HOLD
TP: Rs 570 | ▲ 6%

SOMANY CERAMICS | Building Materials | 06 November 2026

Margins beat on pricing and a JV profit swing; H2 volumes key

- **Revenue grew 26% YoY; EBITDA spiked 86% as margins expanded 378bps**
- **Tile realisation up 20% to Rs 385/sqm on 5% volume growth; own tile volume +15%, JV and outsourced flat**
- **Ascribe 15x PE Sep'28E, arriving at a TP of Rs 570 (Sep'27E); we maintain HOLD**

Harshit Mundra
Research Associate

Vineet Shanker
Research Analyst
research@bobcaps.in

EBITDA beats estimates: Somany Ceramics (SOMC) reported 26% YoY growth in consolidated revenue to Rs8.61bn, 3% above our estimate, driven by 27% growth in tile revenue and healthy growth in bathware and adhesives. EBITDA increased 86% YoY to Rs997mn, beating our estimate by 24%, with EBITDA margin expanding 378bps YoY to 11.6%. Adjusted PAT grew 188% YoY to Rs431mn, 22% ahead of our estimate.

Realisation-led growth; own tile volumes outperform: Tile revenue grew 27% YoY to Rs7.23bn, supported by 5% volume growth and a 20% increase in blended realisations to Rs385/sqm. Own tile volumes increased 15%, while JV and outsourced volumes remained broadly flat. Bathware and adhesives revenue grew 15% and 28%, respectively. The gap between value and volume growth highlights the significant contribution from higher realisations, with management indicating that price increases have largely offset higher energy costs.

Margin expansion supported by pricing, utilisation and JV turnaround: EBITDA margin expanded 378bps YoY to 11.6%, supported by a 755bps improvement in gross margin, better capacity utilisation and improved product mix. The JVs reported a profit of Rs30mn in Q2FY27 against a loss of Rs120mn in Q2FY26. Management raised its FY27 margin improvement guidance to 200-250bps over FY26, from the earlier 100-150bps, while retaining high-single-digit volume growth guidance. However, energy costs remain elevated at 20.6% of revenue, and the sustainability of margin gains will depend on continued price pass-through and volume recovery in H2.

Maintain HOLD with Sep'27 TP of Rs 570: We maintain HOLD on SOMC. We raise FY27-29E revenue/EBITDA/PAT by 1-2%/6-7%/1-2% on the Q2 beat and higher JV profits, with EBITDA margin up 43-53bps. We roll forward our valuation to Sep'28E EPS at an unchanged 15x P/E, arriving at a Sep'27 TP of Rs 570 (7% upside).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SOMC IN/Rs 539
Market cap	US$ 232.6mn
Free float	45%
3M ADV	US$ 1.0mn
52wk high/low	Rs 627/Rs 332
Promoter/FPI/DII	55%/1%/23%

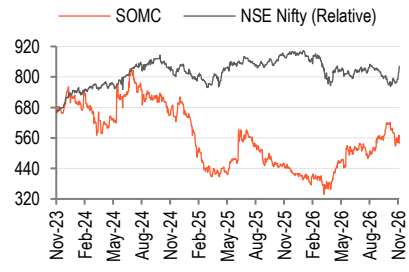
Source: NSE | Price as of 5 Nov 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	27,898	32,754	34,182
EBITDA (Rs mn)	2,578	3,301	3,517
Adj. net profit (Rs mn)	840	1,317	1,507
Adj. EPS (Rs)	20.5	32.1	36.8
Consensus EPS (Rs)	20.5	32.3	35.4
Adj. ROAE (%)	9.5	13.4	13.6
Adj. P/E (x)	26.3	16.8	14.7
EV/EBITDA (x)	9.2	6.8	6.3
Adj. EPS growth (%)	38.9	56.8	14.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Quarterly financials - Consolidated

