue came at Rs117bn, (+4.2%YoY, -5.0%QoQ), and was 4% below our estimates. EBITDA came at Rs20bn (-5.4%YoY, -30.8%QoQ), was 17% below our estimates. Excl. forex gain impact, EBITDA came at Rs18bn. EBITDA/t was Rs11,129 - lower by 6.4%YoY vs Rs11,893 in Q2FY25.

Volumes: Volumes came at 1.87mnt, higher by 1%YoY. This was lower than domestic demand growth of 9% YoY – due to the impact of maintenance shutdown for 25-27days. Volumes declined QoQ by 1.6%.

Domestic pricing outlook: Realisation improved by 3.1%YoY and declined by 3.4%QoQ. QoQ decline is despite the safeguard duty, as imports spiked QoQ by 36%, due to the tariff imposed by various countries. Spot prices are 2-3% lower than Q2 average. Management expects prices to improve from Nov-Dec 2025 period due to pick up in construction activity.

Visibility on expansion project: Jindal Steel commissioned 3mnt Basic Oxygen Furnace (BoF) at Angul during the quarter. This increased the overall capacity from 9.6mnt to 12.6mnt. The company is on track to reach 15.6mnt capacity by the end of FY26E. With maintenance shutdown behind, we maintain 14%CAGR volume growth over FY25-FY28E. These projects will bring in incremental volumes in FY27E and onwards.

Maintain TP and reduce rating to HOLD: As volumes are estimated to normalise in Q3 (with maintenance shutdown behind) and H2 being a seasonally better period, we expect the performance to improve in H2FY26. Due to improved stock performance in the recent past, we reduce rating to HOLD from BUY and maintain TP at Rs1,213 based on 6.5x Sept'27 EBITDA.

Key changes

Target	Rating
◀ ▶	▼

Ticker/Price	JSP IN/Rs 1,071
Market cap	US\$ 12.4bn
Free float	38%
3M ADV	US\$ 18.9mn
52wk high/low	Rs 1,098/Rs 723
Promoter/FPI/DII	62%/10%/18%

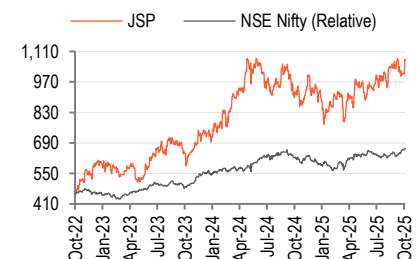
Source: NSE | Price as of 29 Oct 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	582,402	603,130	708,679
EBITDA (Rs mn)	94,942	133,635	176,270
Adj. net profit (Rs mn)	40,416	62,205	89,690
Adj. EPS (Rs)	39.9	61.5	88.6
Consensus EPS (Rs)	39.9	62.4	86.8
Adj. ROAE (%)	8.8	12.4	15.6
Adj. P/E (x)	26.8	17.4	12.1
EV/EBITDA (x)	12.8	8.9	6.4
Adj. EPS growth (%)	(32.6)	53.9	44.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Quarterly performance

(Rs mn)	Q2FY26	Q1FY26	QoQ (%)	Q2FY25	YoY (%)	H1FY26	H1FY25	YoY (%)
Revenue	116,859	122,945	(5.0)	112,133	4.2	239,804	248,312	(3.4)
EBITDA	20,811	30,056	(30.8)	22,003	(5.4)	50,868	50,396	0.9
EBITDA margin (%)	17.8	24.4		19.6		21.1	20.2	
Depreciation	7,495	7,215	3.9	6,960	7.7	14,710	13,789	6.7
Interest	3,713	2,966	25.2	3,259	13.9	6,679	6,577	1.5
Other income	219	304	(27.8)	348	(37.0)	523	693	(24.5)
PBT	9,823	20,179	(51.3)	12,133	(19.0)	30,002	30,723	(2.3)
Tax	3,472	5,219	(33.5)	3,528	(1.6)	8,691	8,739	(0.6)
Reported PAT	6,382	14,940	(57.3)	8,609	(25.9)	21,322	22,011	(3.1)
PATM (%)	5.5	12.2		7.7		8.8	8.8	
EPS (Rs)	6.3	14.7	(57.3)	8.5	(26.3)	21.0	21.8	(3.7)

