

India

ADD (no change)

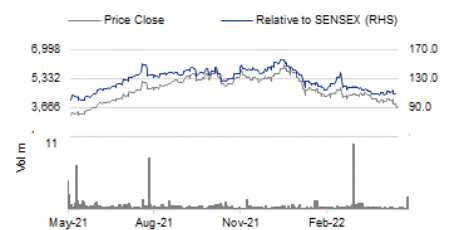
Consensus ratings*: Buy 19 Hold 6 Sell 2

Current price:	Rs3,722
Target price:	Rs4,523
Previous target:	Rs6,229
Up/downside:	21.5%
InCred Research / Consensus:	-16.9%
Reuters:	NITT.NS
Bloomberg:	COFORGE IN
Market cap:	US\$2,935m
	Rs226,694m
Average daily turnover:	US\$29.4m
	Rs2268.3m
Current shares o/s:	62.1m
Free float:	50.0%

*Source: Bloomberg

Key changes in this note

- Raise FY22-24F revenue CAGR by 2.5%.
- Raise FY22-24F EBITDA CAGR by 3%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(13.7)	(18.1)	8.9
Relative (%)	(6.5)	(11.9)	(2.0)

Major shareholders	% held
AXIS MUTUAL FUND	6.5
UTI FLEXI CAP FUND	3.4
SMALLCAP WORLD FUND, INC	2.3

Analyst(s)



Abhishek SHINDADKAR
T (91) 22 4161 1543
E abhishek.shindadkr@incredcapital.com

Tushar WAVHAL
T (91) 22 4161 1544
E tushar.wavhal@incredcapital.com

Coforge Limited

Good revenue; margins could've been better

- Good 4Q, deal wins lead to respectable 20% FY23F revenue growth guidance.
- Management commentary and operational levers suggest EBITDA margin guidance could be conservative.
- Retain Add rating with a revised target price of Rs4,523 (Rs6,229 earlier).

Good on revenue but a miss on margins

Coforge's 4QFY22 revenue was in line with our estimate but reported EBITDA margin was 51bp short of expectations despite ~100bp improvement in gross margin. Deal win momentum was robust (even as new sales hires are not contributing) with 4QFY22 trailing 12-month order book and executable book over next 12 months up ~48% and ~38%, respectively, and leading to an encouraging FY23F revenue growth guidance of ~20%. EBITDA margin commentary and available operational levers suggest the guidance (18.5%-19%) could be conservative. We adjust our estimates accordingly.

Robust order book leads to growth visibility

Order intake at US\$302m, up 50.2% yoy, was encouraging while the executable order book over next 12 months, up 38.5% yoy at US\$720m, provides good growth visibility. The company signed three large deals (>US\$20m), with one US\$50m+ TCV deal in 4QFY22 while the FY22 tally stood at 11 with one US\$100m+ and three US\$50m+ deals. It is heartening to note that ~48% increase in sales headcount cohort is yet to reflect in bookings growth and it could contribute to the deal funnel in FY23F.

Adjusted EBITDA margin guidance at 18.5-19% for FY23F

EBITDA margin, adjusted for ESOP and acquisition-related expenses, at 20.4% were up 90bp qoq and 239bp yoy while reported margin at 18.9% was up 68bp qoq and 207bp yoy. Current guidance factors in higher-than-usual wage hikes, effective Apr 2022, while continued recovery in travel vertical, offshoring (up 600bp in FY22), employee pyramid rationalisation, growth leverage, lower ESOP charges (60-65bp in FY23F vs. 100bp in FY22 includes one-time incentive) & likely absence of acquisition-related expenses (40bp in FY22) are key margin levers. We expect an avg. 18.4% EBITDAM over FY23F-24F.

Retain Add rating with a revised target price of Rs4,523

We retain Add rating on Coforge, despite trimming the valuation multiple, with a revised target price of Rs4,523 (Rs6,229 earlier). We revise FY22-24F US\$ revenue CAGR to 19% (vs. 16.5% earlier) and PAT (Rs) CAGR to 24.8% (vs 24.2% earlier) to factor in 4Q performance and guidance. Like peers, we cut our PE/G multiple to 1.1x (vs. 1.58x earlier) implying a P/E multiple of 27x (vs. 38x earlier) to factor in uncertain macro and to account for an overhang relating to the proposed ADS offering. Steady cash generation and high payout ratio (avg. 66% payout of free cash flow over last 3 years) provide cushion to our view. Moderation in deal velocity and senior leadership attrition rate are key downside risks to our revenue growth and EBIT margin assumptions.

