BUY
TP: Rs 2,292 | ⮝ 15%

SUN PHARMA | Pharmaceuticals | 03 August 2026

Gross Margin Maintained Amid Slowdown in US Sales

- **Sales/EBITDA/ APAT were 0.7%/3.9%/6.2% below our estimates. EBITDA Margin was 92.3bps below our estimates at 28.1%**
- **Leqselvi crossed the 1000 Rx count, and Unloxcyt's formulary access to cancer centers is expected to spur innovative portfolio growth**
- **We continue to ascribe a PE of 34x and roll forward to Jun'28 EPS to arrive at PT of Rs 2292 (earlier Rs 2124); Maintain BUY**

Foram Parekh
Research Analyst
research@bobcaps.in

In-line result - Sales grew by 10.5% YoY to Rs 153 bn, driven by 16% YoY growth in domestic sales and 13% YoY growth in the EM & ROW region, partially offset by flattish growth in the US region. Healthy product mix from the innovative segment resulted in 11.8% YoY growth in Gross Profit to Rs 123.37 bn. Gross margin expanded by 95 bps YoY to 80.6% in 1QFY27. Staff cost grew by 15.2% YoY to Rs 32.27 bn (due to annual salary hikes and higher field force expansion in FY26), and SG&A (ex R&D) grew by 22% YoY to Rs 39.87 bn (due to commercialization costs of Leqselvi and Unloxcyt); this was offset by an 8.5% YoY and 15.3% QoQ decline in R&D cost to Rs 8.26 bn (contributing 5.4% in 1QFY27 vs. 6.5% in 1QFY26). Thus, EBITDA grew by 5.5% YoY and 21.8% QoQ to Rs 42.957 bn, and EBITDA margin decreased by 133 bps YoY and increased by 394 bps QoQ to 28.1%. Reported PAT grew by 27% YoY and 6.7% QoQ to Rs 28.949 bn (9.3% below our estimates). Adjusted for exceptional items (Rs 2 bn towards Organon acquisition cost), forex gain (Rs 1.2 bn), and minority interest (Rs 64 mn), PAT grew by 3.5% YoY to Rs 29.93 bn

Global innovative portfolio contribution on the higher end – SUNP's global innovative sales grew by 13% YoY to USD 351 mn, contributing 22% of total sales. Sales were driven by healthy traction across the portfolio, including Ilumya, Leqselvi, and Unloxcyt, partially offset by seasonality in Levulan. Within one year of launch, Leqselvi crossed 1,000 prescriptions. Unloxcyt too is gaining a positive response from oncologists, and dermatologist. Ilumya's PDUFA date for its second indication, psoriatic arthritis, is Oct'26, which should further boost traction in the global innovative portfolio. Thus, we expect this segment to grow at a CAGR of 14.5% over FY27–29E to USD 1.647 bn.

Valuation – We increase our EPS by 3.6% in FY28E and 7% in FY29E, and continue to maintain BUY on the stock. At CMP, rolling forward to Jun'28 EPS of Rs 66.83, the stock trades at a PE of 30x. We continue to ascribe a PE of 34x, given its USD 3.4 bn consolidated cash in hand, which can be utilised to strengthen its innovative portfolio, to arrive at a PT of Rs 2,292 (earlier Rs 2,124).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SUNP IN/Rs 1,991
Market cap	US$ 50.3bn
Free float	45%
3M ADV	US$ 50.3mn
52wk high/low	Rs 2,047/Rs 1,548
Promoter/FPI/DII	54%/16%/20%

