

Q3 movie pipeline inspires confidence

Media & Entertainment ▶ Company Update ▶ **October 7, 2024**

TARGET PRICE (Rs): 1,850

Post Covid, PVR Inox’s stock performance has been tracking box office collections/upcoming pipeline. After a dull H1CY24, box office collections have picked up and are expected to further improve in Q3FY25. We note a couple of key trends in movies: i) dichotomy in performance of big-budget and mid-size/small movies – big-budget movies that offer differentiated content / experience are seeing more traction; ii) better performance of franchisee movies. The Q3 movie pipeline ticks these boxes and provides comfort on better box office performance, even as we remain cognizant of the structural issues hampering the industry. To improve profitability, mgmt is extensively working on cost control measures, some of which though we reckon may only fructify in the medium term. We tweak FY25-27E EBITDA by 0-2%, factoring in the recent NBOC, but raise target multiple to 12x (from 11.5x), given a better content pipeline; retain BUY; revise up TP to Rs1,850 (12x Sep-26E pre-IndAS EBITDA).

| PVR INOX: Financial Snapshot (Consolidated) | | | | | |
|---|---------|---------|--------|--------|--------|
| Y/E Mar (Rs mn) | FY23 | FY24 | FY25E | FY26E | FY27E |
| Revenue | 37,507 | 61,071 | 64,466 | 75,568 | 83,719 |
| EBITDA | 10,473 | 18,101 | 19,986 | 26,432 | 29,129 |
| Adj. PAT | (3,273) | (334) | 650 | 5,274 | 6,626 |
| Adj. EPS (Rs) | (52.0) | (3.4) | 6.6 | 53.8 | 67.6 |
| EBITDA margin (%) | 27.9 | 29.6 | 31.0 | 35.0 | 34.8 |
| EBITDA growth (%) | 890.4 | 72.8 | 10.4 | 32.3 | 10.2 |
| Adj. EPS growth (%) | 0.0 | 0.0 | 0.0 | 711.4 | 25.6 |
| RoE (%) | (7.5) | (0.5) | 0.9 | 6.9 | 8.0 |
| RoIC (%) | 5.0 | 3.1 | 5.4 | 6.7 | 7.2 |
| P/E (x) | (30.8) | (454.3) | 233.5 | 28.8 | 22.9 |
| EV/EBITDA (x) | 17.0 | 12.7 | 11.6 | 8.7 | 7.8 |
| P/B (x) | 1.4 | 2.1 | 2.1 | 1.9 | 1.8 |
| FCFF yield (%) | 1.3 | 5.7 | 2.6 | 4.1 | 4.7 |

Source: Company, Emkay Research

Content pipeline improving

H1CY24 box-office collections have been weak, owing to: i) lower number of releases in Bollywood and Hollywood; ii) lack of big-budget movies; iii) multiple movies releasing on same day, thus eating into each other’s collections. Box-office collections in Q2 picked up pace, albeit largely led by regional movies where PVR Inox has a lower market share. Among Bollywood, *Stree 2* was the standout performer, emerging as the highest-ever Hindi grossing movie. The Q3 pipeline is much stronger, and is dominated by franchisee movies, which have done exceedingly well in the last few quarters. Some key franchisee Indian movies include *Singham Again*, *Bhool Bhulaiyaa 3*, *Dhadak 2*, *Metro In Dino*, *Pushpa 2*, and *Sitare Zameen Par*, along with a few Hollywood movies as well. The upcoming Hollywood pipeline is also normalizing, as the impact of the strike by writers and actors subsides. Management expects Q3 to be the highest grossing quarter of FY25, given the strength of the titles to be released.

