BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 770 | ⮝ 16%

P N GADGIL JEWELLERS | Retail | 13 November 2025

In-line Q2; sparkling growth ahead on strong balance sheet

- **Revenue (ex-refinery sales) grew sharply by 31.4% YoY with a slight improvement in operating margin (+54bps to 4.9%) in Q2FY26**
- **Target aggressive store expansion over FY26-FY28; EBITDA margin projected to be 5.5-6.0% for FY26**
- **Maintain BUY on strong earnings prospects with reasonable valuations; TP raise by 5% to Rs 770 per share**

Utkarsh Nopany
Research Analyst
research@bobcaps.in

Broadly in-line Q2: PNGJL operating performance for Q2FY26 came broadly in line with our estimate (Revenue: +0.2%; EBITDA: -0.7%). However, there was a good beat at PAT by 21.4% on a sharp increase in other income (Rs 129mn in Q1FY26 to Rs 358mn in Q2FY26). Overall, the company's revenue/EBITDA/PAT grew by 8.8%/98.1%/127.1% YoY in Q2FY26.

Highlights: PNGJL has opened 8 traditional stores (COCO: 5; FOCO: 3) in Q2FY26. Revenue (excluding refinery sales) grew by 31.4% YoY in Q2FY26, driven by better growth seen across channels (COCO; +28.9%, FOCO: +105%; E-commerce: +113%). Studded share has fallen from 11.0% in Q2FY25 to 9.0% in Q2FY26. However, adjusted EBITDA margin improved by 54bps YoY to 4.9% in Q2FY26 (after excluding the impact of custom duty cut and refinery sales in the base quarter). Net debt to EBITDA ratio went up from 0.85x in Q1FY26 to 1.05x in Q2FY26, due to increase in net debt (from Rs 3.24bn in Jun'25 to Rs 4.56bn in Sep'25).

Concall KTAs: Management plans to increase the store count from 63 stores in Sep'25 to 78-80 stores by Mar'26 and 115 stores by Mar'28. Management expects to clock revenue of Rs 30-40bn in Q3FY26 (vs Rs 24.4bn in Q3FY25) due to a record-high revenue seen in Oct'25 (Rs 18bn+). Gross margin is expected to improve on QoQ basis in Q3FY26 and target 12-13% margin on a sustainable basis. EBITDA margin is expected to be 5.5-6.0% for FY26. Studded ratio is targeted to improve from 9.0% in Q2FY26 to 12-13% over the next 2 years.

Maintain BUY; TP raise by 5% to Rs 770: We maintain BUY rating on the stock as we believe a) the company is likely to gain market share over medium (as strong balance sheet position would allow aggressively store expansion), b) EPS to grow at a strong 30.0% CAGR with healthy ROCE of 22-23% over FY26-FY28, and reasonable valuation (stock trades at 25.4x on 1Y forward P/E vs average of 26.3x since IPO). We have raised our TP to Rs 770 (Rs 735 earlier) on an upward revision in our EPS estimates (+4.7%/+5.0%/+4.5% for FY26/FY27/FY28), mainly due to steep rise in gold prices. Our target P/E multiple remains unchanged at 25x.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	PNGJL IN/Rs 662
Market cap	US$ 880.1mn
Free float	17%
3M ADV	US$ 2.2mn
52wk high/low	Rs 830/Rs 474
Promoter/FPI/DII	83%/1%/5%

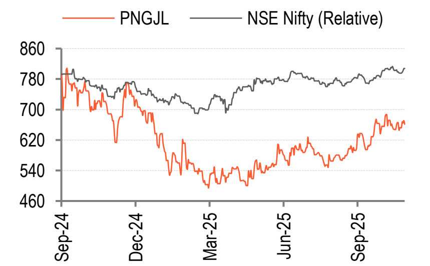
Source: NSE | Price as of 13 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	75,860	93,691	122,502
EBITDA (Rs mn)	3,358	5,046	6,271
Adj. net profit (Rs mn)	2,183	3,197	3,727
Adj. EPS (Rs)	16.1	23.6	27.5
Consensus EPS (Rs)	16.1	23.6	27.5
Adj. ROAE (%)	20.9	18.7	18.1
Adj. P/E (x)	41.1	28.1	24.1
EV/EBITDA (x)	24.0	16.3	13.8
Adj. EPS growth (%)	22.3	46.4	16.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly performance – Consolidated

Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Total operating income	21,776	20,013	8.8	17,146	27.0	38,922	36,695	6.1
Raw-Material expense	19,195	18,662	2.9	14,887	28.9	34,082	33,958	0.4
Gross Profit	2,581	1,351	91.1	2,259	14.3	4,840	2,736	76.9
Employee expense	409	270	51.5	345	18.6	753	488	54.5
Other expense	1,101	540	103.8	814	35.2	1,915	1,065	79.9
EBITDA	1,071	541	98.1	1,100	(2.6)	2,171	1,184	83.3
D&A	139	72	94.8	112	24.4	252	134	87.4
EBIT	932	469	98.6	988	(5.6)	1,920	1,050	82.8
Interest cost	198	129	53.8	189	4.8	388	252	53.9
Non-operating expense/(income)	(358)	(118)	203.5	(129)	177.9	(487)	(137)	254.8
PBT	1,092	458	138.2	927	17.7	2,019	935	115.8
Tax	298	109	173.5	234	27.6	532	233	128.5
Reported PAT	793	349	127.1	693	14.4	1,487	702	111.6
As % of net revenues			**(bps)**		**(bps)**			**(bps)**
Gross margin	11.9	6.7	510	13.2	(132)	12.4	7.5	498
Employee cost	1.9	1.3	53	2.0	(13)	1.9	1.3	61
Other cost	5.1	2.7	236	4.7	31	4.9	2.9	202
EBITDA margin	4.9	2.7	222	6.4	(149)	5.6	3.2	235
Tax rate	27.3	23.8	353	25.2	212	26.4	24.9	146
PAT margin	3.6	1.7	190	4.0	(40)	3.8	1.9	191

Source: Company, BOBCAPS Research

Fig 2 – Key operating metrics

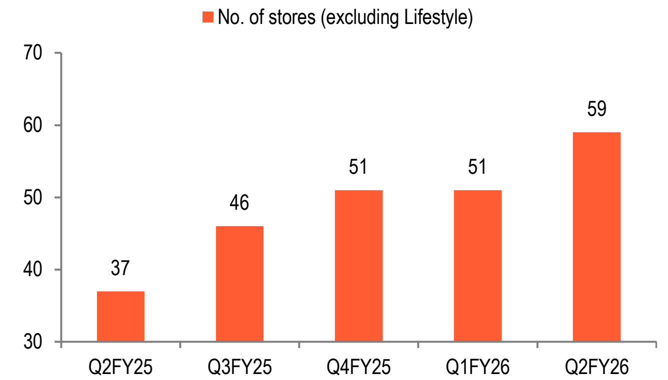
Particulars	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
No. of stores (excluding lifestyle)								
COCO	44	26	69.2	39	12.8	-	-	-
FOCO	15	11	36.4	12	25.0	-	-	-
Total	**59**	**37**	**59.5**	**51**	**15.7**	**-**	**-**	**-**
Average revenue per store (Rs mn)								
COCO	379	469	(19.2)	309	22.6	-	-	-
FOCO	253	151	66.8	224	12.5	-	-	-
Revenue (Rs mn)								
Retail	15,720	12,195	28.9	12,053	30.4	27,773	22,287	24.6
Franchisee	3,409	1,665	104.7	2,693	26.6	6,102	2,949	106.9
E-commerce	1,435	673	113.2	661	117.1	2,096	966	117.0
Others	1,213	5,480	(77.9)	1,739	(30.3)	2,951	10,493	(71.9)