Particulars (Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)	BOBCAPS Q2FY27E	Variance (%)
Total operating income	8,607	6,852	25.6	7,496	14.8	16,102	12,896	24.9	8,382	2.7
Raw-Material expense	3,884	3,609	7.6	3,402	14.2	7,286	6,499	12.1	4,107	(5.4)
Gross Profit	4,723	3,243	45.6	4,094	15.4	8,817	6,397	37.8	4,275	10.5
Employee expense	1,060	898	18.1	994	6.6	2,054	1,770	16.1	987	7.3
Energy costs	1,775	1,097	61.8	1,465	21.1	3,240	2,243	44.5	1,478	20.1
Other expense	891	713	25.0	772	15.4	1,664	1,368	21.6	1,006	(11.4)
EBITDA	997	535	86.4	862	15.7	1,859	1,017	82.8	804	24.1
D&A	280	263	6.5	285	(1.9)	565	523	8.2	285	(1.9)
EBIT	717	272	163.5	577	24.4	1,294	494	161.8	518	38.4
Interest cost	114	123	(7.5)	114	(0.2)	228	250	(8.8)	103	10.9
Non-operating expense/(income)	2	(37)	(105.4)	(35)	(105.6)	(33)	(56)	(40.3)	(38)	(105.3)
PBT	601	186	223.5	498	20.8	1,099	300	266.7	453	32.6
Tax	186	63	195.9	156	19.3	341	103	230.7	114	62.5
Reported PAT	416	123	237.6	342	21.4	758	197	285.5	339	22.5
Adjusted PAT	431	150	187.8	355	21.4	787	254	210.3	352	22.4
As % of net revenues			**chg (bps)**		**chg (bps)**			**chg (bps)**		**chg (bps)**
Gross margin	54.9	47.3	755	54.6	26	54.8	49.6	515	51.0	387
Employee cost	12.3	13.1	(79)	13.3	(95)	12.8	13.7	(97)	11.8	53
Energy cost	20.6	16.0	461	19.5	108	20.1	17.4	273	17.6	299
Other cost	10.4	10.4	(5)	10.3	5	10.3	10.6	(27)	12.0	(164)
EBITDA margin	11.6	7.8	378	11.5	9	11.5	7.9	366	9.6	200
Tax rate	30.9	33.7	(289)	31.2	(38)	31.0	34.4	(337)	25.2	569
APAT margin	5.0	2.2	283	4.7	27	4.9	2.0	292	4.2	81

Source: Company, BOBCAPS Research

Fig 2 – Segment financials

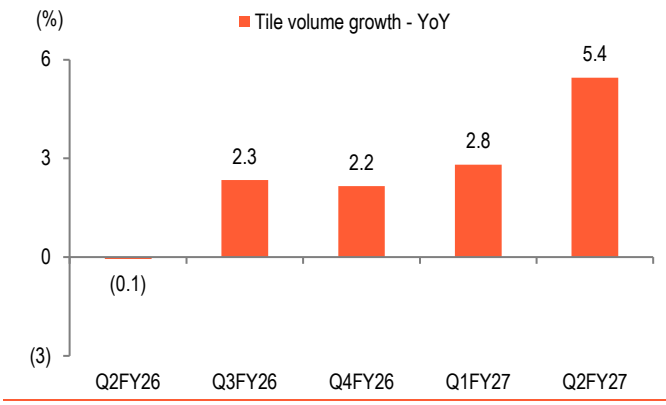
Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Tiles revenue (Rs mn)								
- Own	2,432	1,833	32.7	2,389	1.8	4,821	3,494	38.0
- JV	2,220	1,840	20.7	2,092	6.1	4,313	3,523	22.4
- Outsourced	2,575	2,033	26.7	1,844	39.7	4,420	3,802	16.2
Total	7,228	5,706	26.7	6,325	14.3	13,553	10,818	25.3
Non-tiles revenue (Rs mn)								
Bathware	878	764	15.0	765	14.8	1,643	1,393	17.9
Adhesives	430	336	27.9	352	22.1	781	609	28.4
Total	1,308	1,100	18.9	1,117	17.1	2,424	2,002	21.1
Tiles sales volume (MSM)								
- Own	6.8	5.9	15.3	6.7	2.5	13.5	11.4	18.6
- JV	5.0	4.9	0.8	4.8	3.3	9.8	9.4	3.9
- Outsourced	7.0	6.9	0.3	5.0	39.8	11.9	13.0	(8.2)
Total	18.8	17.8	5.4	16.5	14.0	35.2	33.8	4.2
Tiles Realization (Rs/sqm)								
- Own	356	309	15.0	358	(0.7)	357	307	16.3
- JV	446	372	19.7	434	2.7	440	374	17.8
- Outsourced	371	293	26.3	371	(0.1)	371	293	26.7
Blended realization	385	321	20.1	384	0.2	385	320	20.2
Blended EBITDA per unit (Rs/sqm)	53.1	30.1	76.7	52.4	1.4	52.8	30.1	75.5