Financial Summary	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue (Rsm)	41,839	46,628	64,320	79,696	94,460
Operating EBITDA (Rsm)	7,198	7,865	11,155	14,744	17,244
Net Profit (Rsm)	4,547	4,986	6,618	8,536	10,303
Core EPS (Rs)	71.9	77.2	106.7	137.5	166.0
Core EPS Growth	10.0%	7.5%	38.1%	28.9%	20.7%
FD Core P/E (x)	50.97	46.44	34.88	27.06	22.42
DPS (Rs)	31.0	13.0	52.0	68.8	83.0
Dividend Yield	0.89%	0.34%	1.37%	1.85%	2.23%
EV/EBITDA (x)	30.93	28.39	20.68	15.29	12.80
P/FCFE (x)	103.29	33.85	48.72	27.69	23.38
Net Gearing	(38.1%)	(33.4%)	(4.1%)	(20.0%)	(29.8%)
P/BV (x)	9.70	9.35	8.45	7.31	6.28
ROE	20.0%	19.8%	25.5%	29.0%	30.1%
% Change In Core EPS Estimates			0.01%	(0.02%)	0.02%
InCred Research/Consensus EPS (x)			0.97	0.96	0.96

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 1: Quarterly performance

YE Mar (Rs m)	4QFY22	4QFY21	YoY (%)	3QFY22	QoQ (%)	4QFY22E	Var. (%)
Revenue (US\$ m)	232.4	172.1	35.0	221.6	4.9	231.6	0.3
Net sales (Rs m)	17,429	12,615	38.2	16,581	5.1	17,417	0.1
USD-Rs realization	75.0	73.3	2.3	74.8	0.2	75.2	(0.3)
EBITDA	3,293	2,122	55.2	3,020	9.0	3,379	(2.5)
EBITDA Margin (%)	18.9	16.8	207 bp	18.2	68 bp	19.4	(51 bp)
EBIT	2,709	1,673	61.9	2,454	10.4	2,782	(2.6)
EBIT Margin (%)	15.5	13.3	228 bp	14.8	74 bp	16.0	(43 bp)
Depreciation	584	449	30.1	566	3.2	597	(2.2)
Net other income	-119	109	(209.2)	-123	(3.3)	-30	296.7
PBT	2,590	1,782	45.3	2,331	11.1	2,752	(5.9)
Provision for tax	342	408	(16.2)	360	(5.0)	605	(43.5)
% tax rate	13.2	22.9	(969 bp)	15.4	(224 bp)	22.0	(880 bp)
Net Profit	2,077	1,330	56.2	1,836	13.1	2,012	3.3
EPS (Rs)	33.5	21.5	55.4	29.6	13.1	32.4	3.2

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Key conference-call takeaways

- Coforge is focused on carving an accelerated growth path to its US\$2bn revenue milestone vs. 4QFY22 annualized revenue of US\$930m.
- Reported organic US\$ growth was 24.9% in FY22 while consolidated growth was 38% yoy.
- Travel, transportation & hospitality vertical witnessed a strong recovery, and the momentum is likely to continue in CY22F.
- Catastrophic events impacting claims could moderate discretionary spending in insurance vertical.
- Preferred partner status, increasing wallet share and client mining engine productivity driving growth in top accounts. Coforge has 18 clients with US\$10m+ in revenue vs. 11 in 4QFY21.
- The company continues to strengthen its partnership ecosystem for differentiated capabilities. Coforge is now AWS competency partner for travel, transportation, and hospitality vertical. Coforge is among the nine global elite partners for Pega Solutions.
- Gross margin (GM) expansion driven by pricing and a return to the pre-pandemic GM level in travel vertical, offshoring, and increased fresher hiring (6.7x FY21) helped EBIT margin expansion in FY22.
- Growth remains the primary imperative. Coforge to continue investing in sales and marketing, and solutioning capabilities.
- Normalized tax rate in 4QFY22 was at 21.5% vs. the reported 13.2% due to one-off.