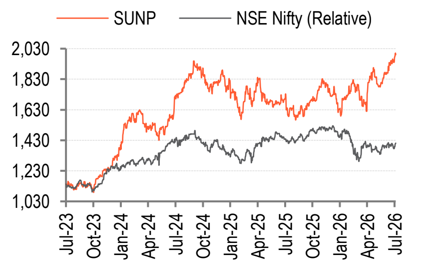
Source: NSE | Price as of 31 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	584,620	639,439	705,051
EBITDA (Rs mn)	164,912	187,042	223,860
Adj. net profit (Rs mn)	115,467	126,991	154,354
Adj. EPS (Rs)	48.1	52.9	64.3
Consensus EPS (Rs)	47.9	55.3	65.3
Adj. ROAE (%)	14.8	14.4	15.7
Adj. P/E (x)	41.4	37.6	30.9
EV/EBITDA (x)	30.7	27.5	23.4
Adj. EPS growth (%)	1.1	10.0	21.5

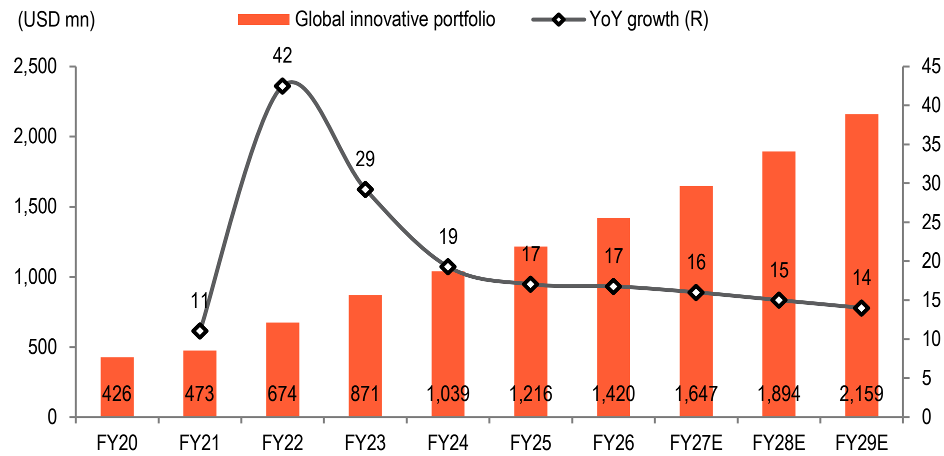
Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – global innovative portfolio sales



Source: Company, BOBCAPS Research

Domestic sales continue to outperform the IPM growth – SUNP's domestic sales grew by 16% YoY to Rs 54.75 bn. Sales were driven by 5.4% volume growth vs. 2% IPM volume growth, and new launches, with SUNP launching 5 new products. The company is retaining its leadership position in 12 therapies in the IPM, with an 8.5% market share. In the newly launched Semaglutide segment, SUNP ranks 2nd amongst generic players and is the only company offering an autoinjector in the country. We expect the company to continue outperforming the IPM, and thus expect domestic sales to grow at a CAGR of 12% from FY27–29E to Rs 274.7 bn by FY29E

US sales affected by generics portfolio - US sales were flat YoY and declined 3.8% QoQ to Rs 40.42 bn. The flattish sales were primarily due to gRevlimid in the base, price erosion pressure, competition in the generic portfolio, and seasonality in the innovative portfolio (like Levulan), offset by 5 generic launches in 1QFY27. We expect US sales to be driven by the innovative portfolio, including Ilumya, Leqselvi, Unloxcyt, etc. Thus, we expect the US region to grow at a CAGR of 12% from FY27–29E to Rs 243.9 bn by FY29E.

Emerging Market & ROW region growth driven by innovative portfolio – The EM region grew by 15.4% YoY to Rs 29.45 bn, while in cc terms, sales grew by 4.2% YoY to USD 311 mn. The growth was driven by strong traction in EM markets like Romania and Brazil, and by innovative portfolio products like Ilumya doing well across regions. Going forward, the region is expected to grow further, having received ANVISA's approval for the launch of gSemaglutide in the Brazilian market. The ROW region grew by 10.4% YoY to Rs 20.6 bn; however, in cc terms, it was flat at USD 218 mn, affected by supply chain issues on account of the Middle East war.