Source: Company, BOBCAPS Research

Earnings Call Highlights

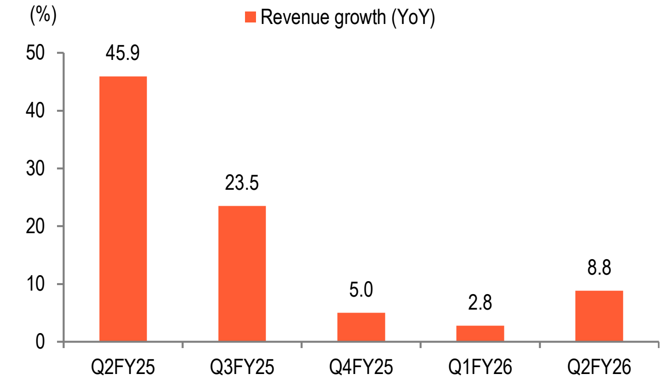
- **Demand scenario:** Despite steep rise in gold price, consumer interest remained strong in both investment and gold jewellery in Q2FY26. Consumers opted for an exchange of old gold to offset the impact of high gold prices in Q2FY26. PNGJL's transaction volume rose by 18% YoY with average transaction value at Rs 0.1mn, footfall growth of 20% and conversion rate at 93% in Q2FY26. Management indicated that silver jewellery has been doing exceptionally well with a very strong traction during the festive season.
- **Jewellery performance:** PNGJL revenue (excluding refinery sales) grew by 31.4% YoY in Q2FY26. This was driven by better growth seen across channels (COCO; +28.9%, FOCO: +105%; E-commerce: +113%). Studded revenue share has fallen from 11.0% in Q2FY25 to 9.0% in Q2FY26. However, adjusted EBITDA margin improved by 54bps YoY to 4.9% in Q2FY26 (after excluding the impact of custom duty cut and refinery sales in the base quarter) on account of better product mix. Flagship events "Mangal Sutra Mhotsav" and "Pendant Mhotsav" received record customer participation and contributed meaningfully to the top-line growth.
- **Guidance:** Management expects to clock Rs 30-40bn revenue in Q3FY26. Gross margin is expected to improve on QoQ basis in Q3FY26 and targets 12-13% margin on sustainable basis. EBITDA margin is expected to be 5.5-6.0% for FY26. Studded ratio is targeted to improve from 9.0% in Q2FY26 to 12-13% over the next 2 years.
- **Store expansion:** The company opened 8 stores in Q2FY26 (COCO: 5; FOCO: 3) and one store in Oct'25. PNGJL has entered UP and MP markets (Indore, Lucknow, Kanpur) in Q2FY26. Management targets to open 6-7 PNG traditional stores (of which franchise would be half) and 7-8 lightweight lifestyle stores in H2FY26. Future expansion in Maharashtra will account for 10-15% of new stores (3-4 stores) and the remaining stores are targeted for the UP, MP, Bihar, Jharkhand, Chhattisgarh, Odisha and NCR markets. The company remains on track to add 33-35 stores over the next two years.
- **Hedging policy:** PNGJL has hedged 100% of its gold inventory for the past 9 months. Silver is hedged only during the festive season, otherwise replenishment model is used for hedging the silver inventory.
- **Inventory:** The typical investment requirement for a traditional PNG store is Rs 470-500mn for initial store capex of Rs 20mn and inventory requirement of Rs 450mn. Lifestyle format requires investment of Rs 100-120mn per store.
- **Net debt:** increased from Rs 3.24bn in Jun'25 to Rs 4.56bn in Sep'25. Net debt to EBITDA ratio has gone up from 0.85x in Q1FY26 to 1.05x in Q2FY26.

Fig 3 – No. of PNG traditional store count has gone up from 37 stores in Q2FY25 to 59 stores in Q2FY26