Source: Company, BOBCAPS Research

Earnings Call Highlights

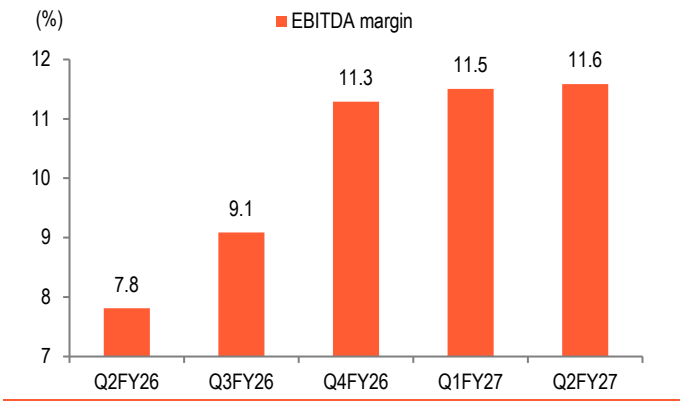
- **Industry supply correction may favour organised players:** Industry exports declined ~31% in value and 44-45% in volume during the first five months of FY27, while ~35% of Morbi capacity is currently shut. Management sees no substantial capacity additions in Morbi over the next 18-24 months. SOMC held prices, despite excess supply, as higher gas costs have weakened Morbi's competitiveness.
- **H2 volume recovery is key:** Tile volumes grew 5.4% YoY to 18.8msm, while blended realisations increased 20% to Rs385/sqm. Management estimates that plant upgrades during Jul-Aug'26 resulted in a ~1.5% volume loss. Management expects Q3 volumes to exceed Q2, followed by significantly better Q4. Management reiterated high-single-digit volume growth for FY27 and FY28, and targets to 79-80msm sales volume in FY27.
- **Higher gas costs passed on through pricing:** Gas costs are currently ~Rs70/scm against ~Rs45/scm in FY26, with SOMC's prices hikes of 16-17% since Apr'26. Management indicated that the increase has been fully passed on and expects gas prices to settle at Rs60-70/scm even if the geopolitical situation normalises, potentially supporting pricing discipline among organised players.
- **Margin guidance raised on JV turnaround and price pass-through:** Q2 EBITDA margin expanded 378bps YoY to 11.6%, supported by full price pass-through, optimum utilisation and product mix. JVs reported a Rs30mn profit against a Rs120mn loss in Q2FY26, with management expecting a full-year improvement of at least Rs400mn. FY27 margin expansion guidance has been raised to 200–250bps over FY26 from 100–150bps earlier, while FY28 margin is expected at 11.5-12% or higher. Q3 EBITDA is expected to be flat or better than Q2 in absolute terms.
- **Bathware and adhesives gaining traction:** Bathware and adhesives revenue grew 15% and 28%, respectively, in Q2. Management expects bathware growth of 20%+ in FY27, with sanitaryware growing ~20% in both FY27 and FY28. Together, these businesses contribute ~16–17% of revenue, with management targeting 20-25% over the next 2-3 years. Faucet margins remain exposed to elevated brass costs and incomplete price pass-through.
- **Capacity expansion focused on debottlenecking and GVT:** Debottlenecking is expected to add ~4msm of annualised capacity in FY27, while ~16msm of GVT capacity is expected to commence production from around Sep'27. The Ceravit South JV expansion has been increased to 11-12msm at a total cost of Rs2.5bn, funded through a 50:50 debt-equity mix, with SOMC's contribution at ~Rs600mn. Management is also increasing its stake in the sanitaryware JV from 51% to 76%, funded through internal accruals.

