

Restaurant Brands Asia

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	RBA IN
Equity Shares (m)	495
M.Cap.(INRb)/(USD\$)	56.5 / 0.7
52-Week Range (INR)	138 / 84
1, 6, 12 Rel. Per (%)	-8/1/-13
12M Avg Val (INR M)	211

Financials & Valuations (INR b)

Y/E March (INR b)	FY23	FY24E	FY25E
Sales	20.5	26.3	33.9
Sales growth (%)	37.8	27.9	28.9
EBITDA	1.1	2.9	4.4
Margins (%)	5.4	10.9	13.1
Adj. PAT	-2.4	-0.9	0.2
Adj. EPS (INR)	-4.9	-1.8	0.5
EPS Growth (%)	N/M	N/M	L/P
BV/Sh.(INR)	17.1	15.3	15.8

Ratios

RoE (%)	-25.3	-11.0	2.9
RoCE (%)	-6.9	0.9	6.7

Valuations

P/E (x)	N/M	N/M	255.0
P/BV (x)	6.7	7.5	7.3
EV/EBITDA (x)	58.7	23.4	15.6
pre Ind-AS			
EV/EBITDA (x)	N/M	68.4	29.2
EV/Sales (x)	3.2	2.5	2.0

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	56.2	56.3	57.1
DII	23.7	24.1	22.7
FII	10.4	10.1	10.7
Others	9.7	9.5	9.4

FII Includes depository receipts

CMP: INR115 TP: INR135 (+18%) Buy

Earnings recovery on track in India and Indonesia

- Earnings continued to improve in 2QFY24 as consolidated revenue/EBITDA grew 19%/2.2x YoY. **India EBITDA (pre INDAS 116) jumped 2.1x YoY/2.4x QoQ**, led by 23% revenue growth (3.5% SSSG), GM improvement (led by BK Café) and controlled costs and operating leverage. Indonesia continued to post an operating loss, but it remains on track to break-even in FY24 on a run rate basis.
- While the management has marginally reduced its India SSSG guidance from 10% to 6% for FY24, we believe it is still higher than industry growth rate. Considering high SSSG guidance, GM improvement, scale benefits and improved store economics, we maintain our FY24/FY25 EBITDA estimates (pre INDAS 116) of INR952m/INR1.6b. Along with a recovery in Indonesia, consol revenue/EBITDA should grow 28%/2x over FY23-25E. We maintain our BUY rating on the stock.

Consolidated business posted 2.2x YoY EBITDA growth (in line)

Consolidated revenue/EBITDA grew 19%/2.2x YoY, led by India business.

Standalone performance

- India business revenue rose 23% YoY (in line) to INR4.5b, led by 21% store adds and 3.5% SSSG (5% est.).
- RBA added 10 stores and closed 2 stores in 2QFY24 in India, taking the count to 404 stores.
- India GP grew 24% YoY (in line) to INR3b and margins expanded 40bp YoY/30bp QoQ to 66.8%, led by RM cool-off.
- India ROM increased by 61% YoY to INR485m, with margins up 250bp YoY to 10.7%. Due to controlled GM&A, pre Ind AS EBITDA rose 2.1x YoY to INR245m and margins grew 220bp YoY to 5.4%.**
- India EBITDA grew 14% YoY to INR634m, with margins at 14% (in line). India loss declined to INR93m (vs. INR133m loss in 2QFY23 and INR81m est.).

Indonesia business

- Revenue up 9% YoY to INR1.7b, led by 6.5% SSSG. (15% miss).
- RBA closed 7 BK store and open 2 Popeyes store in Indonesia.
- Continued to post an operating loss at INR72m (est. loss INR44m).

Key takeaways from the management commentary

- RBA continues to drive SSSG through increasing footfalls by higher single digit in 2QFY24.
- The company cuts FY24 SSSG guidance by 200bp to 6%, but it retains gross margin expectation of 67%, as well as EBITDA target.
- It has 46 restaurants under construction and is on track to increase the total restaurant count to 450+ by 3QFY24.
- Popeyes has a pipeline to reach 25 stores by 3QFY24, with per store capex of ~USD400k (to be done by Indonesia balance sheet).

