

We retain **REDUCE** on **WESTLIFE** and **Jun-25E TP of Rs875**, due to a lackluster **Q1 (9-10% EBITDA miss)** and **sequential SSG moderation (-6.7% vs. -5% in Q4)**. Despite a weak Q4 base, lower sequential pickup at 11% in Q1 (vs. 13-14% historically) points to the demand environment remaining sluggish. With strengthening of its value platform (Rs69 combos), **WESTLIFE** remains hopeful of an SSG turnaround in H2 which though is already built-in, and a pent-up surprise would only motivate investors in our view. 'Vision 2027' target of delivering Rs40-45bn sales at 18-20% EBITDA margin is intact, but delivery at the lower-end is more likely, given near-term challenges. We like Westlife's aggressive store-expansion drive, digital investments, and differentiated dine-in experience, but would await a better entry point before turning constructive again. EBITDA estimate is trimmed 2-3%, to factor-in the Q1 disappointment.

Westlife Foodworld: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	22,775	23,918	25,743	30,408	35,199
EBITDA	3,815	3,693	3,610	5,266	6,393
Adj. PAT	1,116	692	310	1,259	1,809
Adj. EPS (Rs)	7.2	4.4	2.0	8.1	11.6
EBITDA margin (%)	16.7	15.4	14.0	17.3	18.2
EBITDA growth (%)	93.1	(3.2)	(2.2)	45.9	21.4
Adj. EPS growth (%)	0.0	(38.0)	(55.2)	305.8	43.7
RoE (%)	21.7	12.0	5.2	19.5	24.6
RoIC (%)	36.7	25.6	18.9	35.6	46.9
P/E (x)	117.1	188.8	421.3	103.8	72.2
EV/EBITDA (x)	34.4	35.6	36.5	24.9	20.3
P/B (x)	23.1	22.2	21.5	19.1	16.5
FCFF yield (%)	0.7	0.9	0.9	2.0	2.6

Source: Company, Emkay Research

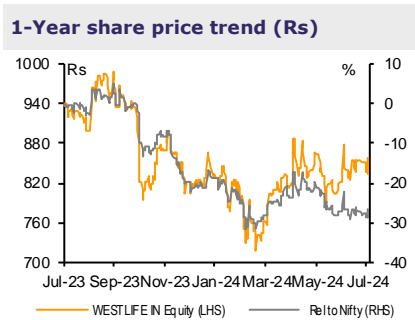
Weak SSG drags profitability; recovery hopes remain pinned on H2: WESTLIFE reported flat topline in Q1 – 2-3% weaker than street/our estimates. The flattish print was due to a 6.7% decline in SSG, offset by the ~12% network expansion. We believe the additional pain of external issues persists as sequential pick-up at 11% is lower vs. historical levels of 13-14%. Among channels, 'On-premise' declined 3%, while 'Off-premise' channel delivered better growth at 6%. WESTLIFE has added 6 stores in Q1, and expansion pace is expected to accelerate as FY25 guidance to add 40-45 stores was maintained. McCafé's/EOTF penetration improved to 92%/75% of its network at Q1-end vs. 87%/62% YoY. Gross-margin marginally improved by 20bps to 70.8%, on account of moderating input costs/supply-chain efficiencies. Despite the GM improvement, lower fixed-cost absorption and muted trends caused a 470bps dip in EBITDA margin to 8.2%.

Earnings-call KTAs: 1) Q1 saw continued demand challenges, led by weak macros and impact of external factors; WESTLIFE expects better traction in H2 with further strengthening of its value platform. 2) Focus remained on menu refresh, with launch of entry-level McChicken Fiesta burger and value combos at Rs69. Seasonal launches like mango-flavored desserts were also seen in Q1. The pilot launch of cookies/brownies on the McCafé platform has now rolled out to all outlets, and the company expects McCafé to contribute 17-18% to Store AOV by 2027. 3) To offset the impact from the negative brand sentiment due to news-flow around the quality of cheese, WESTLIFE has collaborated with Chef Sanjeev Kapoor to advertise usage of real cheese and regain consumer trust. 4) The impact of global actions of McDonald's franchisees around the Israel-Palestine war, which started in Q3FY24, has been prolonged (vs. initial expectations). 5) Marketing spend for Q1 was higher by 100bps, but full-year spend is expected to be stable at ~5% of sales. 6) The *MyMcDonald's Rewards* program gained good traction and the management expects it to boost consumer-ordering frequency. 7) WESTLIFE maintained its 'Vision 2027' guidance for store expansion (45-50 annual additions) and EBITDA-margin expansion to 18-20%. 8) Margin is expected to continue tracking an improving trajectory, with pickup in SSG and given cost controls. 9) To offset the cost inflation, WESTLIFE plans to take a 3-4% price hike every year.