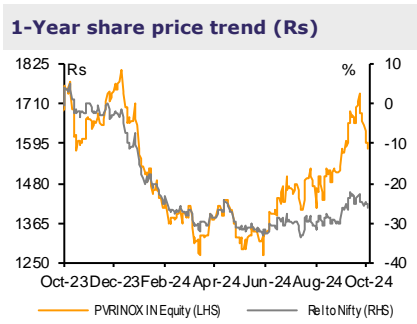
Recalibrating in the post-Covid era

PVR Inox’s occupancies have settled below pre-Covid levels, owing to: i) rapid adoption of OTT; ii) higher ticket and F&B prices; iii) proliferation of social media, with decision-making based on word-of-mouth. This has led to a sharper filtration process, with fewer trips to theatres. To adjust to this new reality, management is taking steps to improve profitability. Screen addition guidance is now much more calibrated compared with that at the announcement of the merger. Further, loss-making screens are being culled on a regular basis. On the revenue front, management’s initiatives include: i) introduction of special offers on ticket prices and F&B; 2) screening of alternate content; 3) introduction of movie passport to drive theatre footfalls. The multiplex chain is also transitioning to a more capital-light model, wherein PVR Inox will jointly partner with developers to invest in new screen capex. All these initiatives are aimed at driving higher footfalls to theaters, while also redistributing the risk with mall developers. However, the impact of these cost initiatives is only likely to be visible a few years from now, in our view.

| | |
|-----------------------|---------|
| Target Price – 12M | Sep-25 |
| Change in TP (%) | 12.1 |
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 19.4 |
| CMP (07-Oct-24) (Rs) | 1,548.9 |

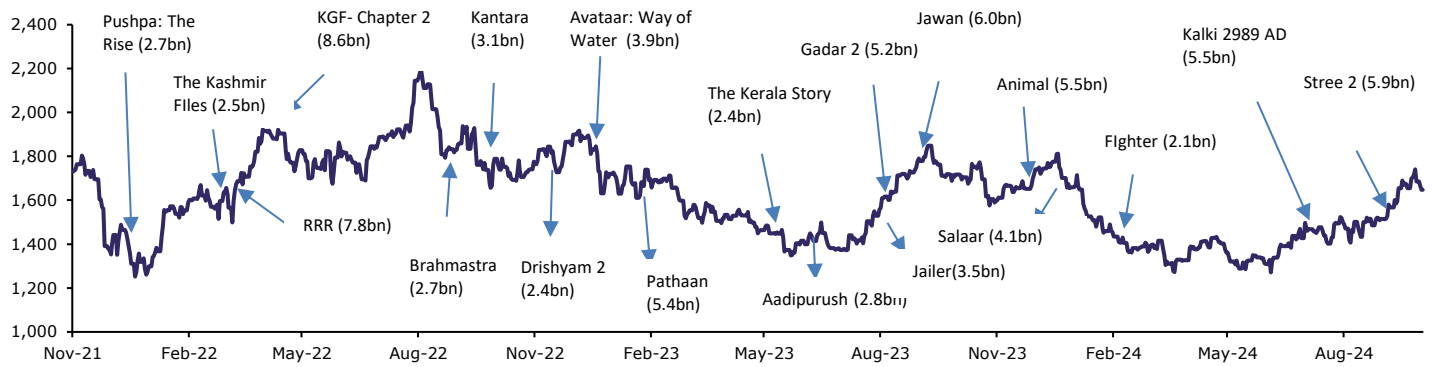
| Stock Data | Ticker |
|-----------------------------|-----------|
| 52-week High (Rs) | 1,830 |
| 52-week Low (Rs) | 1,204 |
| Shares outstanding (mn) | 98.2 |
| Market-cap (Rs bn) | 152 |
| Market-cap (USD mn) | 1,811 |
| Net-debt, FY25E (Rs mn) | 80,956 |
| ADTV-3M (mn shares) | 1 |
| ADTV-3M (Rs mn) | 804.6 |
| ADTV-3M (USD mn) | 9.6 |
| Free float (%) | 72.5 |
| Nifty-50 | 24,796 |
| INR/USD | 84.0 |
| Shareholding, Jun-24 | |
| Promoters (%) | 27.8 |
| FPIs/MFs (%) | 18.1/38.8 |

| Price Performance | | | |
|-------------------|-------|-----|--------|
| (%) | 1M | 3M | 12M |
| Absolute | (1.2) | 5.5 | (9.1) |
| Rel. to Nifty | (0.9) | 3.5 | (28.0) |