Valuation and view

- While the management has reduced its India SSSG guidance from 10% to 6% for FY24, it is still above the industry growth rate. Considering high SSSG, GM improvement, scale benefits and improved store economics, we maintain our FY24/FY25 EBITDA estimates (Pre INDAS 116) of INR952m/INR1.6b.
- Along with Indonesia recovery, consol revenue/EBITDA should grow 28%/2x over FY23-25E.
- With an aggressive store addition outlook (18% CAGR), RBA is well placed to deliver strong domestic growth. BK Café is likely to be a key growth driver going ahead. Along with rapid revenue growth, RBA is geared up to deliver EBITDA margin expansion, driven by dine-in recovery, addition of BK Café, and cost-saving initiatives.
- As more and more stores mature, improving contribution of new stores in the network would also support margin recovery. Indonesia business should also witness healthy revenue growth and margin expansion in the years ahead.
- We retain our BUY rating on the stock with our SoTP-based TP of INR135, based on Mar'26E EV/EBITDA (pre-Ind AS 116) of 20x/10x for its India/Indonesia business. Since RBA is still in an early investment phase, with lower profitability, we value its domestic business at a discount of ~20% to Westlife target multiple.

Quarterly Standalone Performance

(INR b)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
SSSG (%)	66.0	27.0	8.6	8.3	3.6	3.5	6.5	6.3	23.1	5.0	5.0	
No. of stores	328	334	379	391	396	404	431	451	391	451	411	
Net Sales	3,369	3,680	3,698	3,649	4,221	4,535	4,587	4,557	14,397	17,900	4,666	-2.8
YoY change (%)	125.0	50.0	32.1	35.8	25.3	23.2	24.0	24.9	52.6	24.3	26.8	
Gross Profit	2,236	2,443	2,454	2,422	2,806	3,031	3,082	3,074	9,555	11,993	3,108	-2.5
Margin (%)	66.4	66.4	66.4	66.4	66.5	66.8	67.2	67.4	66.4	67.0	66.6	
Total Exp	3,037	3,259	3,219	3,226	3,737	3,900	3,844	3,896	12,742	15,376	4,041	
EBITDA	332	421	479	423	485	634	743	662	1,654	2,524	625	1.4
EBITDA growth %	2,064.8	64.4	45.8	39.8	45.9	50.7	55.3	56.6	83.5	52.6	48.6	
Margin (%)	9.9	11.4	12.9	11.6	11.5	14.0	16.2	14.5	11.5	14.1	13.4	
Depreciation	461	426	434	481	507	494	494	508	1,802	2,004	507	
Interest	196	206	220	274	264	273	273	281	896	1,091	264	
Other Income	97	79	63	86	65	40	40	72	325	217	65	
PBT	-227	-133	-112	-246	-222	-93	15	-54	-718	-354	-81	N/M
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	-227	-133	-112	-246	-222	-93	15	-54	-718	-354	-81	N/M
YoY change (%)	12.4	-12.5	-15.1	NM	-2.6	-29.6	-113.7	-77.9	-	-	-39.0	

E: MOFSL Estimates

Quarterly Consolidated Performance

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
No. of stores	503	513	558	577	575	578	618	682	577	675	595	
Net Sales	4,892	5,248	5,263	5,140	6,108	6,249	6,797	7,114	20,543	26,268	6,675	-6.4
YoY change (%)	64.4	46.8	20.9	28.6	24.8	19.1	29.1	38.4	37.8	27.9	27.2	
Gross Profit	3,148	3,391	3,350	3,297	3,912	4,013	4,360	4,604	13,186	16,888	4,295	-6.6
Margin (%)	64.3	64.6	63.6	64.1	64.0	64.2	64.1	64.7	64.2	64.3	64.3	
Total Exp	4,600	4,996	4,966	4,866	5,625	5,687	5,947	6,156	19,428	23,414	6,094	
EBITDA	292	251	297	274	483	562	850	959	1,115	2,854	581	-3.2
EBITDA growth %	167.6	82.6	-42.5	35.3	65.3	123.7	185.9	250.1	15.3	156.0	131.1	
Margin (%)	6.0	4.8	5.6	5.3	7.9	9.0	12.5	13.5	5.4	10.9	8.7	
Depreciation	700	668	676	796	787	786	786	665	2,840	3,025	746	
Interest	231	241	259	320	307	315	315	131	1,052	1,069	254	
Other Income	130	107	80	43	71	33	33	223	360	360	96	
PBT	-509	-551	-559	-800	-541	-507	-219	386	-2,418	-880	-322	N/M
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Adjusted PAT	-509	-551	-559	-800	-541	-507	-219	386	-2,418	-880	-322	N/M
YoY change (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