Target Price – 12M	Jun-25
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	4.4
CMP (25-Jul-24) (Rs)	838.0

Stock Data	Ticker
52-week High (Rs)	1,025
52-week Low (Rs)	701
Shares outstanding (mn)	155.9
Market-cap (Rs bn)	131
Market-cap (US\$ mn)	1,561
Net-debt, FY25E (Rs mn)	1,083
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	137.7
ADTV-3M (US\$ mn)	1.6
Free float (%)	43.0
Nifty-50	24,406
INR/US\$	83.7
Shareholding, Jun-24	
Promoters (%)	56.3
FPIs/MFs (%)	13.8/21.0

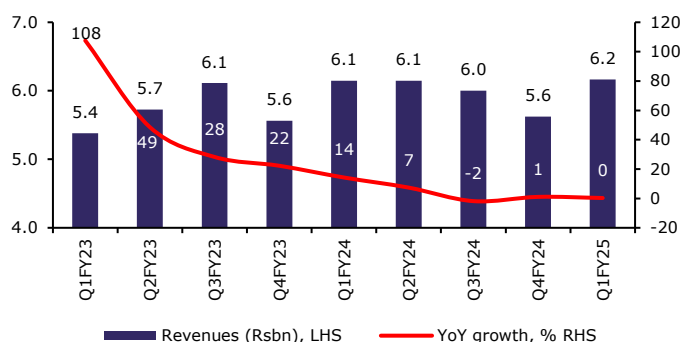
Price Performance			
(%)	1M	3M	12M
Absolute	(4.8)	1.8	(7.1)
Rel. to Nifty	(7.4)	(5.8)	(25.1)



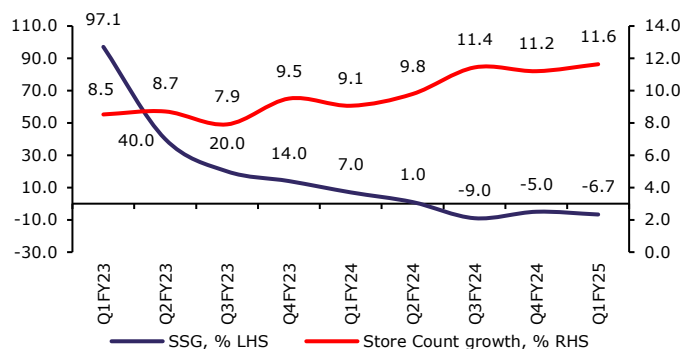
Devanshu Bansal
 devanshu.bansal@emkayglobal.com
 +91 22 6612 1385