Figure 2: Operating metric trend

	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Operating trends									
Revenue (USD m)	154.8	139.9	154.5	160.8	172.1	199.7	212.8	221.6	232.4
Growth YoY (%)	12.2	1.0	3.9	6.3	11.2	42.7	37.7	37.8	35.0
Growth QoQ (%)	2.3	-9.6	10.5	4.1	7.0	16.0	6.6	4.1	4.9
Revenue (Rs. m)	11,093	10,570	11,537	11,906	12,615	14,616	15,694	16,581	17,429
Growth YoY (%)	14.1	9.8	11.1	10.9	13.7	38.3	36.0	39.3	38.2
Growth QoQ (%)	3.3	-4.7	9.1	3.2	6.0	15.9	7.4	5.7	5.1
EBIT Margin (%)	13.9	11.6	13.8	13.0	13.3	10.8	13.6	14.8	15.5
USD-INR realized rate	71.66	75.6	74.66	74.04	73.3	73.2	73.8	74.8	75.0
Headcount	11,156	10,598	11,162	11,424	12,391	20,491	20,786	22,130	22,500
Utilization - (%)	78.1	77.0	81.0	78.9	81.0	77.0	78.5	77.1	76.1
Attrition (%)	11.8	11.8	10.5	10.4	10.5	12.6	15.3	16.3	17.7
Vertical (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
BFS	15.0	17.0	17.0	18.5	17.0	21.0	24.1	28.4	27.7
Insurance	31.0	33.0	34.0	31.5	31.0	31.0	29.2	27.8	25.7
TTH	27.0	19.0	19.0	20.0	19.0	19.0	18.6	18.3	20.1
Others	27.0	30.0	30.0	30.0	33.0	29.0	28.1	25.4	26.5
Vertical (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
BFS	23.2	23.8	26.3	29.7	29.3	41.9	51.3	62.9	64.4
Insurance	48.0	46.2	52.5	50.7	53.4	61.9	62.1	61.6	59.7
TTH	41.8	26.6	29.4	32.2	32.7	37.9	39.6	40.6	46.7
Others	41.8	42.0	46.4	48.2	56.8	57.9	59.8	56.3	61.6
Vertical YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
BFS	5.2	7.3	3.9	22.9	26.0	76.3	95.2	111.6	120.0
Insurance	24.2	14.9	14.0	11.6	11.2	34.1	18.3	21.6	12.0
TTH	12.2	-31.5	-29.5	-26.7	-21.8	42.7	34.8	26.1	42.9
Others	4.5	12.2	29.9	27.6	35.9	38.0	29.0	16.7	8.4
Vertical QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
BFS	-4.0	2.4	10.5	13.2	-1.7	43.3	22.3	22.7	2.3
Insurance	5.8	-3.8	13.8	-3.6	5.3	16.0	0.4	-0.9	-3.0
TTH	-4.7	-36.4	10.5	9.5	1.7	16.0	4.3	2.5	15.2
Others	10.5	0.4	10.5	4.1	17.7	2.0	3.3	-5.9	9.4
Incremental revenue (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
BFS	-1.0	0.6	2.5	3.5	-0.5	12.7	9.3	11.6	1.4
Insurance	2.6	-1.8	6.4	-1.9	2.7	8.6	0.2	-0.5	-1.9
TTH	-2.1	-15.2	2.8	2.8	0.5	5.2	1.6	1.0	6.2
Others	4.0	0.2	4.4	1.9	8.6	1.1	1.9	-3.5	5.3
Geography (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	46.0	47.0	48.0	49.4	46	52	52.2	53.3	49.9
EMEA	40.0	36.0	36.0	35.8	40	35	32.5	33.7	39.8
ROW	14.0	17.0	16.0	14.8	14	13	15.3	13	10.3
Geography (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	71.2	65.8	74.2	79.4	79.2	103.8	111.1	118.1	116.0
EMEA	61.9	50.4	55.6	57.6	68.8	69.9	69.2	74.7	92.5
ROW	21.7	23.8	24.7	23.8	24.1	26.0	32.6	28.8	23.9
Geography YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	5.3	-3.1	1.8	9.4	11.2	57.9	49.8	48.7	46.5
EMEA	36.0	3.9	1.1	2.9	11.2	38.8	24.3	29.7	34.4
ROW	-12.7	7.3	18.8	4.9	11.2	9.2	31.7	21.0	-0.7
Geography QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	-1.9	-7.7	12.8	7.1	-0.3	31.2	7.0	6.3	-1.8
EMEA	10.6	-18.7	10.5	3.5	19.6	1.5	-1.1	8.0	23.9
ROW	-4.5	9.7	4.0	-3.7	1.2	7.7	25.4	-11.5	-16.9
Incremental revenue (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Americas	-1.4	-5.5	8.4	5.3	-0.3	24.7	7.2	7.0	-2.1
EMEA	6.0	-11.6	5.3	1.9	11.3	1.1	-0.7	5.5	17.8
ROW	-1.0	2.1	0.9	-0.9	0.3	1.9	6.6	-3.8	-4.9
Deal wins (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Order intake	180	186	200	193	201	319	285	248	302
QoQ (%)	-17.4	3.3	7.5	-3.5	4.1	58.7	-10.7	-13.0	21.8
YoY (%)	5.9	6.3	13.6	-11.5	11.7	71.5	42.5	28.5	50.2
TTM order intake	749	760	784	759	780	913	998	1053	1154
Executable book over next 12 months	468	465	489	501	520	645	688	701	720
QoQ (%)	10.4	-0.6	5.2	2.5	3.8	24.0	6.7	1.9	2.7
YoY (%)	20.0	17.7	20.7	18.2	11.1	38.7	40.7	39.9	38.5
Clients (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	27.0	26.3	25.0	24.4	25.0	24.6	22.5	25.2	23.1
Top 6-10	10.0	11.2	11.0	9.8	11.5	11.3	10.5	10.9	11.9
Non top 10	63.0	62.5	64.0	65.8	63.5	64.1	67.0	63.9	65.0
Clients (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	41.8	36.8	38.6	39.2	43.0	49.1	47.9	55.8	53.7
Top 6-10	15.5	15.7	17.0	15.8	19.8	22.6	22.3	24.2	27.7
Non top 10	97.5	87.4	98.9	105.8	109.3	128.0	142.6	141.6	151.1
Clients YoY (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	4.5	-1.6	-10.4	-3.9	2.9	33.5	23.9	42.3	24.8
Top 6-10	-6.5	-5.7	14.3	15.8	27.9	44.0	31.5	53.3	39.7
Non top 10	19.8	3.5	9.0	9.3	12.1	46.4	44.2	33.8	38.2
Clients QoQ (%)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	2.3	-12.0	5.0	1.6	9.7	14.2	-2.5	16.6	-3.9
Top 6-10	13.7	1.2	8.5	-7.3	25.6	14.0	-1.0	8.1	14.5
Non top 10	0.8	-10.3	13.1	7.0	3.3	17.1	11.4	-0.7	6.7
Incremental revenue (USD m)	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Top 5	1.0	-5.0	1.8	0.6	3.8	6.1	-1.2	8.0	-2.2