Fig 3 – SOMC's tile volumes grew by 5% YoY in Q2FY27



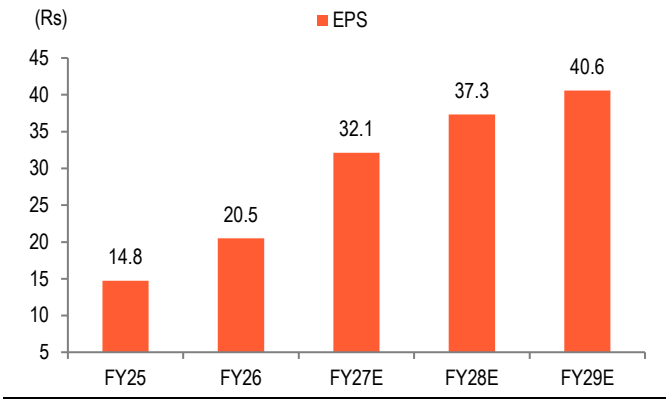
Source: Company, BOBCAPS Research

Fig 4 – EBITDA margin sharply expanded by 378bps YoY to 11.6% in Q1FY27



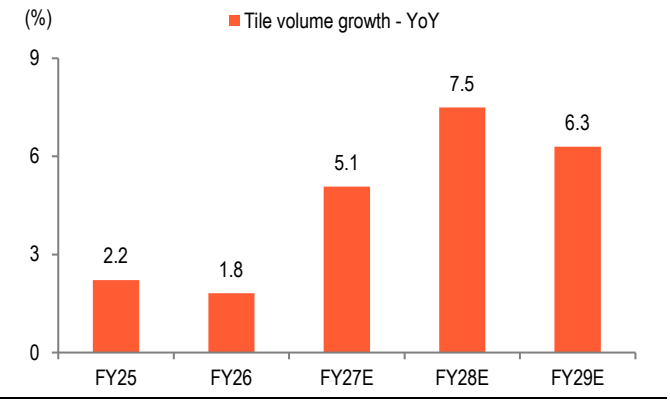
Source: Company, BOBCAPS Research

Fig 5 – SOMC EPS projected to grow at a healthy 25.6% CAGR over FY26-FY29E...



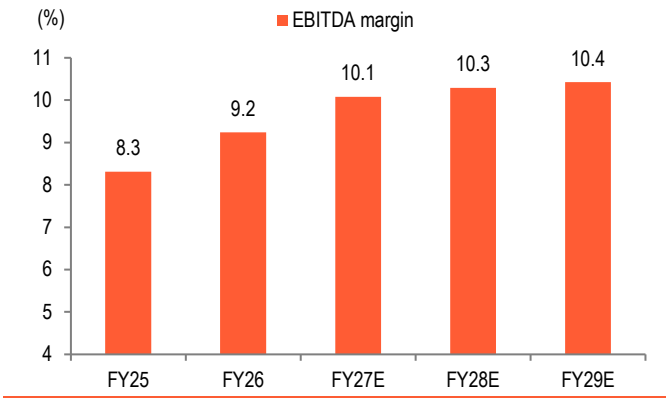
Source: Company, BOBCAPS Research

Fig 6 – … on expectations of volume growth assumption of 51.2% CAGR over FY26-FY29E on a weak base…



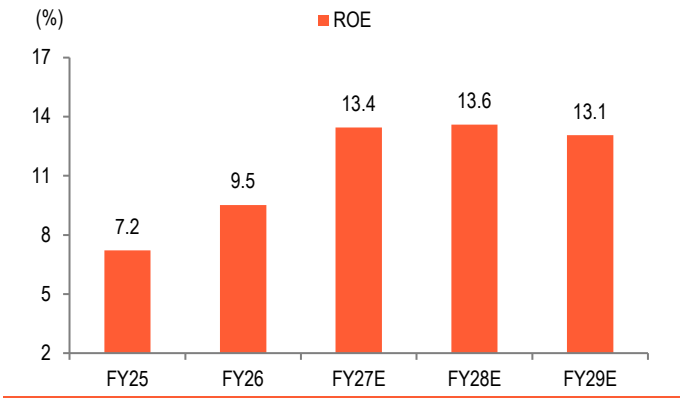
Source: Company, BOBCAPS Research

Fig 7 – … and a gradual improvement in EBITDA margin due to the ramp-up of Max plant and operating leverage



Source: Company, BOBCAPS Research

Fig 8 – ROE projected to improve over medium term, on higher operating rate and improved margin profile