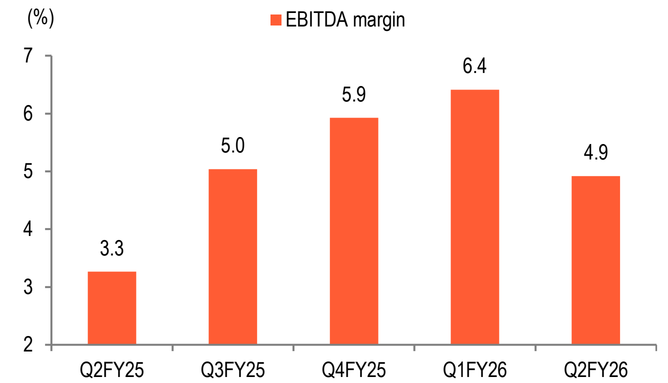
Source: Company, BOBCAPS Research

Fig 4 – Revenue (excluding refinery sales) grew by 31.4% YoY in Q2FY26



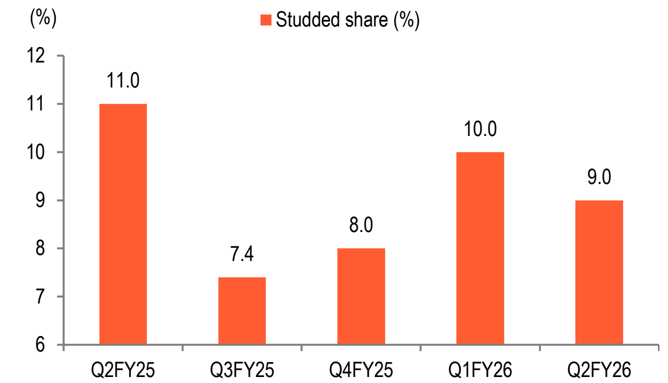
Source: Company, BOBCAPS Research

Fig 5 – Adjusted EBITDA margin improved by 54bps YoY to 4.9% in Q2FY26



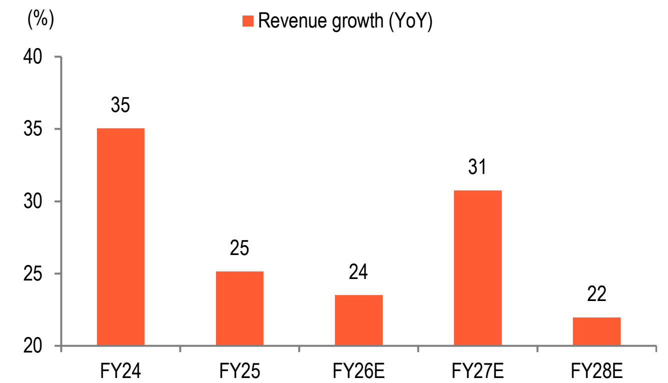
Source: Company, BOBCAPS Research

Fig 6 – Studded ratio fell from 11.0% in Q2FY25 to 9.0% in Q2FY26



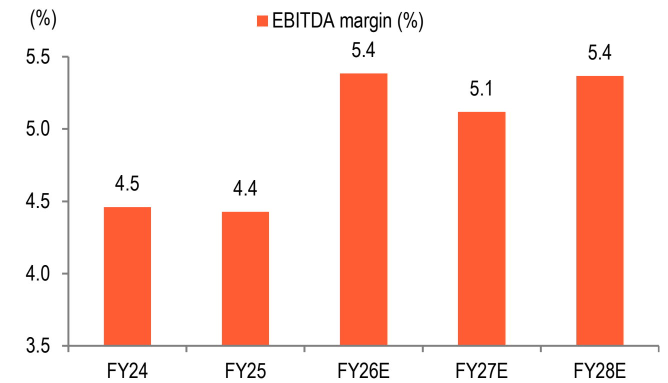
Source: Company, BOBCAPS Research

Fig 7 – Revenue is projected to grow at 25.3% CAGR over FY25-FY28E



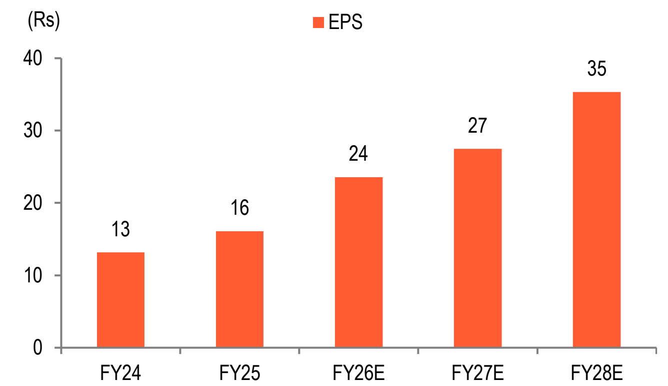
Source: Company, BOBCAPS Research

Fig 8 – EBITDA margin is projected to be 5.1-5.4% over FY26-FY28



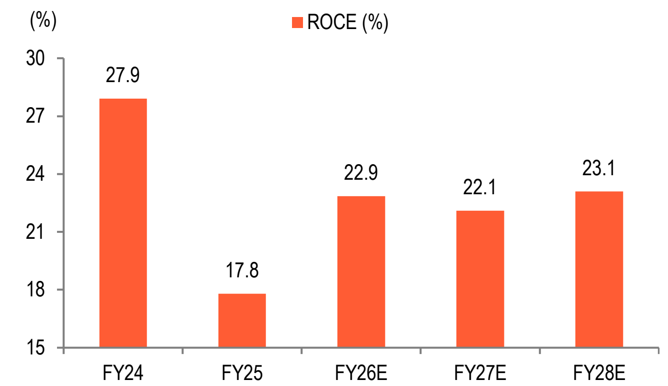
Source: Company, BOBCAPS Research

Fig 9 – EPS is projected to grow at 30% CAGR over FY25-FY28E



Source: Company, BOBCAPS Research

Fig 10 – PNG is likely to operate at a healthy ROCE of >20% over FY26-FY28



Source: Company, BOBCAPS Research

Valuation Methodology

We maintain our BUY rating on the stock as we believe a) the company is likely to gain market share over medium (as strong balance sheet position would allow aggressively store