Top 6-10	1.9	0.2	1.3	-1.2	4.0	2.8	-0.2	1.8	3.5
Non top 10	0.7	-10.1	11.5	6.9	3.5	18.7	14.6	-1.0	9.5
Per employee analysis	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
Revenues (USD m) - TTM	593.3	594.6	600.5	610.0	627.3	687.1	745.4	806.2	866.5
Employees (Average TTM)	10,776	10,851	10,941	11,085	11,394	13,867	16,273	18,950	21,477
Revenue per employee (TTM)	55,057	54,802	54,882	55,032	55,059	49,552	45,806	42,545	40,346

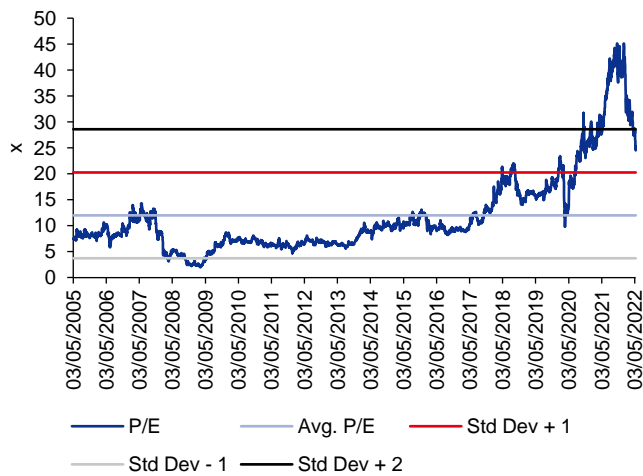
SOURCES: INCRED RESEARCH, COMPANY REPORTS, BFS IS BANKING & FINANCIAL SERVICES, TTH IS TRAVEL, TRANSPORTATION & HOSPITALITY

Figure 3: Change in our earnings estimates

Y/E, Mar (Rs m)	FY23F			FY24F		
	New	Old	% change	New	Old	% change
US\$ revenue	1,049	1,023	2.5	1,227	1,177	4.3
Revenue	79,696	76,729	3.9	94,460	89,418	5.6
EBIT	12,114	11,509	5.3	14,268	13,413	6.4
EBIT Margin (%)	15.2	15.0	20 bp	15.1	15.0	10 bp
Net PAT	8,536	8,722	-2.1	10,303	10,145	1.6
EPS (Rs)	137.5	140.5	-2.1	166.0	163.5	1.6

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 4: One-year forward P/E is at 24.5x....