Pulkit Chawla
 pulkit.chawla@emkayglobal.com
 +91 22 6624 2458

Exhibit 1: PVR Inox's stock performance and key movies' NBOC



Source: Company, Emkay Research

Exhibit 2: Q2FY25 – Net box-office collections

| Q2FY25 | | |
|-----------------------------------|--------------|--------------------------------|
| Film | Release date | Box office collections (Rs mn) |
| Bollywood | | |
| Kill | 5-Jul-24 | 250 |
| Sarfira | 12-Jul-24 | 249 |
| Bad Newz | 19-Jul-24 | 645 |
| Auron Mein Kahan Dum Tha | 2-Aug-24 | 122 |
| Khel Khel Mein | 15-Aug-24 | 389 |
| Vedaa | 15-Aug-24 | 203 |
| Stree 2 | 15-Aug-24 | 5,887 |
| The Buckingham Murders | 13-Sep-24 | 101 |
| Yudhra | 20-Sep-24 | 113 |
| Hollywood | | |
| Despicable Me 4 | 5-Jul-24 | 168 |
| Deadpool and Wolverine | 26-Jul-24 | 1,326 |
| Regional | | |
| Kalki 2898 | 27-Jun-24 | 3,437 |
| Jatt and Juliet 3 | 27-Jun-24 | 215 |
| Indian 2 | 12-Jul-24 | 813 |
| Bidurbhai | 19-Jul-24 | 132 |
| Raayan | 26-Jul-24 | 945 |
| Bheema | 9-Aug-24 | 193 |
| Thangalaan | 15-Aug-24 | 446 |
| Double iSmart | 15-Aug-24 | 150 |
| Aay | 15-Aug-24 | 139 |
| Vaazha - Biopic of a Billion Boys | 15-Aug-24 | 235 |
| Nunakkuzhi | 15-Aug-24 | 119 |
| Krishnam Pranaya Sakhi | 15-Aug-24 | 183 |
| Mr. Bachchan- The Only Hope | 15-Aug-24 | 107 |
| Demonte Colony 2 | 15-Aug-24 | 357 |
| Vaazhai | 23-Aug-24 | 288 |
| Saripodhaa Sanivaaram | 29-Aug-24 | 631 |
| Bibi Rajni | 30-Aug-24 | 166 |
| The Greatest of All Time | 5-Sep-24 | 2502 |
| Aayante Randam Moshanam (ARM) | 12-Sep-24 | 481 |
| Kishkindha Kaandam | 12-Sep-24 | 346 |
| Mathu Vadalara 2 | 13-Sep-24 | 192 |
| Ardaas Sarbat De Bhale Di | 13-Sep-24 | 132 |
| Lubber Pandhu | 20-Sep-24 | 161 |
| Navra Maza Navsacha 2 | 20-Sep-24 | 164 |
| Meiyazhagan | 27-Sep-24 | 160 |
| Devara - Part 1 | 27-Sep-24 | 1,731 |