Vishal Panjwani
 vishal.panjwani@emkayglobal.com
 +91 22 6624 2431

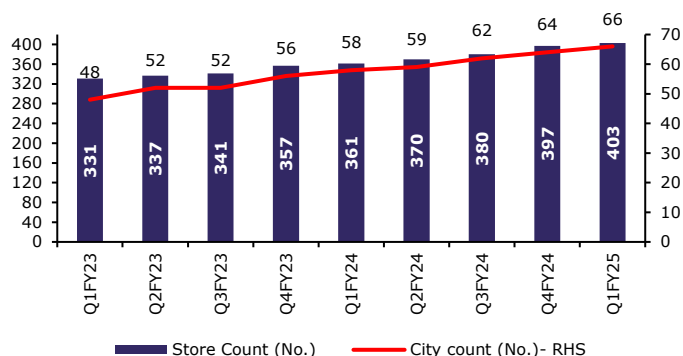
Story in Charts

Exhibit 1: Topline flat YoY, due to 6.7% decline in SSG


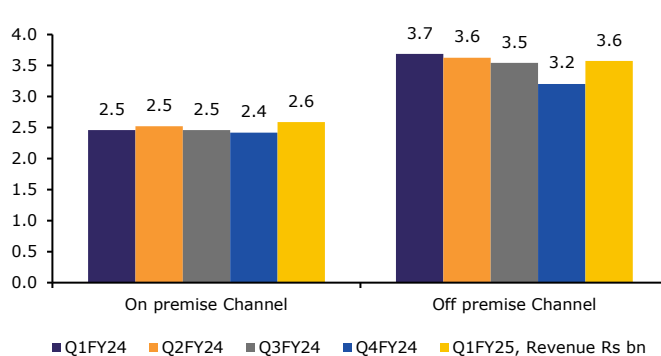
Source: Company, Emkay Research

Exhibit 2: SSG was down 6.7% amid weak eating out trends and continued macro/external challenges


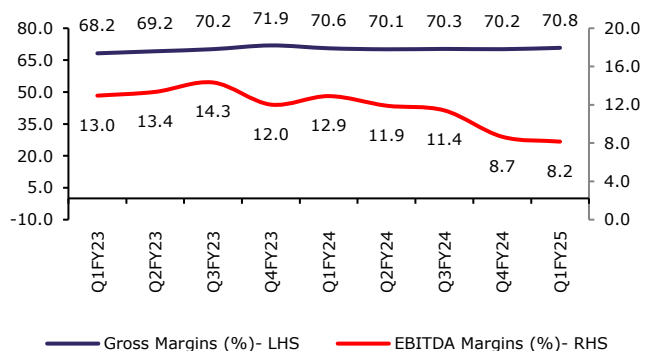
Source: Company, Emkay Research

Exhibit 3: WLDL added 6 stores in Q1, taking the total to 403 stores; guidance to add 45-50 stores in FY25 intact


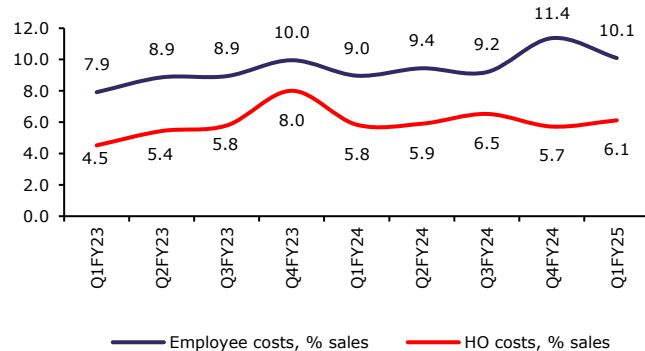
Source: Company, Emkay Research

Exhibit 4: On-premise channel declined 3%, whereas Off-premise channel witnessed 6% growth in Q1


Source: Company, Emkay Research

Exhibit 5: Despite the 20bps gain in gross margin, EBITDA margin dipped by 470bps due to negative leverage and higher Ad expense


Source: Company, Emkay Research; *Pre IndAS-116 EBITDA

Exhibit 6: Employee/HO expenses were also up, by 110bps/30bps, impacting overall EBITDA margin


Source: Company, Emkay Research

Exhibit 7: Actual vs. Estimates (Q1FY25)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	6,163	6,261	6,325	-1.6%	-2.6%	Revenue growth was weak and ~2% below street/our estimates
EBITDA*	800	878	888	-8.9%	-10.0%	EBITDA was ~100bps lower owing to negative leverage on weaker SSG
EBITDA margin*	13.0%	14.0%	14.0%	-104	-106	
PAT	33	71	89	-54.1%	-63.4%	PAT miss was due to lower EBITDA