Source: Company

Fig 2 – Q2FY26 Actual v/s estimate

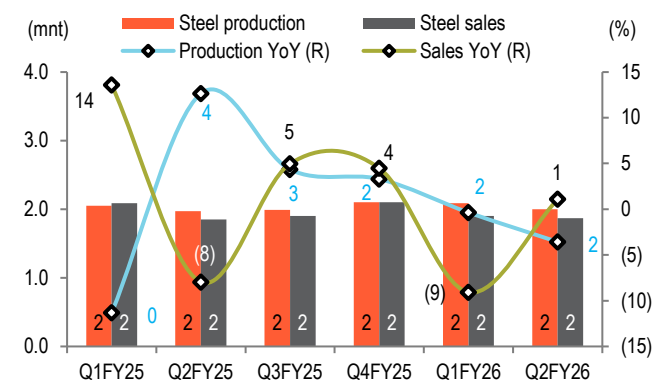
Particulars	Q2 Actual	Q2 FY26E	VAR(%)
Revenue (Rs mn)	116,859	121,288	(3.7)
EBITDA (Rs mn)	20,811	25,134	(17.2)
EBITDA margin (%)	17.8	20.7	-
PAT (Rs mn)	6,382	10,741	(40.6)
EPS (Rs)	6.3	10.6	(40.6)

Source: , Company

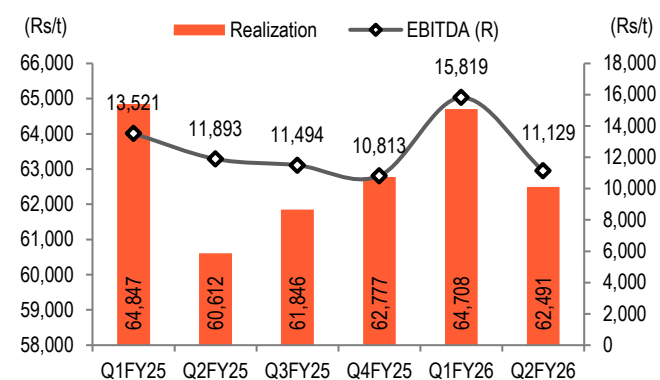
Fig 3 – Business performance

Particulars	Q2FY26	Q1FY26	QoQ (%)	Q2FY25	YoY (%)	H1FY26	H1FY25	YoY (%)
Sales volumes (mn t)	1.87	1.90	(1.6)	1.85	1.1	3.77	3.95	(4.6)
Realization (Rs/t)	62,491	64,708	(3.4)	60,612	3.1	63,608	62,864	1.2
EBITDA (Rs/t)	11,129	15,819	(29.6)	11,893	(6.4)	13,493	12,758	5.8