Source: Sacnilk, Emkay Research

Exhibit 3: Upcoming movie pipeline

| Release Date | Movie Name | Language | Cast |
|--------------|--|-----------|-------------------------------------|
| 11-Oct-24 | Jigra | Hindi | Alia Bhatt, Vedang Raina |
| 11-Oct-24 | Vicky Vidya Ka Woh Wala Trailer | Hindi | Rajkummar Rao, Triptii Dimri |
| 18-Oct-24 | The Apprentice | English | Sebastian Stan, Jeremy Strong |
| 18-Oct-24 | Goodrich | English | Michael Keaton, Mila Kunis |
| 31-Oct-24 | Lucky Bhaskar | Malayalam | Dulquer Salman, Meenakshi Chaudhary |
| 1-Nov-24 | Singham Again | Hindi | Ajay Devgan, Kareena Kapoor Khan |
| 1-Nov-24 | Bhool Bhulaiyaa 3 | Hindi | Kartik Aaryan, Vidya Balan |
| 14-Nov-24 | Kanguva | Tamil | Suriya, Bobby Deol |
| 15-Nov-24 | Gladiator 2 | English | Paul Mescal, Denzel Washington |
| 15-Nov-24 | The Sabarmati Report | Hindi | Vikrant Massey, Raashii Khanna |
| 22-Nov-24 | Dhadak 2 | Hindi | Siddhant Chaturvedi, Tripti Dimri |
| 29-Nov-24 | Metro In Dino | Hindi | Aditya Roy Kapur, Sara Ali Khan |
| 29-Nov-24 | Moana 2 | English | Auli'i Cravalho, Dwayne Johnson |
| 6-Dec-24 | Chhaava | Hindi | Vicky Kaushal, Rashmika Mandanna |
| 6-Dec-24 | Pushpa 2: The Rule | Telugu | Allu Arjun, Fahad Faasil |
| 13-Dec-24 | Lord of the Rings: The War of Rohirrim | English | Brian Cox, Miranda Otto |
| 13-Dec-24 | Kraven The Hunter | English | Aaron Taylor Johnson, Russell Crowe |
| 20-Dec-24 | Thandel | Telugu | Naga Chaitanya, Sai Pallavi |
| 20-Dec-24 | Viduthali- Part 2 | Tamil | Soori, Vijay Sethupati |
| 20-Dec-24 | Mufasa: The Lion King | English | Aaron Pierre, Kelvin Harisson Jr. |
| 25-Dec-24 | Baby John | Hindi | Varun Dhawan, Keerthy Suresh |
| 25-Dec-24 | Sitaare Zameen Par | Hindi | Aamir Khan, Genelia D'Souza |

Source: Company, Emkay Research

Exhibit 4: Change in Estimates

| Particulars | FY25E | | | FY26E | | | FY27E | | |
|--------------------------------|--------|--------|----------|--------|--------|----------|--------|--------|----------|
| | Old | New | % Change | Old | New | % Change | Old | New | % Change |
| Revenue (Rs mn) | 64,478 | 64,466 | 0.0 | 75,832 | 75,568 | -0.3 | 83,968 | 83,719 | -0.3 |
| EBITDA (Rs mn) | 20,333 | 19,986 | -1.7 | 26,490 | 26,432 | -0.2 | 29,177 | 29,129 | -0.2 |
| EBITDA Margin (%) | 31.5 | 31.0 | -50 bps | 34.9 | 35.0 | 8 bps | 34.7 | 34.8 | 9 bps |
| EBITDA (Adj. for IndAS; Rs mn) | 9,021 | 8,500 | -5.8 | 14,687 | 14,687 | 0.0 | 17,138 | 17,149 | 0.1 |
| PAT (Rs mn) | 1,135 | 650 | -42.7 | 5,317 | 5,274 | -0.8 | 6,557 | 6,626 | 1.1 |
| EPS (Rs) | 11.6 | 6.6 | -42.8 | 54.3 | 53.8 | -0.9 | 66.9 | 67.6 | 1.1 |