Source: Company, Emkay Research; *Post IndAS-116 EBITDA

Exhibit 8: Summary of quarterly results

Y/E, Mar (Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)	FY23TD	FY24TD	YoY (%)
Revenue	6,145	6,147	6,003	5,623	6,163	0.3	9.6	17,218	18,295	6.3
Expenditure	5,092	5,151	5,042	4,852	5,363	5.3	10.5	14,207	15,286	7.6
Consumption of RM	1,809	1,837	1,784	1,678	1,801	-0.4	7.3	5,298	5,430	2.5
as % of sales	29.4%	29.9%	29.7%	29.8%	29.2%			30.8%	29.7%	
Employee Cost-Store	551	581	552	639	622	12.9	-2.6	1,480	1,684	13.8
as % of sales	9.0%	9.4%	9.2%	11.4%	10.1%			8.6%	9.2%	
Royalty	318	316	243	287	353	11.2	23.0	788	877	11.3
as % of sales	5.2%	5.1%	4.0%	5.1%	5.7%			4.6%	4.8%	
Other expenditure	2,056	2,054	2,072	1,927	2,210	7.5	14.7	5,732	6,182	7.9
as % of sales	33.5%	33.4%	34.5%	34.3%	35.9%			33.3%	33.8%	
HO Costs	359	363	392	322	377	5.1	17.2	909	1,114	22.6
as % of sales	5.8%	5.9%	6.5%	5.7%	6.1%			5.3%	6.1%	
EBITDA	1,053	997	960	771	800	-24.0	3.8	3,012	3,010	-0.1
Depreciation	429	439	455	499	494	15.2	-1.1	1,110	1,323	19.2
EBIT	625	557	505	271	306	-51.0	12.8	1,902	1,687	-11.3
Other Income	52	32	44	35	51			91	128	40.6
Interest	260	274	282	283	299	14.8	5.7	674	816	21.0
PBT	416	315	267	23	58	-86.1	146.6	1,318	998	-24.3
Total Tax	118	78	58	12	13	-89.3	5.9	302	254	-15.9
Adjusted PAT	299	237	209	12	45	-84.9	291.5	1,016	744	-26.8
Extra ordinary items	11	13	36	4	13	18.9	231.6	101	60	
Reported PAT	288	224	173	8	33	-88.7	320.9	915	684	-25.2
Reported EPS (Rs)	1.9	1.4	1.1	0.0	0.2	-88.7	320.9	5.9	4.4	-25.2
(%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	(bps)	(bps)	FY23TD	FY24TD	(bps)
EBITDAM	17.1	16.2	16.0	13.7	13.0	-420	-70	17.5	16.5	-100
EBITM	10.2	9.1	8.4	4.8	5.0	-520	10	11.0	9.2	-180
EBTM	6.8	5.1	4.4	0.4	0.9	-580	50	7.7	5.5	-220
PATM	5.7	4.3	3.4	0.2	0.6	-510	40	6.4	4.5	-200
Effective Tax rate	28.2	24.9	21.9	50.7	21.8	-640	-2890	22.9	25.5	250

Source: Company, Emkay Research; *Post IndAS-116 EBITDA

Exhibit 9: Changes in estimates

(Rs mn)	FY25E			FY26E			FY27E		
	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (%)
Revenue	26,174	25,743	-1.6	30,753	30,408	-1.1	35,579	35,199	-1.1
EBITDA*	2,488	2,401	-3.5	3,985	3,906	-2.0	4,965	4,870	-1.9
EBITDA margin (%)*	9.5	9.3	-20 bps	13.0	12.8	-10 bps	14.0	13.8	-10 bps
Net profit	452	310	-31.4	1,385	1,259	-9.1	1,939	1,809	-6.7
EPS (Rs)	2.9	2.0	-31.4	8.9	8.1	-9.1	12.4	11.6	-6.7

Source: Company, Emkay Research*Pre IndAS-116 EBITDA

Exhibit 10: Peer Comparison

Company name	CMP (Rs/sh)	Mcap (Rs bn)	Reco	Target Price (Rs/sh)	P/E (x)			EV/EBITDA (x) Pre IndAS-116		
					FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
JUBI	578	382	Add	600	114.9	77.2	57.8	36.8	30.6	26.1
DEVYANI	179	216	Reduce	165	265.3	135.3	82.4	40.7	29.4	22.8
WESTLIFE	833	130	Reduce	875	418.8	103.2	71.8	54.4	33.4	26.8
SAPPHIRE	1,580	101	Add	1,700	139.2	62.9	45.1	31.6	21.4	16.6