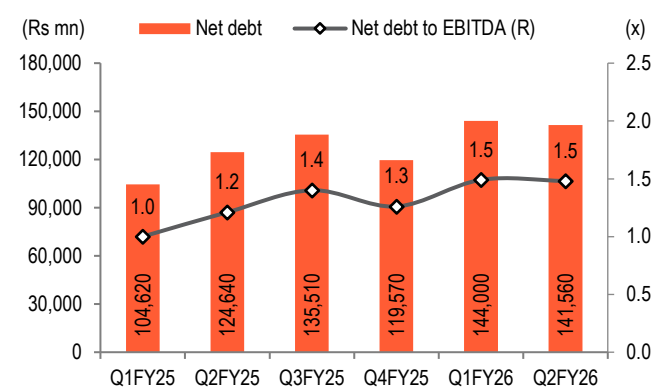
Source: Company

Fig 4 – Production and sales trend

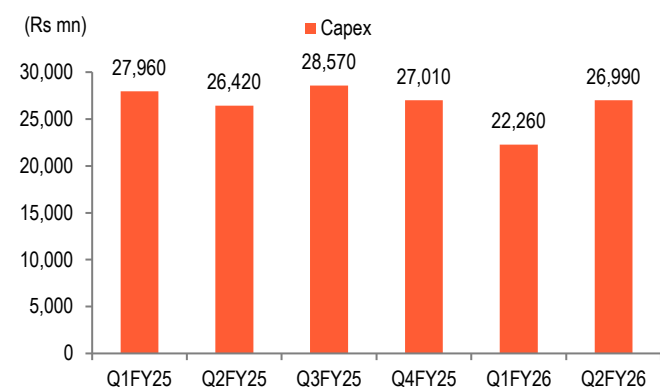
Source: Company, BOBCAPS Research

Fig 5 – Realisation & EBITDA trend

Source: Company, BOBCAPS Research

Fig 6 – Leverage

Source: Company, BOBCAPS Research

Fig 7 – Capex

Source: Company, BOBCAPS Research

Call Highlights

- **Volumes:** Domestic industry demand was 9%YoY for Q2FY26 to 40.5mnt and 6%QoQ. Jindal steel volume growth of 1.1% was lower than the industry growth of 9% in Q2FY26. Management attributed it to maintenance shutdown for 25-27days at Angul plant. Exports share was 10% vs 9% in Q2FY25. Value added share was 73% vs 58% in Q2FY25. With H2 to be strong quarter seasonally, management expects volume performance to be better in H2FY26E.
- **Pricing:** Prices declined QoQ despite strong demand. This is due to increase in imports despite safeguard duty. Steel imports declined 20%YoY and increased 36%QoQ. Management expects pricing to improve in H2, aided by GST reforms and pick up in construction activity.
- **Operational performance:** Reported EBITDA per tonne came at Rs11,129 vs Rs11,893 in Q2FY25. There was forex gain impact of Rs2,060mn in Q2FY26 and Rs210mn in Q2FY25. Adjusting for this, EBITDA/t came at Rs10,027. Overall EBITDA was impacted by forex impact and increase in operating cost. Operating cost increased due to 1)planned shutdown & 2) purchase of metalics to offset production impacted due to shutdown
- **Cost guidance:** The company has iron ore and coal assets and aims to extract more iron ore from its captive mines. Currently meeting 45% of its iron ore requirement from captive mines..
 - Coking coal mines – Two captive mines (Gare Palma and Utkal-C) are running at full capacity. Utkal- B1 (5.5mnt) & B2 (2.5mnt) – total 8mnt are expected to be commissioned by H2FY26. Thus, rising coking coal prices are not a significant concern for Jindal Steel.
- **Capex and capacity additions:** The company has an ongoing expansion project and is ramping up capacity by 6mnt from the current 9.6mnt to 15.6mnt by the end of FY26E. With the commissioning of 3mnt Basic Oxygen Furnace (BoF) at Angul, Jindal Steel achieved 12.6mnt capacity. Total capex outlay is Rs470,430mn up to FY28. Out of this, they spent Rs308,490mn. The company incurred a capex of Rs49,254mn in H1FY26 and Rs 26,990mn in Q2FY26 and guided a capex of Rs75,000-Rs90,000mn for FY26E.
- **Net debt:** Consolidated net debt increased to Rs151bn on Sept' 25 from net debt of Rs137bn in Mar'25, Net D/E stood at 0.3x and Net Debt/EBITDA at 1.5x. Targets to keep Net debt/EBITDA below 1.5x throughout investment cycle.

Valuation Methodology

Management has maintained a positive outlook on demand and improvement in prices in H2FY26E. Expansion projects will bring in incremental volumes in FY27E and onwards. Thus, we estimate 14% CAGR volumes growth over FY25-FY28E period.

We expect gross debt to decrease on the ramp-up of expansion projects in FY27-28E. Thus, we expect leverage ratio Net Debt/Equity and Net Debt/EBITDA to trend down from FY27E onwards.

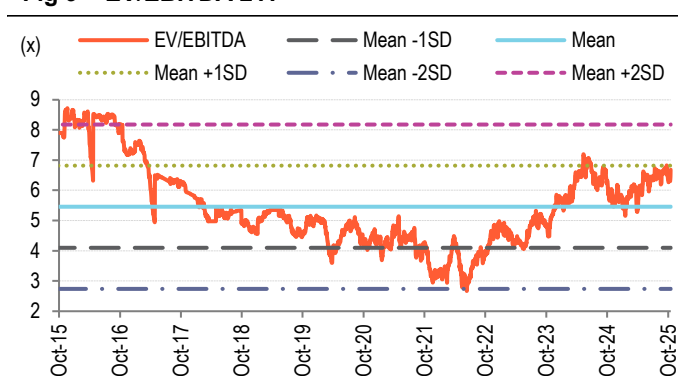
As volumes are estimated to normalise in Q3 (with maintenance shutdown behind) and H2 being a seasonally better period, we expect the performance to improve in H2FY26. Due to improved stock performance in the recent past, we reduce rating to HOLD from BUY and maintain TP at Rs1,213 based on 6.5x Sept'27 EBITDA.