E: MOFSL Estimates

Exhibit 3: Valuation on pre Ind AS EBITDA

Mar'26	India	Indonesia
EBITDA	2.7	0.7
Multiple	20x	10x
Implied EV	53.2	6.8
Total Implied EV	60.0	
Net debt	-5.3	
Implied Equity value	65.3	
No. of shares	0.5	
Target Price	135	
CMP	115	
Up/ (down) side (%)	18%	

Exhibit 4: Change in estimates

	FY24	FY25
Revenue- old	26,302	34,290
Revenue- New	26,268	33,860
Change	0%	-1%
GP- old	17,031	22,422
GP- New	16,888	22,015
Change	-1%	-2%
GM- old	64.8%	65.4%
GM- New	64.3%	65.0%
Change	-0.5%	-0.4%
EBITDA- old	2,664	4,457
EBITDA- New	2,854	4,445
Change	7%	0%
EBITDAM- old	10.1%	13.0%
EBITDAM- New	10.9%	13.1%
Change	0.7%	0.1%
PAT- old	-1,070	235
PAT- New	-880	223
Change	18%	-5%



Key takeaways from the management commentary

Strategy

- RBA continues to drive SSSG through increase in traffic (SSTG). Footfalls increased by higher single digit in 2QFY24.
- New stores are doing better as earlier a store requires ~3 years to reach its mature stage and now a new store is reaching its mature stage much earlier.
- Burger is an impulsive purchase; hence, more traffic will lead to high sales. Tier 2/3 cities are contributing strong growth.

India Strategy

- It has cut SSSG guidance of FY24 by 200bp to 6%; however, the gross margin expectation of 67% remains intact.
- RBA has 46 restaurants under construction and is on track to achieve 450+ restaurant count by 3QFY24.
- Rolling out 'King's Journey' digital experience restaurants with self-ordering kiosks, app ordering and table service; expects 100% rollout by FY25.
- RBA has taken a price cut in meals of INR199 to INR119.

Indonesia strategy

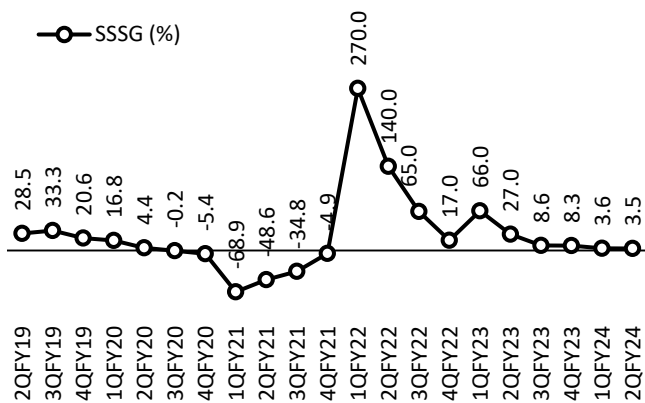
- Rolled out Chicken in BK; hence, chicken volume grew 50% and 35% in burgers
- The traffic increased by 17% in BK dine-in; hence, SSSG delivered at 6.5%. Value offering across burger layers to drive transactions and build APC.
- Addressed taste and portfolio gaps by introducing Crispy Chicken, Spicy Chicken and desserts category.
- Popeyes has a pipeline to reach 25 stores by 3QFY24 and total Indonesia stores to reach to 325 stores.
- Capex for a Popeyes store is USD400k and the capex will be done by Indonesia balance sheet.

Others

- BK café contributes INR16k ADS i.e. 13% of total ADS of INR126k
- Seasonally 1Q and 3Q are the best quarters for the Indonesia business.