Source: Company, Emkay Research; *Pre IndAS-116 EBITDA

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 08/14/2024 02:29 PM

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

Westlife Foodworld: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	22,775	23,918	25,743	30,408	35,199
Revenue growth (%)	44.5	5.0	7.6	18.1	15.8
EBITDA	3,815	3,693	3,610	5,266	6,393
EBITDA growth (%)	93.1	(3.2)	(2.2)	45.9	21.4
Depreciation & Amortization	1,602	1,822	2,143	2,431	2,725
EBIT	2,212	1,871	1,468	2,835	3,669
EBIT growth (%)	322.4	(15.4)	(21.6)	93.1	29.4
Other operating income	0	0	0	0	0
Other income	210	185	186	220	255
Financial expense	927	1,097	1,235	1,354	1,480
PBT	1,495	959	419	1,701	2,444
Extraordinary items	0	0	0	0	0
Taxes	379	266	109	442	636
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,116	692	310	1,259	1,809
PAT growth (%)	0.0	(38.0)	(55.2)	305.8	43.7
Adjusted PAT	1,116	692	310	1,259	1,809
Diluted EPS (Rs)	7.2	4.4	2.0	8.1	11.6
Diluted EPS growth (%)	0.0	(38.0)	(55.2)	305.8	43.7
DPS (Rs)	0.0	1.8	0.8	3.2	4.6
Dividend payout (%)	0.0	40.0	40.0	40.0	40.0
EBITDA margin (%)	16.7	15.4	14.0	17.3	18.2
EBIT margin (%)	9.7	7.8	5.7	9.3	10.4
Effective tax rate (%)	25.3	27.8	26.0	26.0	26.0
NOPLAT (pre-IndAS)	1,652	1,351	1,086	2,098	2,715
Shares outstanding (mn)	155.9	155.9	155.9	155.9	155.9

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	1,495	959	419	1,701	2,444
Others (non-cash items)	1,602	1,822	2,143	2,431	2,725
Taxes paid	(462)	(370)	(180)	(520)	(721)
Change in NWC	317	15	(132)	250	176
Operating cash flow	3,670	3,338	3,299	4,996	5,848
Capital expenditure	(2,799)	(2,154)	(2,168)	(2,430)	(2,529)
Acquisition of business	206	(82)	0	0	0
Interest & dividend income	210	185	186	220	255
Investing cash flow	(2,384)	(2,052)	(1,982)	(2,210)	(2,274)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	60	320	0	(100)	(100)
Payment of lease liabilities	(924)	(1,084)	(1,209)	(1,360)	(1,523)
Interest paid	(144)	(196)	(198)	(183)	(168)
Dividend paid (incl tax)	0	(277)	(124)	(504)	(724)
Others	(226)	(193)	0	0	0
Financing cash flow	(1,234)	(1,430)	(1,532)	(2,146)	(2,515)
Net chg in Cash	52	(143)	(214)	640	1,060
OCF	3,670	3,338	3,299	4,996	5,848
Adj. OCF (w/o NWC chg.)	3,352	3,323	3,431	4,746	5,672
FCFF	870	1,184	1,131	2,567	3,320
FCFE	153	271	83	1,433	2,095
OCF/EBITDA (%)	96.2	90.4	91.4	94.9	91.5
FCFE/PAT (%)	13.7	39.2	26.7	113.8	115.8
FCFF/NOPLAT (%)	52.7	87.6	104.2	122.4	122.3