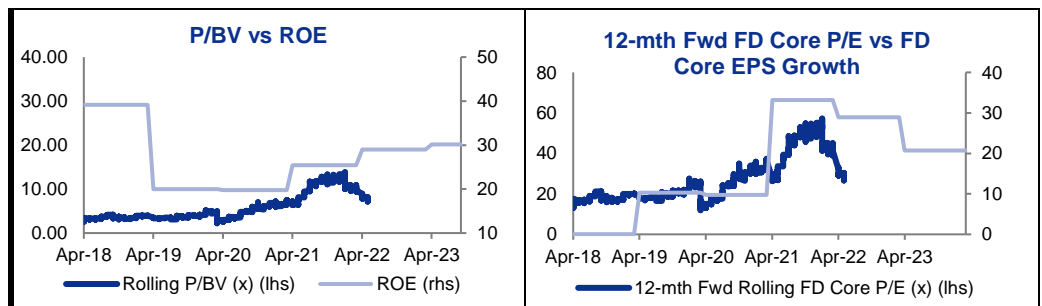


SOURCES: INCRED RESEARCH, BLOOMBERG

Figure 5: ...and EV/EBITDA is at 14.4x



SOURCES: INCRED RESEARCH, BLOOMBERG

BY THE NUMBERS

Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Net Revenues	41,839	46,628	64,320	79,696	94,460
Gross Profit	14,311	14,935	20,584	25,901	30,700
Operating EBITDA	7,198	7,865	11,155	14,744	17,244
Depreciation And Amortisation	(1,730)	(1,836)	(2,272)	(2,630)	(2,975)
Operating EBIT	5,468	6,029	8,883	12,114	14,268
Financial Income/(Expense)	(50)	(34)	(267)	(293)	(183)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	572	217			
Profit Before Tax (pre-EI)	5,990	6,212	8,616	11,821	14,085
Exceptional Items					
Pre-tax Profit	5,990	6,212	8,616	11,821	14,085
Taxation	(1,278)	(1,302)	(1,468)	(2,601)	(3,099)
Exceptional Income - post-tax	71	180			
Profit After Tax	4,783	5,090	7,148	9,220	10,987
Minority Interests	(236)	(104)	(530)	(684)	(684)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	4,547	4,986	6,618	8,536	10,303
Recurring Net Profit	4,476	4,806	6,618	8,536	10,303
Fully Diluted Recurring Net Profit	4,476	4,806	6,618	8,536	10,303

Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
EBITDA	7,198	7,865	11,155	14,744	17,244
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(2,664)	502	(1,433)	(1,665)	(2,241)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	249	938	(530)	(684)	(684)
Other Operating Cashflow					
Net Interest (Paid)/Received			(267)	(293)	(183)
Tax Paid	(1,814)	(1,682)	(2,646)	(2,601)	(3,099)
Cashflow From Operations	2,969	7,623	6,279	9,501	11,037
Capex	(725)	(782)	(1,541)	(1,160)	(1,160)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	1,848	(1,572)	(8,023)	(293)	(183)
Cash Flow From Investing	1,123	(2,354)	(9,564)	(1,453)	(1,343)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased		(4,166)			
Dividends Paid	(1,469)	(686)	(3,748)	(4,268)	(5,151)
Preferred Dividends					
Other Financing Cashflow	142	(679)	2,190		
Cash Flow From Financing	(1,327)	(5,531)	(1,558)	(4,268)	(5,151)
Total Cash Generated	2,765	(262)	(4,843)	3,780	4,543
Free Cashflow To Equity	2,244	6,841	4,738	8,341	9,877
Free Cashflow To Firm	4,092	5,269	(3,018)	8,341	9,877

SOURCES: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Cash And Equivalents	9,171	8,246	4,535	9,889	14,615
Total Debtors	10,813	11,312	15,194	16,594	19,927
Inventories					
Total Other Current Assets	1,526	1,737	2,480	2,480	2,480
Total Current Assets	21,510	21,295	22,209	28,964	37,022
Fixed Assets	4,808	4,518	6,013	3,263	1,448
Total Investments	650	1,829	2,719	2,719	2,719
Intangible Assets	5,988	5,690	14,821	14,821	14,821
Total Other Non-Current Assets	1,442	1,802	3,781	3,781	3,781
Total Non-current Assets	12,888	13,839	27,334	24,584	22,769
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	2,634	3,398	6,160	5,895	6,987
Other Current Liabilities	5,308	5,027	5,632	5,632	5,632
Total Current Liabilities	7,942	8,425	11,792	11,527	12,619
Total Long-term Debt	48	5	3,365	3,365	3,365
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,443	2,043	6,073	6,073	6,073
Total Non-current Liabilities	2,491	2,048	9,438	9,438	9,438
Total Provisions					
Total Liabilities	10,433	10,473	21,230	20,965	22,057
Shareholders Equity	23,965	24,661	27,331	31,599	36,751
Minority Interests			983	983	983
Total Equity	23,965	24,661	28,314	32,582	37,734