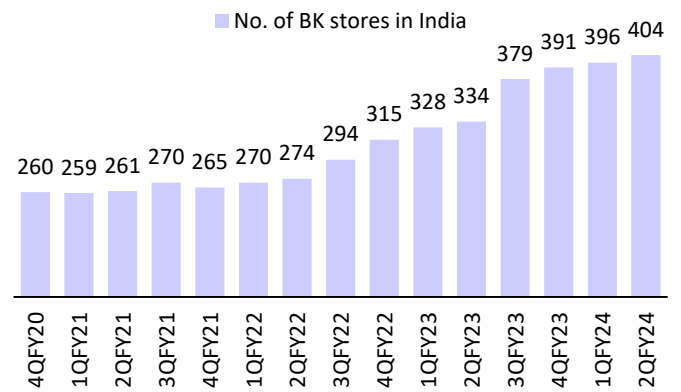
Key exhibits

Exhibit 5: SSSG reported at 3.5%; expect 2H to be better



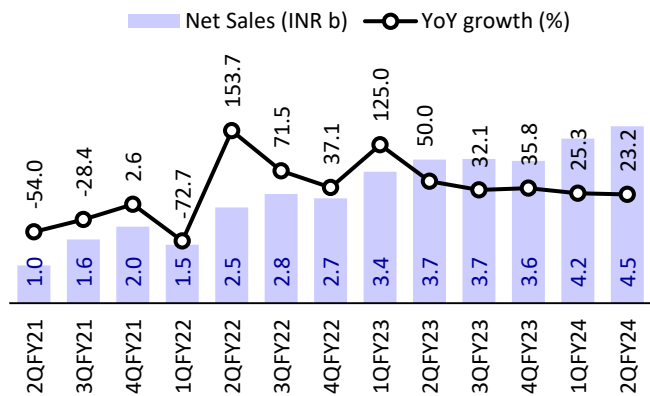
Source: Company, MOFSL

Exhibit 6: Added net 8 stores (21% YoY) in 2QFY24



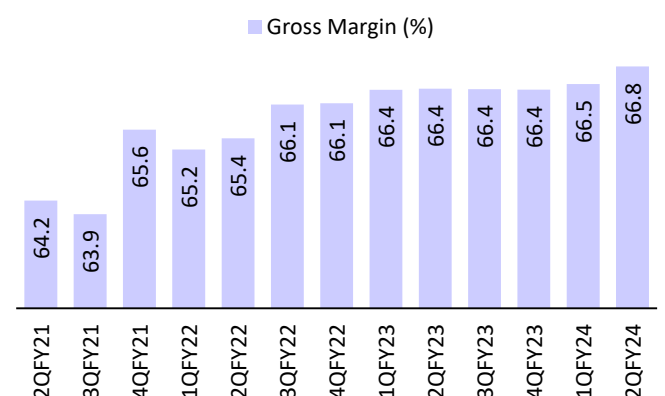
Source: Company, MOFSL

Exhibit 7: Net sales grew 23% YoY led by SSSG and Store add



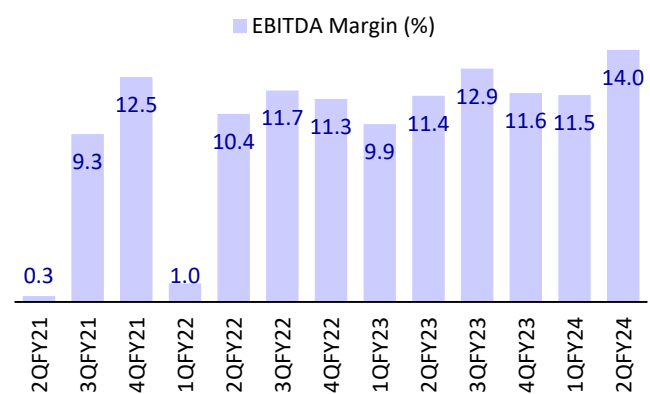
Source: Company, MOFSL

Exhibit 8: Gross margin improves 30bps QoQ



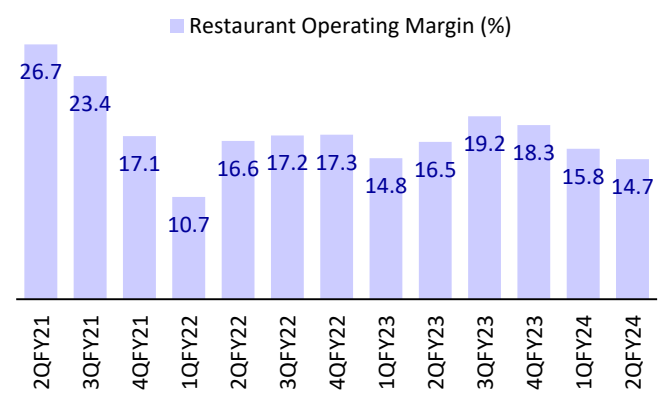
Source: Company, MOFSL

Exhibit 9: EBITDA margin improve 260bp YoY



Source: Company, MOFSL

Exhibit 10: ROM margin decline 180 bp YoY



Source: Company, MOFSL

Financials and valuations

Income Statement - Consolidated

Income Statement - Consolidated								(INR m)
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Sales	6,327	8,412	10,040	14,903	20,543	26,268	33,860	41,852
Change (%)	67.3	33.0	19.3	48.4	37.8	27.9	28.9	23.6
Material Consumed	2,301	3,015	3,968	5,497	7,357	9,380	11,845	14,229
Gross Profit	4,027	5,397	6,072	9,406	13,186	16,888	22,015	27,622
Gross Margin %	63.6	64.2	60.5	63.1	64.2	64.3	65.0	66.0
Operating expenses	3,237	4,357	5,822	8,439	12,071	14,035	17,571	21,282
EBITDA	790	1,040	250	966	1,115	2,854	4,445	6,340
Change (%)	872.0	31.7	-76.0	287.3	15.3	156.0	55.8	42.6
Margin (%)	12.5	12.4	2.5	6.5	5.4	10.9	13.1	15.1
Depreciation	822	1,164	2,289	2,336	2,840	3,025	3,450	3,814
Int. and Fin. Ch.	465	655	1,044	954	1,052	1,069	1,132	1,174
Other Non-recurring Inc.	114	56	341	224	360	360	360	360
PBT	-383	-722	-2,744	-2,099	-2,418	-880	223	1,712
Change (%)	N/M	N/M	N/M	N/M	N/M	N/M	L/P	668.7
Margin (%)	-6.0	-8.6	-27.3	-14.1	-11.8	-3.4	0.7	4.1
Tax	0	0	0	0	0	0	0	0
Tax Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	-383	-722	-2,744	-2,099	-2,418	-880	223	1,712