Source: Company, BOBCAPS Research

Valuation Methodology

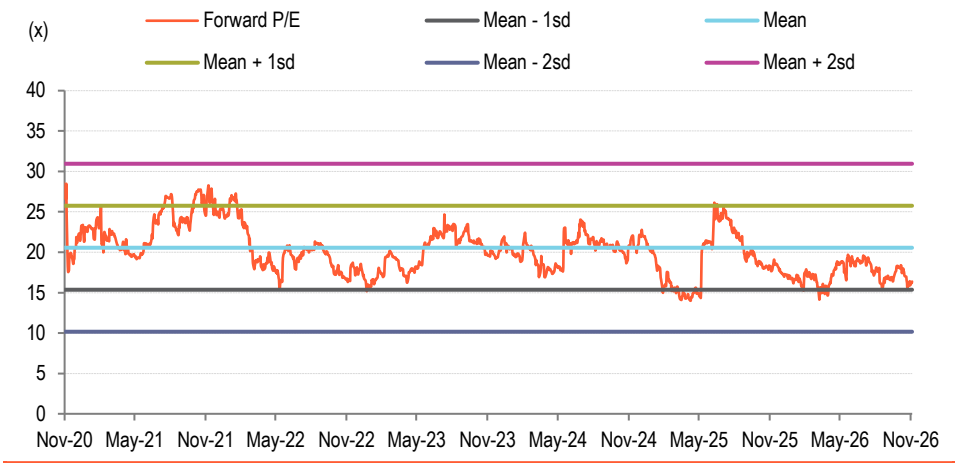
We maintain HOLD on SOMC. We raise FY27-29E revenue/EBITDA/PAT by 1-2%/6-7%/1-2% on the Q2 beat and higher JV profits, with EBITDA margin up 43-53bps. We roll forward our valuation to Sep'28E EPS at an unchanged 15x P/E, arriving at a Sep'27 TP of Rs 570 (7% upside).

Fig 9 – Revised estimates

Consolidated (Rs bn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Total operating income	32.8	34.2	37.1	32.5	33.7	36.5	1	2	2
EBITDA	3.3	3.5	3.9	3.1	3.3	3.7	6	7	6
EBITDA Margin (%)	10.08	10.29	10.42	9.58	9.79	10.04	50	49	39
Adjusted PAT	1.3	1.5	1.6	1.3	1.5	1.6	2	2	1
EPS	32.1	36.8	40.0	31.5	36.1	39.5	2	2	1

Source: BOBCAPS Research

Fig 10 – Trading at 15.2x on 1YF P/E vs 5Y average P/E of 29.8x



Source: BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**26,588**	**27,898**	**32,754**	**34,182**	**37,145**
EBITDA	2,209	2,578	3,301	3,517	3,872
Depreciation	903	1,075	1,129	1,228	1,448
EBIT	1,306	1,503	2,171	2,289	2,424
Net interest inc./(exp.)	(524)	(477)	(457)	(456)	(456)
Other inc./(exp.)	90	113	108	132	172
Exceptional items	0	0	0	0	0
EBT	872	1,139	1,823	1,964	2,139
Income taxes	272	346	517	494	538
Extraordinary items	20	52	0	0	0
Min. int./Inc. from assoc.	21	71	11	38	38
Reported net profit	**601**	**812**	**1,317**	**1,507**	**1,638**
Adjustments	4	28	0	0	0
Adjusted net profit	**605**	**840**	**1,317**	**1,507**	**1,638**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	3,343	3,338	3,931	4,118	4,475
Other current liabilities	3,427	3,000	3,000	3,000	3,000
Provisions	42	69	81	85	92
Debt funds	3,019	2,513	2,551	2,621	2,766
Other liabilities	1,396	1,994	1,994	1,994	1,994
Equity capital	82	82	82	82	82
Reserves & surplus	7,635	8,342	9,526	10,881	12,354
Shareholders' fund	8,442	9,199	10,394	11,787	13,297
Total liab. and equities	**19,669**	**20,113**	**21,951**	**23,605**	**25,625**
Cash and cash eq.	903	1,598	2,769	2,249	3,956
Accounts receivables	3,688	3,008	3,531	3,685	4,004
Inventories	3,379	3,523	3,723	3,948	4,345
Other current assets	487	415	488	512	556
Investments	38	38	38	38	38
Net fixed assets	10,029	9,654	9,525	11,297	10,849
CWIP	163	189	189	189	189
Intangible assets	606	1,258	1,258	1,258	1,258
Deferred tax assets, net	95	107	107	107	107
Other assets	282	324	324	324	324
Total assets	**19,669**	**20,113**	**21,951**	**23,605**	**25,625**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**1,575**	**2,839**	**2,591**	**2,811**	**2,937**
Capital expenditures	(834)	(556)	(1,000)	(3,000)	(1,000)
Change in investments	0	0	0	0	0
Other investing cash flows	116	14	108	132	172
Cash flow from investing	**(718)**	**(542)**	**(892)**	**(2,868)**	**(828)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	22	(569)	38	70	145
Interest expenses	(518)	(466)	(457)	(456)	(456)
Dividends paid	(123)	(123)	(133)	(152)	(165)
Other financing cash flows	(57)	(83)	23	75	75
Cash flow from financing	**(676)**	**(1,241)**	**(529)**	**(463)**	**(401)**
Chg in cash & cash eq.	**181**	**1,056**	**1,170**	**(520)**	**1,707**
Closing cash & cash eq.	**1,036**	**2,092**	**3,262**	**2,742**	**4,450**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	14.7	19.8	32.1	36.8	40.0
Adjusted EPS	14.8	20.5	32.1	36.8	40.0
Dividend per share	3.0	2.0	3.2	3.7	4.0
Book value per share	188.2	205.5	234.3	267.4	303.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	0.9	0.8	0.7	0.6	0.6
EV/EBITDA	11.0	9.2	6.8	6.3	5.6
Adjusted P/E	36.5	26.3	16.8	14.7	13.5
P/BV	2.9	2.6	2.3	2.0	1.8