Quarterly Financial Highlights

Fig 2 – Financial Highlights

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	BoB ESTIMATES	Var. (%)
Net Sales	152,999	138,514	10.5	146,118	4.7	154,093	(0.7)
Total Expenses	110,042	97,788	12.5	110,843	(0.7)	109,406	
(%) of net sales	72	71		76		71	
Raw material consumed	29,632	28,148	5.3	28,011	5.8	29,278	1.2
(%) of net sales	19.4	20		19		19	
Gross Profit	123,367	110,366	11.8	118,107		124,815	(1.2)
Staff cost	32,272	28,017	15.2	29,604	9.0	31,589	2.2
(%) of net sales	21.1	20.2		20.3		20.5	
R&D cost	8,264	9,029	(8.5)	9,757	(15.3)	10,016	(17.5)
(%) of net sales	5.4	6.5		6.7		6.5	
SG&A	39,875	32,595	22.3	43,471	(8.3)	38,523	3.5
(%) of net sales	26.1	23.5		29.8		25.0	
EBITDA	42,957	40,726	5.5	35,275	21.8	44,687	(3.9)
PBT	41,809	37,617	11.1	31,246	33.8	41,451	0.9
Less: Taxation	11,880	8,702		8,276		9,534	
PAT	29,929	28,916	3.5	22,873	30.8	31,917	(6.2)
Less: Minority Interest	160	240		97		0	
Exceptional items	(820)	(5,890)		4,268		0	
PAT attibutable to shareholders	28,949	22,786	27.0	27,140	6.7	31,917	(9.3)
Key Ratios (%)			**(bps)**		**(bps)**		**(bps)**
Gross Margin	80.6	79.7	95	80.8	(20)	81.0	(36.7)
EBITDA Margin	28.1	29.4	(133)	24.1	394	29.0	(92.3)
Tax / PBT	28.4	23.1	528	26.5	193	23.0	
NPM	19.6	20.9	(131)	15.7	391	20.7	
EPS (Rs)	12.1	9.5	27.0	11.3	6.7	13.3	(9.3)

Source: Company, BOBCAPS Research

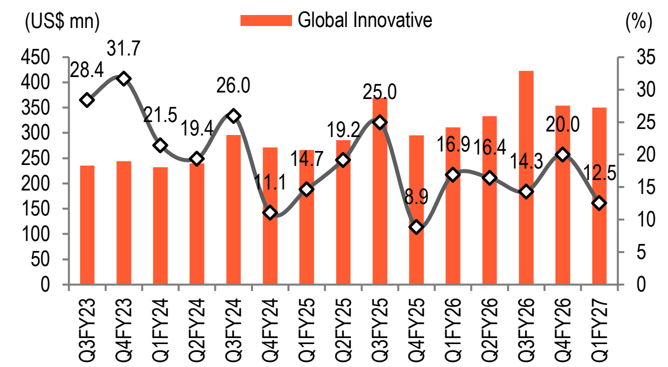
Fig 3 – Segmental mix

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Formulation	145,310	131,930	10.1	138,466	4.9
Domestic	54,749	47,211	16.0	48,359	13.2
Exports	90,561	84,719	6.9	90,107	0.5
US	40,419	40,452	(0.1)	41,997	(3.8)
EM & ROW	50,142	44,267	13.3	48,110	4.2
APIs and others	6,525	5,930	10.0	7,131	(8.5)
Net Sales	**151,836**	**137,860**	**10.1**	**145,598**	**4.3**
OOI	1,163	654	78	520	123.6
Revenue	**152,999**	**138,514**	**10.5**	**146,118**	**4.7**