Change (%)	N/M	N/M	N/M	N/M	N/M	N/M	L/P	668.7
Margin (%)	-6.0	-8.6	-27.3	-14.1	-11.8	-3.4	0.7	4.1
Non-rec. (Exp)/Inc.	0	-43	-77	-252	0	0	0	0
Reported PAT	-383	-766	-2,821	-2,351	-2,418	-880	223	1,712

Balance Sheet - Standalone

Balance Sheet - Standalone							(INR m)	
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Share Capital	2,650	2,777	3,830	4,927	4,946	4,946	4,946	4,946
Reserves	-154	-23	-2,981	5,478	3,309	2,428	2,651	4,363
Minority Interest			252	277	207	207	207	207
Net Worth	2,496	2,754	1,101	10,682	8,462	7,581	7,804	9,516
Loans	1,000	1,985	2,444	1,419	1,648	1,648	1,648	1,648
Lease Liabilities	4,740	5,977	6,569	7,449	10,027	10,566	11,411	12,724
Capital Employed	8,237	10,717	10,114	19,551	20,137	19,795	20,862	23,887
Gross Block	10,032	13,558	21,633	25,076	31,883	36,034	41,900	48,083
Less: Accum. Depn.	2,107	3,191	7,726	9,941	12,321	15,346	18,796	22,611
Net Fixed Assets	7,926	10,367	13,906	15,135	19,562	20,688	23,104	25,473
ROU Asset	0	0	0	0	0	0	0	0
Capital WIP	202	476	475	181	322	322	322	322
Investments	384	186	1,243	4,023	1,469	734	184	184
Deferred tax assets	8	10	0	0	0	0	0	0
Curr. Assets, L&A	684	938	4,010	4,483	3,580	3,834	2,678	3,950
Inventory	69	94	196	228	315	432	250	306
Account Receivables	59	32	86	134	169	231	125	153
Cash and Bank Balance	160	280	2,777	2,772	1,552	1,472	434	1,996
Others	397	531	951	1,349	1,544	1,699	1,868	1,495
Curr. Liab. and Prov.	968	1,260	9,520	4,271	4,795	5,783	5,425	6,040
Other Current Liabilities	283	224	6,538	1,187	1,508	1,809	2,081	2,393
Creditors	609	816	2,456	2,587	2,675	3,239	2,499	2,676
Provisions	76	220	527	497	612	735	845	972
Net Curr. Assets	-284	-322	-5,510	213	-1,215	-1,949	-2,747	-2,091
Appl. of Funds	8,237	10,717	10,114	19,551	20,137	19,795	20,862	23,887