expansion), b) EPS to grow at a strong 30.0% CAGR with healthy ROCE of 22-23% over FY26-FY28, and reasonable valuation (stock trades at 25.4x on 1Y forward P/E vs average of 26.3x since IPO).

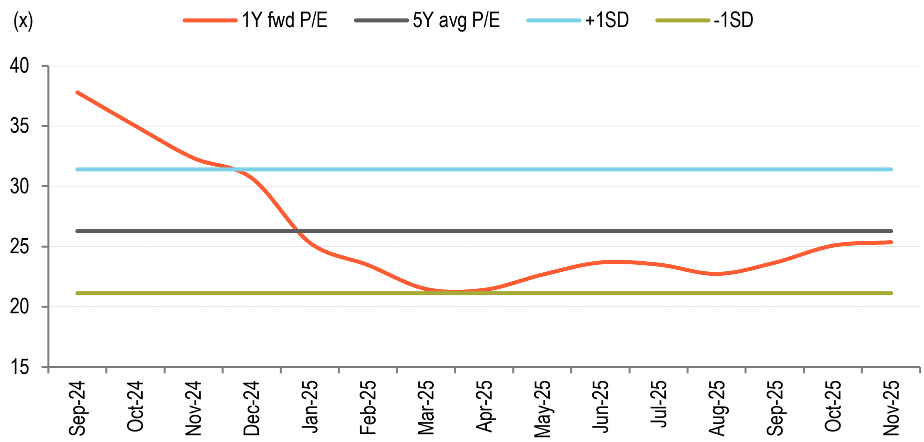
We have raised our TP to Rs 770 (Rs 735 earlier) due to upward revision in our EPS estimates (+4.7%/+5.0%/+4.5% for FY26/FY27/FY28) mainly due to steep rise in gold prices. Our target P/E multiple remains unchanged at 25x.

Fig 11 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Total operating income	93.7	122.5	149.4	89.4	109.6	131.0	4.8	11.8	14.1
EBITDA	5.0	6.3	8.0	5.0	5.9	7.5	1.9	6.6	6.7
EBITDA Margin	5.4	5.1	5.4	5.5	5.4	5.7	(15bps)	(25bps)	(37bps)
Adjusted PAT	3.2	3.7	4.8	3.1	3.5	4.6	4.7	5.0	4.5
EPS (Rs)	23.6	27.5	35.3	22.5	26.1	33.8	4.7	5.0	4.5

Source: BOBCAPS Research

Fig 12 – PNG stock trades at 25.4x on 1YF P/E vs average of 26.3x since IPO



Source: Bloomberg, BOBCAPS Research

Fig 13 – Key assumptions

Particulars	FY24	FY25	FY26E	FY27E	FY28E
No. of stores					
PNG format	35	51	66	78	90
- COCO	24	39	47	55	63
- FOCO	11	12	19	23	27
Lifestyle format	1	2	10	17	24
- COCO	1	2	7	13	19
- FOCO	0	0	3	4	5
Total no. of stores	36	53	76	95	114
- COCO	25	41	54	68	82
- FOCO	11	12	22	27	32