Source: BOBCAPS Research, Company

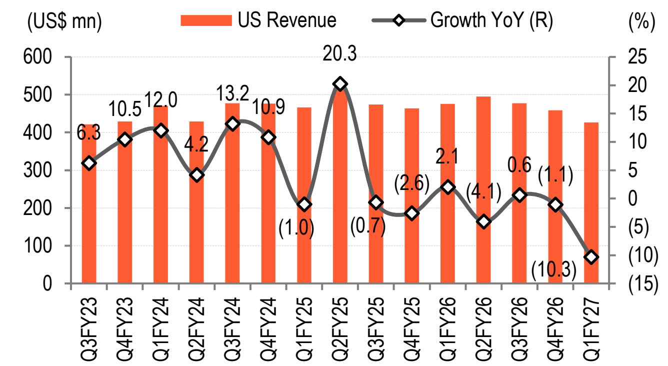
Financial Charts

Fig 4 – Global innovative sales lowered due to seasonality in Levulan



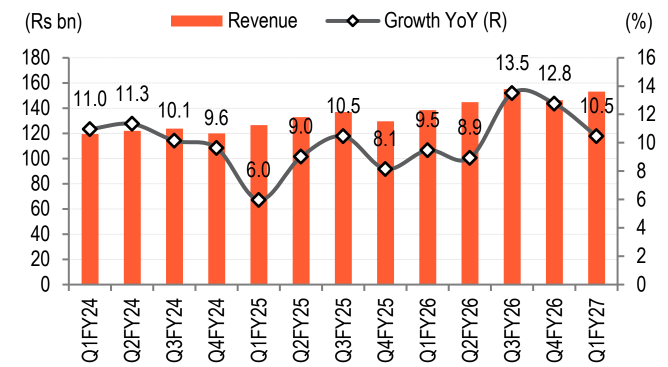
Source: Company, BOBCAPS Research

Fig 5 – US sales in cc terms lowered due to gRevlimid in the base



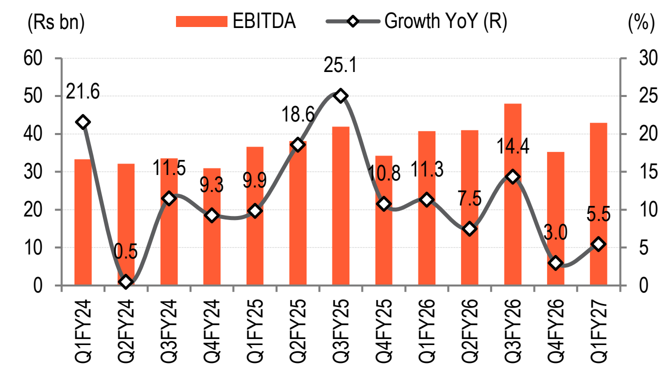
Source: Company, BOBCAPS Research

Fig 6 – Sales growth lowered due to flattish US sales



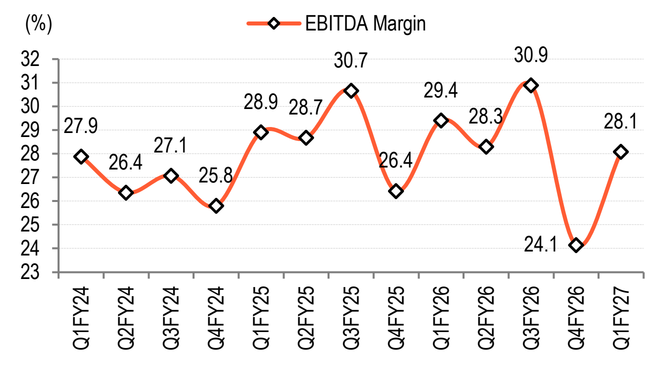
Source: Company, BOBCAPS Research

Fig 7 – EBITDA growth led by healthy product mix and lower R&D cost



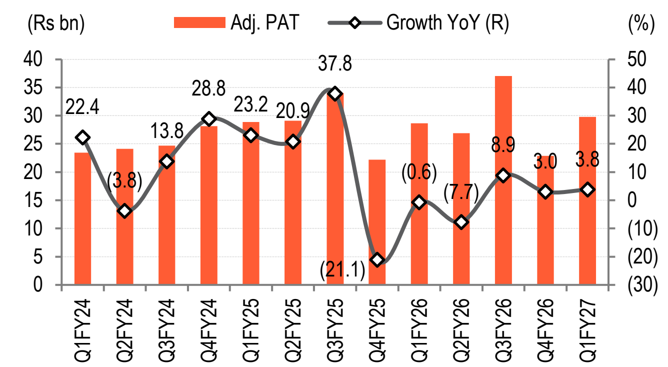
Source: Company, BOBCAPS Research

Fig 8 – EBITDA Margin increases due to healthy product mix



Source: Company, BOBCAPS Research

Fig 9 – PAT growth driven by healthy operations



Source: Company, BOBCAPS Research

Valuation methodology