Key Ratios					
	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue Growth	13.8%	11.4%	37.9%	23.9%	18.5%
Operating EBITDA Growth	11.6%	9.3%	41.8%	32.2%	17.0%
Operating EBITDA Margin	17.2%	16.9%	17.3%	18.5%	18.3%
Net Cash Per Share (Rs)	146.06	132.96	18.85	105.13	181.28
BVPS (Rs)	383.67	397.88	440.39	509.16	592.16
Gross Interest Cover	35.28	42.16	33.27	41.37	78.08
Effective Tax Rate	21.3%	21.0%	17.0%	22.0%	22.0%
Net Dividend Payout Ratio	46.1%	16.4%	47.7%	50.0%	50.0%
Accounts Receivables Days	78.25	86.60	75.21	72.79	70.56
Inventory Days					
Accounts Payables Days	28.38	34.73	39.88	40.90	36.87
ROIC (%)	33.0%	28.6%	44.3%	31.0%	37.8%
ROCE (%)	19.2%	19.6%	26.2%	27.9%	28.9%
Return On Average Assets	15.1%	14.2%	17.4%	18.3%	19.6%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

DISCLAIMER

This report (including the views and opinions expressed therein, and the information comprised therein) has been prepared for and is distributed by CGS-CIMB, Incred Research Services Private Limited (formerly known as by Earnest Innovation Partners Private Limited (hereinafter referred to as "IRSPL") pursuant to an arrangement between IRSPL and CGS-CIMB. IRSPL is not an affiliate of CGS-CIMB. IRSPL is held 76% by InCred Capital Wealth Portfolio Managers Private Limited and 24% by EIP Holdings Private Limited. IRSPL is registered with SEBI as a Research Analyst vide Registration No. INH000007793. Pursuant to a trademark agreement, IRSPL has adopted "InCred Equities" as its trademark for use in this report.

The term "IRSPL" shall, unless the context otherwise requires, mean IRSPL and its affiliates, subsidiaries and related companies. The term "CGS-CIMB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS-CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations. 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 and remains subject to the "Restrictions on Distribution" set out below. If your status has changed or the distribution restrictions set out below impact your ability to receive this report please contact your usual CGS-CIMB representative.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the "Restrictions on Distributions" set out below). Any failure to comply with these limitations may constitute a violation of law and limit our ability to provide reports to you.

This report is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of IRSPL or CGS-CIMB.

The information contained in this report is prepared from data believed to be correct and reliable at the time of issue of this report.

Under the terms of the agreement between IRSPL and CGS-CIMB, IRSPL is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. Neither IRSPL nor CGS-CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. Neither IRSPL nor CGS-CIMB has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, IRSPL and its affiliates/group companies and/or CGS-CIMB, its affiliates and related persons including China Galaxy International Financial Holdings Limited ("CGIFHL") and CIMB Group Sdn. Bhd. ("CIMBG") and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS-CIMB disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of IRSPL and its affiliates/group companies and/or CGS-CIMB or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) or IRSPL and its affiliates/group companies, to any person to buy or sell any investments.

By IRSPL producing this report for CGS-CIMB, IRSPL has confirmed to CGS-CIMB that the opinions expressed are based on information it believes to be accurate and complete and obtained through reliable public or other non-confidential sources at the time made. (Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations. In reviewing this report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of IRSPL. Information barriers and other arrangements have been established, as required, to prevent any conflicts of interests.

IRSPL may have issued other reports (based on technical analysis, event specific, short term views etc.) that are inconsistent with and reach different conclusion from the information presented in this report.

Holding of Analysts/Relatives of Analysts, IRSPL and Associates of IRSPL in the covered securities, as on the date of publishing of this report

	Analyst/ Relative	Entity/ Associates
any financial interests in the company covered in this report (subject company) and nature of such financial interest	NO	NO
actual/beneficial ownership of 1% or more in securities of the subject company at the end of the month immediately preceding the date of publication of the research report or date of the public appearance;	NO	NO
any other material conflict of interest at the time of publication of the research report or at the time of public appearance	NO	NO
received any compensation from the subject company in the past twelve months for investment banking or merchant banking or brokerage services or investment advisory or depository or distribution from the subject company in the last twelve months for products/services other than investment banking or merchant banking or broker- age services or investment advisory or depository or distribution from the subject company in the last twelve months	NO	NO
managed or co-managed public offering of securities for the subject company in the last twelve months	NO	NO
received any compensation or other benefits from the subject company or third party in connection with the research report	NO	NO
served as an officer, director or employee of the subject company	NO	NO
been engaged in market making activity for the subject company	NO	NO

Analyst declaration

- The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously in an unbiased manner.
- No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report or based any specific investment banking transaction.
- The analyst(s) has(have) not had any serious disciplinary action taken against him/her(them).
- The analyst, strategist, or economist does not have any material conflict of interest at the time of publication of this report.
- The analyst(s) has(have) received compensation based upon various factors, including quality, accuracy and value of research, overall firm performance, client feedback and competitive factors.