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue per store (Rs mn)					
COCO	1545	1317	1512	1706	1811
FOCO	509	589	713	856	960
Franchise revenue share (%)	9.2	9.2	14.5	16.1	17.4
Revenue (Rs bn)	60.6	75.9	93.7	122.5	149.4
EBITDA margin (%)	4.5	4.4	5.4	5.1	5.4
PAT margin (%)	2.6	2.9	3.4	3.0	3.2
Inventory (days)	58	97	97	97	97
Net debt/EBITDA (x)	1.2	0.6	1.3	1.7	1.6
ROCE (%)	27.9	17.8	22.9	22.1	23.1

Source: Company, BOBCAPS Research

Key risks

Key downside risks to our estimates are:

- Steep increase in gold price volatility and regulatory risks
- Loss of market share due to a steep rise in competitive intensity in its core Maharashtra market
- Slow rollout and poor ramp-up of new stores

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**60,613**	**75,860**	**93,691**	**122,502**	**149,410**
EBITDA	2,703	3,358	5,046	6,271	8,020
Depreciation	232	348	543	587	682
EBIT	2,472	3,010	4,503	5,684	7,338
Net interest inc./(exp.)	(459)	(430)	(919)	(1,169)	(1,395)
Other inc./(exp.)	82	351	720	466	466
Exceptional items	0	0	0	0	0
EBT	2,094	2,931	4,304	4,981	6,409
Income taxes	543	748	1,107	1,254	1,613
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**1,551**	**2,183**	**3,197**	**3,727**	**4,796**
Adjustments	0	0	0	0	0
Adjusted net profit	**1,551**	**2,183**	**3,197**	**3,727**	**4,796**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	1,489	2,557	400	350	350
Other current liabilities	3,247	4,086	3,753	3,447	3,447
Provisions	28	49	90	100	100
Debt funds	3,805	3,352	4,120	5,363	6,523
Other liabilities	578	979	614	628	628
Equity capital	1,180	1,357	1,357	1,357	1,357
Reserves & surplus	4,164	14,182	17,379	21,106	25,902
Shareholders' fund	5,344	15,539	18,736	22,463	27,259
Total liab. and equities	**14,492**	**26,563**	**27,714**	**32,350**	**38,306**
Cash and cash eq.	796	6,287	3,608	2,474	3,043
Accounts receivables	378	500	513	671	819
Inventories	9,589	20,209	24,899	32,555	39,706
Other current assets	1,310	688	1,004	900	900
Investments	10	86	86	86	86
Net fixed assets	1,502	1,871	1,828	1,741	1,560
CWIP	35	35	35	35	35
Intangible assets	920	1,344	1,344	1,344	1,344
Deferred tax assets, net	0	0	0	0	0
Other assets	111	422	422	422	422
Total assets	**14,651**	**31,442**	**33,740**	**40,229**	**47,915**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**(27)**	**(5,491)**	**(3,176)**	**(2,560)**	**(426)**
Capital expenditures	(570)	(1,142)	(500)	(500)	(500)
Change in investments	2	(77)	0	0	0
Other investing cash flows	82	351	0	0	0
Cash flow from investing	**(487)**	**(867)**	**(500)**	**(500)**	**(500)**
Equities issued/Others	0	177	0	0	0
Debt raised/repaid	1,133	4,266	1,916	3,095	2,891
Interest expenses	(459)	(430)	(919)	(1,169)	(1,395)
Dividends paid	0	0	0	0	0
Other financing cash flows	143	7,835	0	0	0
Cash flow from financing	**817**	**11,848**	**997**	**1,926**	**1,496**
Chg in cash & cash eq.	**303**	**5,490**	**(2,679)**	**(1,135)**	**570**
Closing cash & cash eq.	**796**	**6,287**	**3,608**	**2,474**	**3,043**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	13.1	16.1	23.6	27.5	35.3
Adjusted EPS	13.1	16.1	23.6	27.5	35.3
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	45.3	114.5	138.1	165.5	200.9