"We increase our estimates as, going forward, there are many positives, like: 1) launch of gSemaglutide in international markets like South Africa and Brazil (received ANVISA approval), and an increase in Ilumya sales with likely approval for psoriatic arthritis (PDUFA date Oct'26); 2) launch of MM-II in the global innovative portfolio (commercialized through partnership); 3) pick-up in sales of the newly launched Leqselvi and Unloxcyt (formulary access in cancer centers); 4) normalization of Other Expenses, ex R&D. Hence, we increase our EPS by 0.1% in FY27E, 3.6% in FY28E, and 7% in FY29E, to Rs 52.9 in FY27E, Rs 64.3 in FY28E, and Rs 74.3 in FY29E. Thus, our sales/EBITDA/PAT CAGR would grow at 11%/17%/19% from FY27–29E.

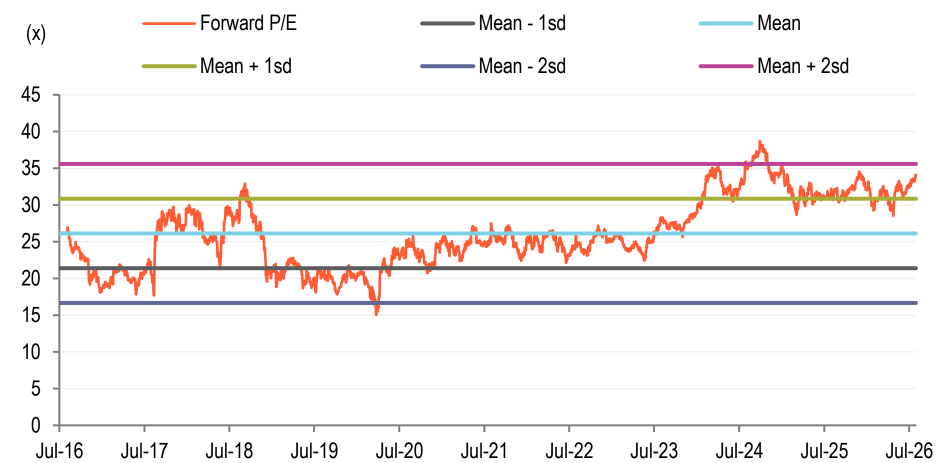
We continue to maintain BUY on the stock. At CMP, rolling forward to Jun'28 EPS of Rs 66.83, the stock trades at a PE of 30x. We continue to ascribe a PE of 34x, given its USD 3.4 bn consolidated cash in hand, which can be utilised to strengthen its innovative portfolio, to arrive at a PT of Rs 2,292 (earlier Rs 2,124).