CGS-CIMB DISCLOSURES

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities (Hong Kong) Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS-CIMB Securities (Singapore) Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities (Hong Kong) Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

As of the end of 30th April 2022 immediately preceding the date of this report CGS-CIMB does not:

- have a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the company(ies) covered in this report except for the following:
 - Nil
- act as market maker or have assumed an underwriting commitment in securities of the company(ies) covered in this report except for the following:
 - Nil
- perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to the company(ies) covered in this report and/or solicit such investment, advisory or other services from the company(ies) covered in this report except for the following:
 - Nil

CGS-CIMB, its affiliates, related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or their respective directors, associates, connected parties and/or employees and/or IRSPL and/or its affiliates and/or its Directors/employees may own or have positions in securities of the company(ies) covered in this report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities.

CGS-CIMB, its affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations) and/or IRSPL and/or its affiliates and/or its Directors/employees may do and seek to do business with the company(ies) covered in this research report and may from time to time (a) buy/sell the securities covered in this report, from time to time and/or (b) act as market maker or have assumed an underwriting commitment in securities of such company(ies), and/or (c) may sell them to or buy them from customers on a principal basis and/or (d) may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) and/or (e) solicit such investment, advisory or other services from any entity mentioned in this report and/or (f) act as a lender/borrower to such company and may earn brokerage or other compensation. However, Analysts are forbidden to acquire, on their own account or hold securities (physical or uncertificated, including derivatives) of companies in respect of which they are compiling and producing financial recommendations or in the result of which they play a key part

This report does not purport to contain all the information that a prospective investor may require. Neither CGS-CIMB nor any of its affiliates (including CGIFHL, CIMBG and their related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS-CIMB nor any of its affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB's and its affiliates' (including CGIFHL's, CIMBG's and their respective related corporations') clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is prepared for and provided in Australia by CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited. This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited do not hold, and are not required to hold an Australian financial services license. CGS-CIMB Securities (Singapore) Pte. Ltd. and CGS-CIMB Securities (Hong Kong) Limited rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is prepared for and distributed in Hong Kong by CGS-CIMB Securities (Hong Kong) Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CHK. The views and opinions in this report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its

opinion or the information in this report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

India: This report is prepared by IRSPL for and distributed in India by IRSPL or CGS-CIMB Securities (India) Private Limited ("CGS-CIMB India"), as the case may be. CGS-CIMB India is a subsidiary of CGS-CIMB Securities International Pte. Ltd. which is in turn is a 50:50 joint venture company of CGIFHL and CIMBG. The details of the members of the group of companies of CGS-CIMB can be found at www.cgs-cimb.com, CGIFHL at www.chinastock.com.hk/en/ACG/ContactUs/index.aspx and CIMBG at www.cimb.com/en/who-we-are.html. CGS-CIMB India is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member (under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992). CGS-CIMB India is registered with SEBI (SEBI Registration Number: INZ000209135) as a Research Analyst (INH000000669) pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

By IRSPL producing this report for CGS-CIMB, IRSPL has confirmed to CGS-CIMB that the research analysts, strategists or economists principally responsible for the preparation of this report are segregated from the other activities of IRSPL and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by IRSPL, CGS-CIMB India or its affiliates.

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

CGS-CIMB India does not have actual / beneficial ownership of 1% or more securities of the subject company in this report, at the end of the month immediately preceding the date of publication of this report. However, since affiliates of CGS-CIMB India are engaged in the financial services business, they might have in their normal course of business financial interests or actual / beneficial ownership of one per cent or more in various companies including the subject company in this report.

CGS-CIMB India or its associates, may: (a) from time to time, have long or short position in, and buy or sell the securities of the subject company in this report; or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company in this report or act as an advisor or lender/borrower to such company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

CGS-CIMB India and associates have not received any compensation for investment banking, merchant banking or brokerage services from the subject company mentioned in the report in the past 12 months.

CGS-CIMB India and associates have not managed or co-managed public offering of securities for the subject company mentioned in the report in the past 12 months.