Fig 8 – Valuation

Particular	Sept. 27 EBITDA (Rs mn)	Multiple (x)	EV (Rs mn)	Value (Rs/share)
Jindal Steel	186,039	6.5	1,209,255	1,195
Net debt			136,619	135
CWIP			155,175	153
Target price			1,227,811	1,213

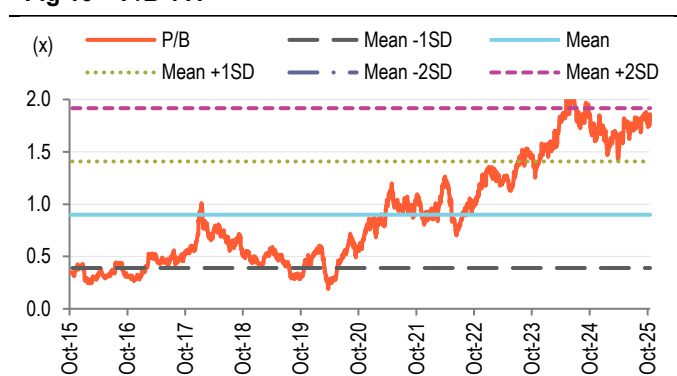
Source: BOBCAPS Research

Fig 9 – EV/EBITDA 2YF



Source: Bloomberg

Fig 10 – P/B 1YF



Source: Bloomberg

Key Risks

■ Delay in the completion of ongoing 6mnt expansion project:

Jindal Steel is expanding capacity by 6mnt from 9.6mnt to 15.6mnt, which will be commissioned by end of FY26E. Out of this, 12.6mnt has been achieved. Any delay in the commissioning of complete project and timely ramp-up will delay its business growth performance, in terms of volume growth, revenue growth and EBITDA growth. This will limit its growth in an environment of pick up in domestic demand.

■ Promoter's pledge of shares poses a risk:

Promoters' shareholding is 62.4% in the company. Out of this, ~11.2% is pledged with banks. Thus, this pledge poses a risk in case of a decline in demand and price realisation, which may breach some of the covenant ratios decided by the bank.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	582,859	582,402	603,130	708,679	791,174
EBITDA	102,007	94,942	133,635	176,270	195,808
Depreciation	(28,218)	(27,676)	(37,610)	(45,840)	(49,410)
EBIT	75,355	68,942	97,733	131,620	147,612
Net interest inc./(exp.)	(12,942)	(13,121)	(13,673)	(10,418)	(4,136)
Other inc./(exp.)	1,566	1,675	1,709	1,190	1,214
Exceptional items	0	(12,295)	0	0	0
EBT	62,413	43,526	84,060	121,202	143,476
Income taxes	(2,980)	(14,979)	(21,856)	(31,513)	(37,304)
Extraordinary items	0	(12,295)	0	0	0
Min. int./Inc. from assoc.	(1)	(91)	0	0	0
Reported net profit	59,384	28,121	62,205	89,690	106,173
Adjustments	0	12,295	0	0	0
Adjusted net profit	59,384	40,416	62,205	89,690	106,173

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	46,815	57,125	69,233	81,349	90,819
Other current liabilities	54,168	68,714	68,714	68,714	68,714
Provisions	734	947	947	947	947
Debt funds	158,963	178,420	176,420	134,420	54,420
Other liabilities	78,965	78,995	78,995	78,995	78,995
Equity capital	1,002	1,012	1,012	1,012	1,012
Reserves & surplus	442,158	470,837	530,512	617,167	719,798
Shareholders' fund	447,507	474,193	533,868	620,523	723,154
Total liab. and equities	787,152	858,394	928,177	984,947	1,017,048
Cash and cash eq.	40,241	41,801	39,414	37,235	37,186
Accounts receivables	16,645	13,629	14,865	17,467	19,500
Inventories	70,774	56,102	69,646	81,834	91,360
Other current assets	42,482	46,543	46,543	46,543	46,543
Investments	1,491	4,956	4,956	4,956	4,956
Net fixed assets	457,897	474,023	531,413	575,573	596,163
CWIP	88,720	155,175	155,175	155,175	155,175
Intangible assets	25,388	15,310	15,310	15,310	15,310
Deferred tax assets, net	0	0	0	0	0
Other assets	37,665	38,430	38,430	38,430	38,430
Total assets	787,152	858,394	928,177	984,947	1,017,048

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	69,430	109,296	110,816	143,274	157,629
Capital expenditures	(94,054)	(104,858)	(95,000)	(90,000)	(70,000)
Change in investments	886	(13,821)	0	0	0
Other investing cash flows	(4,026)	6,249	0	0	0
Cash flow from investing	(97,194)	(112,430)	(95,000)	(90,000)	(70,000)
Equities issued/Others	(3)	9	0	0	0
Debt raised/repaid	34,610	19,456	(2,000)	(42,000)	(80,000)
Interest expenses	(12,942)	(13,121)	(13,673)	(10,418)	(4,136)
Dividends paid	2,005	2,024	2,530	3,035	3,541
Other financing cash flows	(2,833)	(3,676)	(5,059)	(6,071)	(7,083)
Cash flow from financing	20,837	4,692	(18,202)	(55,453)	(87,677)
Chg in cash & cash eq.	(6,927)	1,559	(2,386)	(2,179)	(49)
Closing cash & cash eq.	40,241	41,800	39,414	37,235	37,186