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.3	1.1	0.9	0.7	0.6
EV/EBITDA	29.9	24.0	16.3	13.8	11.2
Adjusted P/E	50.3	41.1	28.1	24.1	18.7
P/BV	14.6	5.8	4.8	4.0	3.3

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	74.1	74.5	74.3	74.8	74.8
Interest burden (PBT/EBIT)	84.7	97.4	95.6	87.6	87.3
EBIT margin (EBIT/Revenue)	4.1	4.0	4.8	4.6	4.9
Asset turnover (Rev./Avg TA)	413.7	241.3	277.7	304.5	311.8
Leverage (Avg TA/Avg Equity)	2.7	2.0	1.8	1.8	1.8
Adjusted ROAE	29.0	14.0	17.1	16.6	17.6

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	35.0	25.2	23.5	30.8	22.0
EBITDA	120.7	24.2	50.3	24.3	27.9
Adjusted EPS	109.4	22.3	46.4	16.6	28.7
Profitability & Return ratios (%)					
EBITDA margin	4.5	4.4	5.4	5.1	5.4
EBIT margin	4.1	4.0	4.8	4.6	4.9
Adjusted profit margin	2.6	2.9	3.4	3.0	3.2
Adjusted ROAE	34.5	20.9	18.7	18.1	19.3
ROCE	27.9	17.8	22.9	22.1	23.1
Working capital days (days)					
Receivables	2	2	2	2	2
Inventory	58	97	97	97	97
Payables	9	12	2	1	1
Ratios (x)					
Gross asset turnover	33.3	36.1	36.2	39.7	41.7
Current ratio	1.6	2.8	3.6	4.0	4.3
Net interest coverage ratio	5.4	7.0	4.9	4.9	5.3
Adjusted debt/equity	0.6	0.1	0.3	0.5	0.5

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

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

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
Brand Name: **BOBCAPS**
Trade Name: **www.barodaetrade.com**
CIN: **U65999MH1996GOI098009**

Logo:

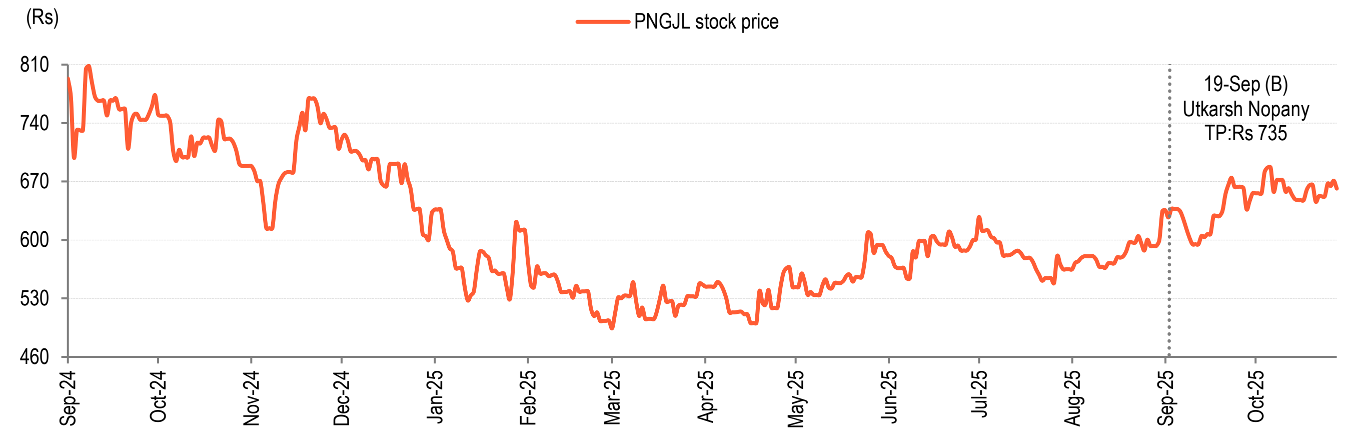
Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%
Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): P N GADGIL JEWELLERS (PNGJL 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.