Source: Company, Emkay Research

PVR INOX: Consolidated Financials and Valuations

| Profit & Loss | | | | | |
|-----------------------------|----------------|---------------|---------------|---------------|---------------|
| Y/E Mar (Rs mn) | FY23 | FY24 | FY25E | FY26E | FY27E |
| Revenue | 37,507 | 61,071 | 64,466 | 75,568 | 83,719 |
| Revenue growth (%) | 181.8 | 62.8 | 5.6 | 17.2 | 10.8 |
| EBITDA | 10,473 | 18,101 | 19,986 | 26,432 | 29,129 |
| EBITDA growth (%) | 890.4 | 72.8 | 10.4 | 32.3 | 10.2 |
| Depreciation & Amortization | 7,533 | 12,193 | 12,700 | 13,200 | 14,500 |
| EBIT | 2,940 | 5,908 | 7,286 | 13,232 | 14,629 |
| EBIT growth (%) | 0.0 | 101.0 | 23.3 | 81.6 | 10.6 |
| Other operating income | 0 | 0 | 0 | 0 | 0 |
| Other income | 791 | 1,566 | 1,337 | 1,700 | 1,900 |
| Financial expense | 5,716 | 7,913 | 8,025 | 7,885 | 7,675 |
| PBT | (1,986) | (439) | 598 | 7,048 | 8,855 |
| Extraordinary items | (108) | 0 | 0 | 0 | 0 |
| Taxes | 1,274 | (112) | (52) | 1,774 | 2,229 |
| Minority interest | 13 | 7 | 0 | 0 | 0 |
| Income from JV/Associates | 0 | 0 | 0 | 0 | 0 |
| Reported PAT | (3,381) | (334) | 650 | 5,274 | 6,626 |
| PAT growth (%) | 0.0 | 0.0 | 0.0 | 711.4 | 25.6 |
| Adjusted PAT | (3,273) | (334) | 650 | 5,274 | 6,626 |
| Diluted EPS (Rs) | (52.0) | (3.4) | 6.6 | 53.8 | 67.6 |
| Diluted EPS growth (%) | 0.0 | 0.0 | 0.0 | 711.4 | 25.6 |
| DPS (Rs) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend payout (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITDA margin (%) | 27.9 | 29.6 | 31.0 | 35.0 | 34.8 |
| EBIT margin (%) | 7.8 | 9.7 | 11.3 | 17.5 | 17.5 |
| Effective tax rate (%) | (64.2) | 25.5 | (8.7) | 25.2 | 25.2 |
| NOPLAT (pre-IndAS) | 4,826 | 4,401 | 7,920 | 9,902 | 10,947 |
| Shares outstanding (mn) | 65.0 | 98.0 | 98.0 | 98.0 | 98.0 |

Source: Company, Emkay Research

| Cash flows | | | | | |
|------------------------------|----------------|-----------------|----------------|----------------|----------------|
| Y/E Mar (Rs mn) | FY23 | FY24 | FY25E | FY26E | FY27E |
| PBT | (1,986) | (439) | 598 | 7,048 | 8,855 |
| Others (non-cash items) | 12,589 | 19,013 | 8,025 | 7,885 | 7,675 |
| Taxes paid | 1 | 326 | 52 | (1,774) | (2,229) |
| Change in NWC | (1,969) | 890 | 2,213 | 752 | 517 |
| Operating cash flow | 8,635 | 19,790 | 10,888 | 13,910 | 14,817 |
| Capital expenditure | (6,339) | (6,269) | (4,822) | (4,236) | (3,980) |
| Acquisition of business | 0 | 0 | 0 | 0 | 0 |
| Interest & dividend income | 88 | 17 | 0 | 0 | 0 |
| Investing cash flow | (5,759) | (6,266) | (4,822) | (4,236) | (3,980) |
| Equity raised/(repaid) | 305 | 188 | 0 | 0 | 0 |
| Debt raised/(repaid) | 1,260 | (732) | 0 | (2,000) | (3,000) |
| Payment of lease liabilities | (7,059) | (10,589) | 659 | 1,330 | 1,357 |
| Interest paid | (1,442) | (1,792) | (8,025) | (7,885) | (7,675) |
| Dividend paid (incl tax) | 0 | 0 | 0 | 0 | 0 |
| Others | 301 | 108 | 108 | 108 | 108 |
| Financing cash flow | (6,634) | (12,817) | (7,259) | (8,446) | (9,210) |
| Net chg in Cash | (3,758) | 707 | (1,192) | 1,228 | 1,627 |
| OCF | 8,635 | 19,790 | 10,888 | 13,910 | 14,817 |
| Adj. OCF (w/o NWC chg.) | 6,666 | 20,680 | 13,101 | 14,663 | 15,334 |
| FCFF | 2,296 | 13,521 | 6,066 | 9,674 | 10,837 |
| FCFE | (3,333) | 5,625 | (1,958) | 1,790 | 3,163 |
| OCF/EBITDA (%) | 82.5 | 109.3 | 54.5 | 52.6 | 50.9 |
| FCFE/PAT (%) | 98.6 | (1,684.1) | (301.3) | 33.9 | 47.7 |
| FCFF/NOPLAT (%) | 47.6 | 307.2 | 76.6 | 97.7 | 99.0 |