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	312	312	312	312	312
Reserves & Surplus	5,347	5,571	5,757	6,512	7,597
Net worth	5,659	5,883	6,069	6,824	7,909
Minority interests	0	0	0	0	0
Deferred tax liability (net)	(604)	(708)	(778)	(856)	(942)
Total debt	2,070	2,390	2,390	2,290	2,190
Total liabilities & equity	7,126	7,565	7,681	8,258	9,158
Net tangible fixed assets	6,591	7,702	8,414	9,170	9,811
Net intangible assets	415	396	426	456	486
Net ROU assets	(750)	(1,205)	(1,749)	(2,349)	(3,004)
Capital WIP	567	447	447	447	447
Goodwill	466	466	466	466	466
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	1,583	1,521	1,307	1,948	3,008
Current assets (ex-cash)	2,007	2,012	2,300	2,530	2,855
Current Liab. & Prov.	3,300	3,350	3,506	3,987	4,488
NWC (ex-cash)	(1,293)	(1,338)	(1,206)	(1,457)	(1,633)
Total assets	7,126	7,565	7,681	8,258	9,158
Net debt	487	869	1,083	343	(818)
Capital employed	7,126	7,565	7,681	8,258	9,158
Invested capital	4,976	5,597	5,927	5,864	5,703
BVPS (Rs)	36.3	37.7	38.9	43.8	50.7
Net Debt/Equity (x)	0.1	0.1	0.2	0.1	(0.1)
Net Debt/EBITDA (x)	0.1	0.2	0.3	0.1	(0.1)
Interest coverage (x)	0.4	0.5	0.7	0.4	0.4
RoCE (%)	36.6	28.0	21.7	38.3	45.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	117.1	188.8	421.3	103.8	72.2
P/CE(x)	48.1	52.0	53.3	35.4	28.8
P/B (x)	23.1	22.2	21.5	19.1	16.5
EV/Sales (x)	5.8	5.6	5.2	4.4	3.7
EV/EBITDA (x)	34.4	35.6	36.5	24.9	20.3
EV/EBIT(x)	59.3	70.3	89.8	46.2	35.4
EV/IC (x)	26.4	23.5	22.2	22.3	22.8
FCFF yield (%)	0.7	0.9	0.9	2.0	2.6
FCFE yield (%)	0.1	0.2	0.1	1.1	1.6
Dividend yield (%)	0.0	0.2	0.1	0.4	0.6
DuPont-RoE split					
Net profit margin (%)	4.9	2.9	1.2	4.1	5.1
Total asset turnover (x)	3.4	3.3	3.4	3.8	4.0
Assets/Equity (x)	1.3	1.3	1.3	1.2	1.2
RoE (%)	21.7	12.0	5.2	19.5	24.6
DuPont-RoIC					
NOPLAT margin (%)	7.3	5.6	4.2	6.9	7.7
IC turnover (x)	5.1	4.5	4.5	5.2	6.1
RoIC (%)	36.7	25.6	18.9	35.6	46.9
Operating metrics					
Core NWC days	(22.8)	(23.6)	(22.9)	(21.2)	(21.7)
Total NWC days	(20.7)	(20.4)	(17.1)	(17.5)	(16.9)
Fixed asset turnover	2.5	2.2	2.0	2.1	2.2
Opex-to-revenue (%)	49.5	54.8	56.6	53.6	52.9

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 08/14/2024 02:29 PM

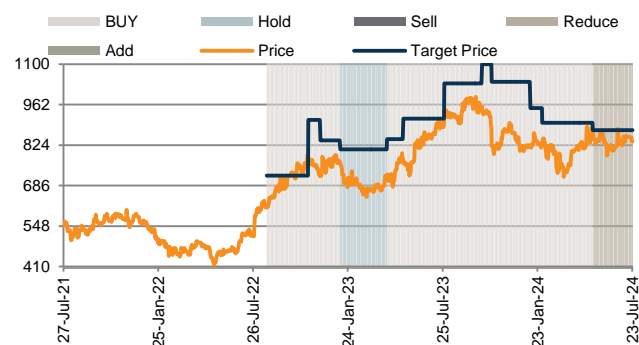
Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors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

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
23-Jul-24	836	875	Reduce	Devanshu Bansal
07-Jul-24	854	875	Reduce	Devanshu Bansal
28-May-24	851	875	Reduce	Devanshu Bansal
08-May-24	867	875	Reduce	Devanshu Bansal
07-Apr-24	811	900	Buy	Devanshu Bansal
11-Feb-24	782	900	Buy	Devanshu Bansal
01-Feb-24	830	900	Buy	Devanshu Bansal
09-Jan-24	817	950	Buy	Devanshu Bansal
30-Nov-23	900	1,040	Buy	Devanshu Bansal
27-Oct-23	820	1,040	Buy	Devanshu Bansal
08-Oct-23	955	1,100	Buy	Devanshu Bansal
28-Jul-23	940	1,035	Buy	Devanshu Bansal
10-Jul-23	861	915	Buy	Devanshu Bansal
21-May-23	739	915	Buy	Devanshu Bansal
10-May-23	774	915	Buy	Devanshu Bansal
09-Apr-23	720	845	Buy	Devanshu Bansal
31-Jan-23	735	810	Hold	Devanshu Bansal
09-Jan-23	761	810	Hold	Devanshu Bansal
02-Dec-22	720	840	Buy	Devanshu Bansal
09-Nov-22	781	910	Buy	Devanshu Bansal
21-Aug-22	611	720	Buy	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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

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

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

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

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

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

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

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

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

RESTRICTIONS ON DISTRIBUTION

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

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

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

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

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

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

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

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of July 25, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 25, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 25, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

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

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

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

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

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

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

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

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

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

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

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