Fig 10 – Change in estimates

	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY28E
Revenue	639,439	705,051	781,548	639439	705051	781548	0.0	0.0	0.0
EBITDA	187,042	223,860	255,964	187042	216810	240333	0.0	3.3	6.5
EBITDA M (%)	29	32	33	29	31	31	0.00bps	100bps	200bps
EPS	52.9	64.3	74.3	52.9	62.1	69.5	0.1	3.6	7.0

Source: Company, BOBCAPS Research

Fig 11 – 1 year forward PE band



Source: Bloomberg

Key Risks

- Lack of pickup in growth in the global innovative portfolio
- Price erosion pressure in the generics portfolio
- Lack of timely approval for Ilumya's new indication

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**525,785**	**584,620**	**639,439**	**705,051**	**781,548**
EBITDA	150,863	164,912	187,042	223,860	255,964
Depreciation	25,754	29,379	31,303	33,324	35,446
EBIT	125,109	135,534	155,739	190,536	220,518
Net interest inc./(exp.)	(2,314)	(3,389)	(3,871)	(4,049)	(4,236)
Other inc./(exp.)	19,650	19,717	18,975	20,922	23,193
Exceptional items	0	0	0	0	0
EBT	142,446	151,862	170,843	207,410	239,475
Income taxes	27,720	35,544	43,001	52,205	60,276
Extraordinary items	(4,923)	(673)	0	0	0
Min. int./Inc. from assoc.	511	851	851	851	851
Reported net profit	**109,292**	**114,794**	**126,991**	**154,354**	**178,348**
Adjustments	4,923	673	0	0	0
Adjusted net profit	**114,215**	**115,467**	**126,991**	**154,354**	**178,348**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	61,843	73,338	73,930	81,515	90,360
Other current liabilities	44,373	58,573	58,951	59,367	59,825
Provisions	66,202	64,562	70,506	77,045	84,237
Debt funds	23,622	46,273	48,390	50,613	52,948
Other liabilities	0	0	0	0	0
Equity capital	2,399	2,399	2,399	2,399	2,399
Reserves & surplus	722,460	836,398	920,224	1,040,968	1,180,775
Shareholders' fund	724,860	838,797	922,623	1,043,367	1,183,174
Total liab. and equities	**920,899**	**1,081,544**	**1,174,401**	**1,311,908**	**1,470,543**
Cash and cash eq.	116,208	109,723	190,506	266,101	355,242
Accounts receivables	130,461	155,097	143,655	158,395	175,581
Inventories	102,433	114,929	105,113	115,899	128,474
Other current assets	95,956	95,831	95,831	95,831	95,831
Investments	183,538	247,225	271,948	299,142	329,057
Net fixed assets	100,359	111,141	116,698	122,533	128,660
CWIP	66,440	30,517	33,569	36,926	40,619
Intangible assets	125,503	217,082	217,082	217,082	217,082
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**920,899**	**1,081,544**	**1,174,401**	**1,311,908**	**1,470,543**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**146,277**	**129,145**	**184,422**	**174,235**	**197,607**
Capital expenditures	(37,591)	(9,053)	(40,893)	(43,090)	(45,412)
Change in investments	(33,280)	(63,687)	(24,723)	(27,195)	(29,914)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(70,872)**	**(72,741)**	**(65,615)**	**(70,285)**	**(75,326)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(9,115)	22,651	2,117	2,223	2,334
Interest expenses	(2,314)	(3,389)	(3,871)	(4,049)	(4,236)
Dividends paid	(19,692)	(20,684)	(22,882)	(27,812)	(32,135)
Other financing cash flows	(38,749)	25,294	(14,369)	708	751
Cash flow from financing	**(69,870)**	**23,873**	**(39,004)**	**(28,930)**	**(33,286)**
Chg in cash & cash eq.	**5,535**	**80,277**	**79,803**	**75,020**	**88,994**
Closing cash & cash eq.	**116,208**	**109,723**	**190,506**	**266,101**	**355,242**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	45.6	47.9	52.9	64.3	74.3
Adjusted EPS	47.6	48.1	52.9	64.3	74.3
Dividend per share	8.2	8.6	9.5	11.6	13.4
Book value per share	301.0	348.4	383.2	433.4	491.5

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	9.5	8.7	8.0	7.4	6.8
EV/EBITDA	33.3	30.7	27.5	23.4	20.9
Adjusted P/E	41.8	41.4	37.6	30.9	26.8
P/BV	6.6	5.7	5.2	4.6	4.0