Source: Company, Emkay Research

| Balance Sheet | | | | | |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E Mar (Rs mn) | FY23 | FY24 | FY25E | FY26E | FY27E |
| Share capital | 980 | 980 | 980 | 980 | 980 |
| Reserves & Surplus | 72,319 | 72,254 | 72,904 | 78,178 | 84,803 |
| Net worth | 73,299 | 73,234 | 73,884 | 79,157 | 85,783 |
| Minority interests | (7) | (3) | (3) | (3) | (3) |
| Deferred tax liability (net) | (4,735) | (4,881) | (4,881) | (4,881) | (4,881) |
| Total debt | 80,519 | 83,035 | 83,694 | 83,024 | 81,381 |
| Total liabilities & equity | 1,49,076 | 1,51,385 | 1,52,693 | 1,57,297 | 1,62,280 |
| Net tangible fixed assets | 29,432 | 32,227 | 36,527 | 40,327 | 43,827 |
| Net intangible assets | 1,480 | 1,377 | 1,652 | 1,818 | 1,999 |
| Net ROU assets | 53,746 | 53,746 | 53,746 | 53,746 | 53,746 |
| Capital WIP | 2,473 | 2,464 | 2,710 | 2,981 | 3,280 |
| Goodwill | 57,428 | 57,431 | 57,431 | 57,431 | 57,431 |
| Investments [JV/Associates] | 2,312 | 161 | 161 | 161 | 161 |
| Cash & equivalents | 3,616 | 4,038 | 2,737 | 3,857 | 5,377 |
| Current assets (ex-cash) | 9,510 | 11,852 | 11,958 | 13,388 | 14,453 |
| Current Liab. & Prov. | 10,922 | 11,910 | 14,230 | 16,412 | 17,993 |
| NWC (ex-cash) | (1,411) | (58) | (2,271) | (3,024) | (3,540) |
| Total assets | 1,49,076 | 1,51,386 | 1,52,694 | 1,57,298 | 1,62,281 |
| Net debt | 76,903 | 78,997 | 80,956 | 79,167 | 76,004 |
| Capital employed | 1,49,076 | 1,51,385 | 1,52,693 | 1,57,297 | 1,62,280 |
| Invested capital | 1,40,674 | 1,44,723 | 1,47,085 | 1,50,298 | 1,53,463 |
| BVPS (Rs) | 1,127.2 | 747.5 | 754.1 | 808.0 | 875.6 |
| Net Debt/Equity (x) | 1.0 | 1.1 | 1.1 | 1.0 | 0.9 |
| Net Debt/EBITDA (x) | 7.3 | 4.4 | 4.1 | 3.0 | 2.6 |
| Interest coverage (x) | 1.5 | 1.1 | 0.9 | 0.5 | 0.5 |
| RoCE (%) | 3.6 | 5.0 | 5.7 | 9.6 | 10.3 |