Indonesia: This report is prepared for and distributed in Indonesia by PT CGS-CIMB Sekuritas Indonesia ("CGS-CIMB Indonesia"). The views and opinions in this report is prepared from data believed to be correct and reliable at the time of issue of this report and are subject to change. CGS-CIMB Indonesia has no obligation to update the opinion or the information in this report. This report is for private circulation only to clients of CGS-CIMB Indonesia. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This report is not an offer of securities in Indonesia. The securities referred to in this report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is prepared for and distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. ("CGS-CIMB Malaysia") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Bumiputra-Commerce, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm the opinion or the information in this report after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is prepared for and distributed in Singapore by CGS-CIMB Securities (Singapore) Pte Ltd ("CGS-CIMB Singapore"). CGS-CIMB Singapore is a capital markets services licensee under the Securities and Futures Act (Chapter 289). Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or reports, whether in electronic, print or other form. CGS-CIMB Singapore is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS-CIMB Singapore, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS-CIMB Singapore has no obligation to update the opinion or the information in this report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS-CIMB Singapore directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this report is not an accredited investor, expert investor or institutional investor, CGS-CIMB Singapore accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS-CIMB Singapore is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 of the FAA (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation);

- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
 (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
 (e) Section 36 of the FAA (obligation on disclosure of interest in specified products); and
 (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS-CIMB Singapore is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CGS-CIMB Singapore for any loss or damage arising from the recipient's reliance on any recommendation made by CGS-CIMB Singapore which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CGS-CIMB Singapore, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS-CIMB Singapore, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of CGS-CIMB Singapore does not have a proprietary position in the recommended specified products in this report.

CGS-CIMB Singapore makes a market on the specified products.

CGS-CIMB Singapore does not make a market on other specified products mentioned in the report.

South Korea: This report is prepared for and distributed in South Korea by CGS-CIMB Securities (Hong Kong) Limited, Korea Branch ("CGS-CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is prepared for and distributed in Thailand by CGS-CIMB Securities (Thailand) Co. Ltd. ("CGS-CIMB Thailand") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS-CIMB Thailand has no obligation to update its opinion or the information in this report.

CGS-CIMB Thailand may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ACE, ADVANC, AEONTS, AMATA, AOT, AP, BAM, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEC, BEM, BGRIM, BH, BJC, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, EGCO, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, ICHI, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KKP, KTB, KTC, LH, MAJOR, MEGA, MINT, MTC, NRF, OR, ORI, OSP, PLANB, PRM, PSL, PTG, PTL, PTT, PTTEP, PTTGC, QH, RATCH, RBF, RS, SAWAD, SCB, SCC, SCGP, SINGER, SPALI, SPRC, STA, STEC, STGT, SUPER, SYNEX, TASCO, TCAP, THANI, TISCO, TKN, TOP, TQM, TRUE, TTB, TU, TVO, VGI, WHA

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is prepared for and being distributed by CGS-CIMB Securities (UK) Limited ("CGS-CIMB UK"). CGS-CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. The material distributed by CGS-CIMB UK has been prepared in accordance with CGS-CIMB's policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material 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 CGS-CIMB UK; (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, the "Order"), (c) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material (all such persons together being referred to as "relevant persons"). This material is directed only at relevant persons and must not be acted on or relied on by 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.

This material is categorised as non-independent for the purposes of CGS-CIMB UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This report is prepared for and distributed in the United States of America by CGS-CIMB Securities (USA) Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Securities Sdn. Bhd., CGS-CIMB Securities (Singapore) Pte Ltd, PT CGS-CIMB Sekuritas Indonesia, CGS-CIMB Securities (Thailand) Co. Ltd, CGS-CIMB Securities (Hong Kong) Limited and CGS-CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as "U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS-CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc.

CGS-CIMB Securities (USA) Inc. has managed or co-managed a public offering of securities in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. has received compensation for investment banking services in the past 12 months.

CGS-CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS-CIMB Securities (USA) Inc. expects to receive or intend to seek compensation for investment banking services within the next 3 months.

CGS-CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

As of the end of the month immediately preceding the date of publication of this report, CGS-CIMB Securities (USA) Inc. beneficially owns 1% or more of any class of common equity securities.

United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc ("RJA"), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS-CIMB Securities International Pte. Ltd. ("CGS-CIMB"). CGS-CIMB is not an affiliate of RJA. This report is distributed solely to persons who qualify as "U.S. Institutional Investors" or as "Major U.S. Institutional Investors" as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS-CIMB Securities (USA) Inc. or RJA. <https://raymondjames.com/InternationalEquityDisclosures>

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional, or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CGET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework

Stock Ratings

Definition:

Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.