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	80.2	76.0	74.3	74.4	74.5
Interest burden (PBT/EBIT)	113.9	112.0	109.7	108.9	108.6
EBIT margin (EBIT/Revenue)	23.8	23.2	24.4	27.0	28.2
Asset turnover (Rev./Avg TA)	14.8	14.6	14.2	14.2	14.0
Leverage (Avg TA/Avg Equity)	1.3	1.3	1.3	1.3	1.2
Adjusted ROAE	16.4	14.8	14.4	15.7	16.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	8.4	11.2	9.4	10.3	10.8
EBITDA	16.2	9.3	13.4	19.7	14.3
Adjusted EPS	13.8	1.1	10.0	21.5	15.5
Profitability & Return ratios (%)					
EBITDA margin	28.7	28.2	29.3	31.8	32.8
EBIT margin	23.8	23.2	24.4	27.0	28.2
Adjusted profit margin	21.7	19.8	19.9	21.9	22.8
Adjusted ROAE	16.4	14.8	14.4	15.7	16.0
ROCE	15.8	14.3	14.5	16.1	16.4
Working capital days (days)					
Receivables	84	89	82	82	82
Inventory	70	68	60	60	60
Payables	201	214	211	211	211
Ratios (x)					
Gross asset turnover	1.3	1.7	1.7	1.7	1.7
Current ratio	2.6	2.4	2.6	2.9	3.2
Net interest coverage ratio	54.1	40.0	40.2	47.1	52.1
Adjusted debt/equity	(0.4)	(0.4)	(0.4)	(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 (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%

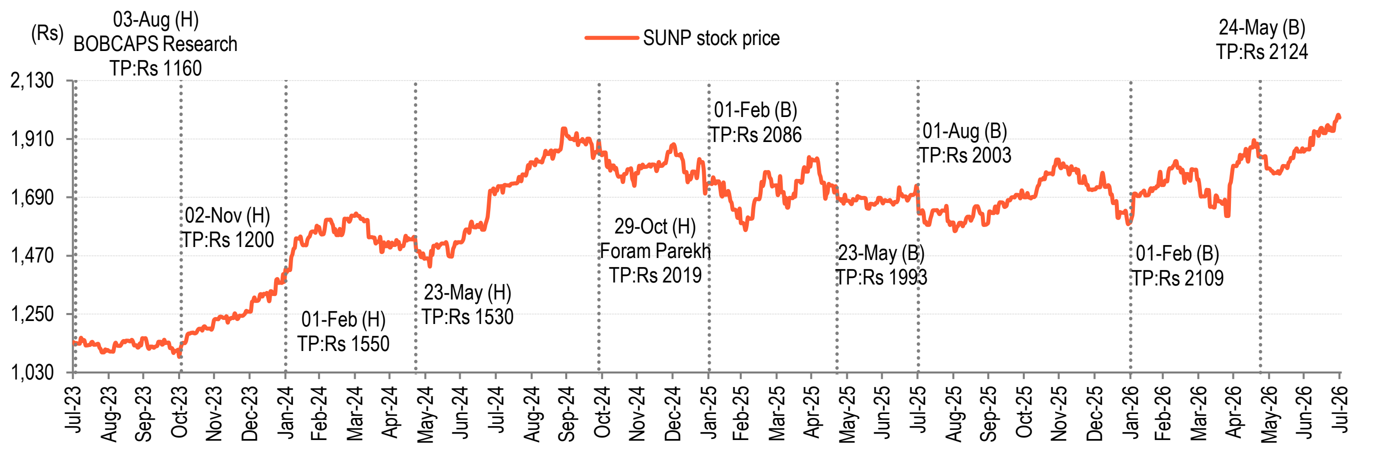
HOLD – Expected return from -6% to +15%

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): SUN PHARMA (SUNP 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.