E: MOFSL Estimates

Financials and valuations

Ratios - Standalone

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Basic (INR)								
EPS	-1.4	-2.6	-7.2	-4.3	-4.9	-1.8	0.5	3.5
BV/Share	9.4	9.9	2.9	21.7	17.1	15.3	15.8	19.2
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Valuation (x)

P/E	N/M	N/M	N/M	N/M	N/M	N/M	255.0	33.2
EV/Sales	5.6	4.7	4.9	3.9	3.2	2.5	2.0	1.6
EV/EBITDA	45.1	37.9	196.2	60.7	58.7	23.4	15.6	10.9
P/BV	12.2	11.6	39.9	5.3	6.7	7.5	7.3	6.0

Return Ratios (%)

RoE	-14.3	-27.5	-142.3	-35.6	-25.3	-11.0	2.9	19.8
RoCE	1.1	-0.7	-16.3	-7.7	-6.9	0.9	6.7	12.9
RoIC	-0.5	-1.4	-26.5	-15.1	-11.8	-1.0	5.3	12.2

Working Capital Ratios

Debtor (Days)	3	1	3	3	3	3	1	1
Inventory (Days)	4	4	7	6	6	6	3	3
Creditor (Days)	35	35	89	63	48	45	27	23
Asset Turnover (x)	0.8	0.8	1.0	0.8	1.0	1.3	1.6	1.8

Leverage Ratio

Debt/Equity (x)	2.3	2.9	8.2	0.8	1.4	1.6	1.7	1.5
-----------------	-----	-----	-----	-----	-----	-----	-----	-----

Cash Flow Statement - Standalone

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
(INR m)								
OP/(loss) before Tax	-386	-776	-2,821	-2,352	-2,418	-880	223	1,712
Int./Div. Received	-83	-1	-530	32	-212	-360	-360	-360
Depreciation & Amort.	822	1,164	2,367	2,364	2,867	3,025	3,450	3,814
Interest Paid	-448	-635	-1,003	-864	-983	-1,069	-1,132	-1,174
Direct Taxes Paid	2	2	22	54	36	0	0	0
Inc/(Dec) in WC	-66	-108	-484	162	-59	-653	239	-906
CF from Operations	865	1,127	480	692	1,243	3,507	4,205	7,246
Inc/(Dec) in FA	-1,654	-2,275	-678	-1,379	-3,313	-2,191	-3,266	-3,983
Free Cash Flow	-789	-1,148	-198	-687	-2,070	1,316	939	3,262
Others	0	0	273	-5,805	831	54	-109	863
Pur of Investments	515	209	-1,042	-2,723	2,665	734	551	0
CF from Invest.	-1,140	-2,066	-1,448	-9,907	183	-1,403	-2,825	-3,121
Issue of Shares	1,000	0	5,622	13,585	0	0	0	0
Incr in Debt	0	2,007	-985	-1,116	169	0	0	0
Dividend Paid	0	0	0	0	0	0	0	0
Others	-639	-948	-1,070	-1,346	-1,870	-2,184	-2,418	-2,563
CF from Fin. Activity	361	1,059	3,568	11,123	-1,702	-2,184	-2,418	-2,563
Incr/Decr of Cash	86	120	2,600	1,908	-276	-80	-1,038	1,562
Add: Opening Balance	74	160	176	865	1,828	1,552	1,472	434
Closing Balance	160	280	2,777	2,772	1,552	1,472	434	1,996

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in 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.
- received compensation/other benefits from the subject company in the past 12 months

- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may 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. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed 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, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of

Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.