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	59.2	27.8	61.5	88.6	104.9
Adjusted EPS	59.2	39.9	61.5	88.6	104.9
Dividend per share	2.0	2.0	2.5	3.0	3.5
Book value per share	442.1	466.3	525.3	611.0	712.4

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.1	2.1	2.0	1.6	1.3
EV/EBITDA	11.8	12.8	8.9	6.4	5.3
Adjusted P/E	18.1	26.8	17.4	12.1	10.2
P/BV	2.4	2.3	2.0	1.8	1.5

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	95.1	72.4	74.0	74.0	74.0
Interest burden (PBT/EBIT)	82.8	81.0	86.0	92.1	97.2
EBIT margin (EBIT/Revenue)	12.9	11.8	16.2	18.6	18.7
Asset turnover (Rev./Avg TA)	67.5	60.5	67.5	74.1	79.0
Leverage (Avg TA/Avg Equity)	1.8	1.8	1.8	1.7	1.5
Adjusted ROAE	14.3	8.8	12.4	15.6	15.9

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	(5.1)	(0.5)	21.2	17.5	11.6
EBITDA	2.7	(6.9)	40.8	31.9	11.1
Adjusted EPS	31.0	(32.6)	53.9	44.2	18.4
Profitability & Return ratios (%)					
EBITDA margin	17.5	16.3	22.2	24.9	24.7
EBIT margin	12.9	11.8	16.2	18.6	18.7
Adjusted profit margin	10.2	6.9	10.3	12.7	13.4
Adjusted ROAE	14.3	8.8	12.4	15.6	15.9
ROCE	11.8	9.7	12.9	16.2	17.5
Working capital days (days)					
Receivables	12	10	9	9	9
Inventory	52	41	42	42	42
Payables	43	52	54	56	56
Ratios (x)					
Gross asset turnover	0.7	0.6	0.7	0.7	0.8
Current ratio	1.1	1.1	1.1	1.1	1.1
Net interest coverage ratio	5.8	5.3	7.1	12.6	35.7
Adjusted debt/equity	0.3	0.3	0.2	0.1	0.0

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%

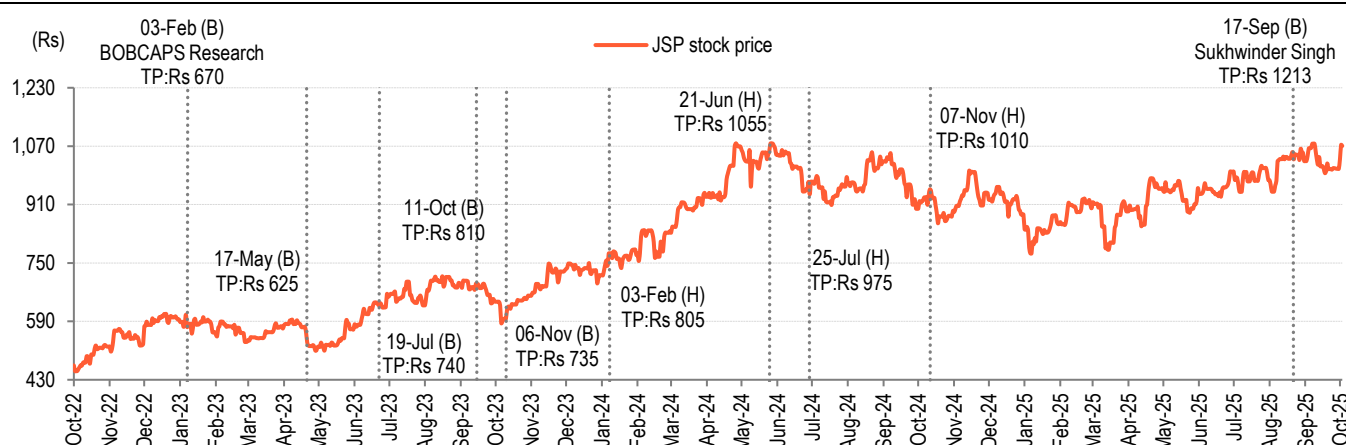
HOLD – Expected return from -6% to +15%

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): JINDAL STEEL (JSP 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.