Source: Company, Emkay Research

| Valuations and key Ratios | | | | | |
|---------------------------|---------------|--------------|---------------|---------------|---------------|
| Y/E Mar | FY23 | FY24 | FY25E | FY26E | FY27E |
| P/E (x) | (30.8) | (454.3) | 233.5 | 28.8 | 22.9 |
| P/CE(x) | 24.4 | 13.2 | 11.7 | 8.5 | 7.4 |
| P/B (x) | 1.4 | 2.1 | 2.1 | 1.9 | 1.8 |
| EV/Sales (x) | 4.7 | 3.8 | 3.6 | 3.1 | 2.7 |
| EV/EBITDA (x) | 17.0 | 12.7 | 11.6 | 8.7 | 7.8 |
| EV/EBIT(x) | 61.5 | 39.9 | 32.6 | 17.8 | 15.9 |
| EV/IC (x) | 1.3 | 1.6 | 1.6 | 1.6 | 1.5 |
| FCFF yield (%) | 1.3 | 5.7 | 2.6 | 4.1 | 4.7 |
| FCFE yield (%) | (3.2) | 3.6 | (1.2) | 1.1 | 2.0 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| DuPont-RoE split | | | | | |
| Net profit margin (%) | (8.7) | (0.5) | 1.0 | 7.0 | 7.9 |
| Total asset turnover (x) | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 |
| Assets/Equity (x) | 2.4 | 2.1 | 2.1 | 2.0 | 1.9 |
| RoE (%) | (7.5) | (0.5) | 0.9 | 6.9 | 8.0 |
| DuPont-RoIC | | | | | |
| NOPLAT margin (%) | 12.9 | 7.2 | 12.3 | 13.1 | 13.1 |
| IC turnover (x) | 0.4 | 0.4 | 0.4 | 0.5 | 0.6 |
| RoIC (%) | 5.0 | 3.1 | 5.4 | 6.7 | 7.2 |
| Operating metrics | | | | | |
| Core NWC days | (13.7) | (0.3) | (12.9) | (14.6) | (15.4) |
| Total NWC days | (13.7) | (0.3) | (12.9) | (14.6) | (15.4) |
| Fixed asset turnover | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Opex-to-revenue (%) | 50.2 | 47.3 | 46.0 | 41.7 | 41.8 |

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 10/08/2024 02:13 PM

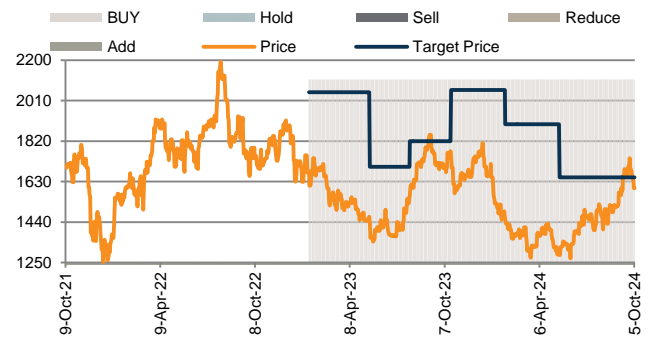
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (INR) | TP (INR) | Rating | Analyst |
|-----------|---------------------|----------|--------|---------------|
| 22-Jul-24 | 1,430 | 1,650 | Buy | Pulkit Chawla |
| 20-Jun-24 | 1,384 | 1,650 | Buy | Pulkit Chawla |
| 14-May-24 | 1,297 | 1,650 | Buy | Pulkit Chawla |
| 31-Jan-24 | 1,455 | 1,900 | Buy | Pulkit Chawla |
| 30-Nov-23 | 1,718 | 2,060 | Buy | Pulkit Chawla |
| 19-Oct-23 | 1,745 | 2,060 | Buy | Pulkit Chawla |
| 01-Aug-23 | 1,565 | 1,820 | Buy | Pulkit Chawla |
| 25-Jul-23 | 1,484 | 1,700 | Buy | Pulkit Chawla |
| 16-May-23 | 1,435 | 1,700 | Buy | Pulkit Chawla |
| 19-Jan-23 | 1,678 | 2,050 | Buy | Pulkit Chawla |

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons¹ may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of October 7, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of October 7, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the October 7, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

| Ratings | Expected Return within the next 12-18 months. |
|---------------|---|
| BUY | >15% upside |
| ADD | 5-15% upside |
| REDUCE | 5% upside to 15% downside |
| SELL | <15% downside |

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL 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. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.