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	69.4	73.8	72.2	76.7	76.6
Interest burden (PBT/EBIT)	66.8	75.8	83.9	85.8	88.3
EBIT margin (EBIT/Revenue)	4.9	5.4	6.6	6.7	6.5
Asset turnover (Rev./Avg TA)	135.2	138.7	149.2	144.8	145.0
Leverage (Avg TA/Avg Equity)	2.3	2.3	2.2	2.1	2.0
Adjusted ROAE	7.2	9.5	13.4	13.6	13.1

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	2.6	4.9	17.4	4.4	8.7
EBITDA	(13.2)	16.7	28.1	6.5	10.1
Adjusted EPS	(39.0)	38.9	56.8	14.5	8.7
Profitability & Return ratios (%)					
EBITDA margin	8.3	9.2	10.1	10.3	10.4
EBIT margin	4.9	5.4	6.6	6.7	6.5
Adjusted profit margin	2.3	3.0	4.0	4.4	4.4
Adjusted ROAE	7.2	9.5	13.4	13.6	13.1
ROCE	12.2	13.8	17.6	16.8	16.2
Working capital days (days)					
Receivables	51	39	39	39	39
Inventory	46	46	41	42	43
Payables	46	44	44	44	44
Ratios (x)					
Gross asset turnover	1.9	2.0	2.2	2.0	1.9
Current ratio	1.0	1.1	1.2	1.2	1.4
Net interest coverage ratio	2.5	3.1	4.8	5.0	5.3
Adjusted debt/equity	0.3	0.1	0.0	0.0	(0.1)

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 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
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%

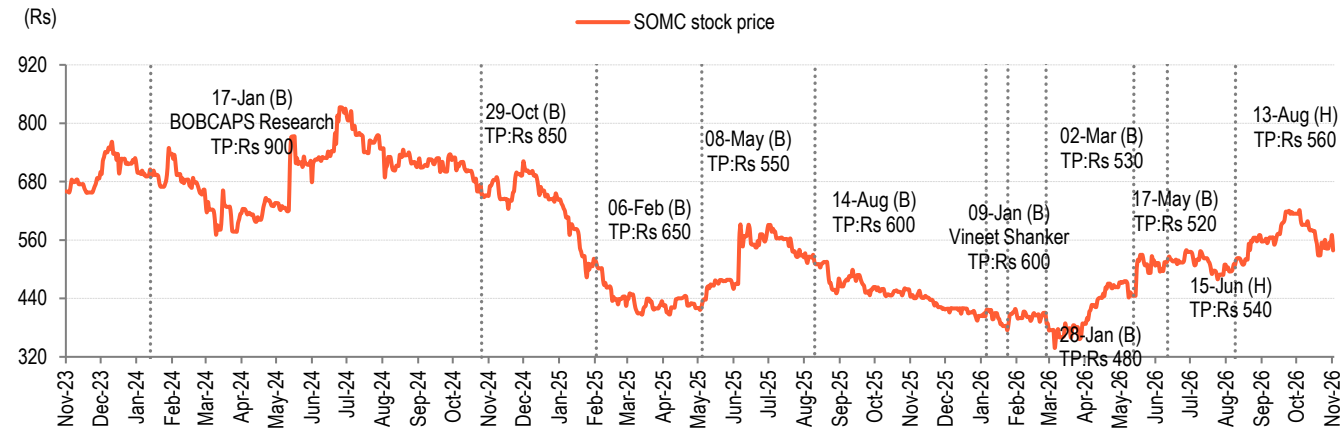
HOLD – Expected return from -6% to +15%

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): SOMANY CERAMICS (SOMC 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 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.