

KNR Constructions

Strong performance

We maintain BUY on KNR Constructions with revised TP of Rs 279/sh (12x Mar-22E EPS). KNR delivered another strong quarter beating our earnings estimate by 49% despite weak Mar-20 2nd half. Despite sectoral consensus on weak 1HFY21 execution, KNR is well placed to achieve 1HFY20 Rev run rate for 1HFY21 of Rs 10bn and better performance in 2HFY21. Labour availability is 30-40% but execution run rate has reached 50-65% across various sites. We revise our FY21E EPS by +47% as we believe strong orderbook of Rs 78.8bn (including Rs 23.1bn orders won in 1QFY21) could help recover execution in 2HFY21. We raise our TP to Rs 279/sh (vs 278/sh earlier).

- **Strong execution and margin expansion led to earnings beat:** KNR reported Rev/EBIDTA/APAT of Rs 6.8/1.5/0.7bn beating our estimates by 16/25/49%. EBITDA margin expanded by 162bps YoY given higher share of better margin irrigation segment in revenue mix. While cost escalations are pass through in irrigation works, company expects recovery of any cost overrun due to Covid-19 at 60-70%, which could impact margins. We expect margins to contract by 200bps in FY21E and normalize by FY22E.
- **Labor shortage to mar 1H; strong OB may lead to 2HFY21 execution recovery:** KNR is currently working with 30-40% of regular labor force with efficiency ranging between 50-65%. Management has been making efforts to bring back migrant labors but expects labor shortage to persist throughout 1HFY21E. Nonetheless, company has already booked Rs 2.5bn of revenue from irrigation projects in 1QFY21 (expects to clock overall Rs 4.5bn including roads vs. Rs 4.6bn Rev in 1QFY20). With strong order book of Rs 78.8bn, we expect KNR to recover some of the lost ground in 2HFY21. Having won Rs 23.1bn of orders in irrigation segment, KNR focus is on replenishing road orders. KNR intends to submit bids for 6 HAM projects with value of Rs 60-70bn and expects to win Rs 30bn+ of NH orders.
- **Balance sheet position comfortable despite rise in NWC days:** NWC days rose to 61 days (vs 50 days at FY19 end) as receivables more than doubled in FY20 (Rs 4.8bn vs Rs 2.3bn in FY19) due to delay in collections. Of this, Rs 2bn is from 2 irrigation projects and rest is from 3 road SPVs. With Rs 2.5bn of revenue booking, irrigation outstanding has further swelled to Rs 5bn. We believe with standalone Net D/E at 0.11x, KNR has sufficient headroom to maneuver through this crisis. Besides, proceeds from Walayar asset (Rs 3.9bn), which is expected to be completed by Sep-20, would help in cashflow management. KNR has not availed loan moratorium but plans to apply for release of retention money from NHAI. Due to uncertainty in bank rate, KNR may not avail Cube OCDs for under construction HAMs. Kerala BOT may get renegotiated, NHAI NOC in principle approved.

Financial summary

YE March (Rs mn)	4Q FY20	4Q FY19	YoY (%)	3Q FY20	QoQ (%)	FY19	FY20	FY21E	FY21E
Net Sales	6,756	7,157	(5.6)	5,579	21.1	21,373	22,442	23,945	28,571
EBITDA	1,469	1,440	2.0	1,244	18.1	4,270	4,871	4,475	5,514
APAT	672	946	(29.0)	469	43.2	2,290	2,178	1,802	2,446
Diluted EPS (Rs)	4.8	6.7	(29.0)	3.3	43.2	16.3	15.5	12.8	17.4
P/E (x)						12.0	12.7	15.3	11.3
EV / EBITDA (x)						7.0	6.0	6.5	5.1
RoE (%)						17.8	14.3	10.5	12.8

Source: Company, HSIE Research

BUY

CMP (as on 12 June 2020)	Rs 196
Target Price	Rs 279
NIFTY	9,973

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 278	Rs 279
EPS %	FY21E 47.4	FY22E -1.8

KEY STOCK DATA

Bloomberg code	KNRC IN
No. of Shares (mn)	141
MCap (Rs bn) / (\$ mn)	28/365
6m avg traded value (Rs mn)	61
52 Week high / low	Rs 312/171

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(16.3)	(18.2)	(31.7)
Relative (%)	(19.3)	(1.4)	(16.7)

SHAREHOLDING PATTERN (%)

	Dec-19	Mar-20
Promoters	55.17	55.17
FIs & Local MFs	30.75	32.26
FPIs	2.5	1.92
Public & Others	11.58	10.65
Pledged Shares	-	-

Source : BSE

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Revenue: Rs 6.8bn (16% beat on estimates)

EBITDA: Rs 1.47bn (25% beat). EBITDA margin came in at 21.7% (+162bps/-56bps YoY/QoQ)

Interest Cost: Rs 145mn (+93%/+2% YoY/QoQ). This increase is on account of interest on mobilization advance availed by the company

RPAT/APAT came in at Rs 672mn (49% beat)

At the end of FY20, company still had Rs 340mn of MAT credit left and expect it to be utilized in FY21 hence paving way for adoption of new lower income tax regime during FY22E

Quarterly Financials Snapshot - Standalone

Particulars (Rs mn)	4QFY20	4QFY19	YoY (%)	3QFY20	QoQ (%)	FY20	FY19	YoY (%)
Net Sales	6,756	7,157	(5.6)	5,579	21.1	22,442	21,372	5.0
Material Expenses	(4,080)	(4,863)	(16.1)	(3,259)	25.2	(13,550)	(13,881)	(2.4)
Employee Expenses	(315)	(248)	27.0	(303)	4.0	(1,252)	(929)	34.9
Other Operating Expenses	(891)	(606)	47.1	(773)	15.4	(2,770)	(2,290)	20.9
EBITDA	1,469	1,440	2.0	1,244	18.1	4,871	4,272	14.0
Interest Cost	(145)	(75)	92.8	(142)	2.1	(474)	(293)	61.5
Depreciation	(538)	(478)	12.5	(517)	4.0	(1,918)	(1,681)	14.1
Other Income (Incl. EO Items)	73	126	(42.2)	3	2,727.9	458	608	(24.7)
PBT	859	1,013	(15.2)	588	46.1	2,936	2,906	1.1
Tax	(187)	(92)	103.6	(186)	0.8	(685)	(273)	150.6
RPAT	672	921	(27.0)	402	67.1	2,252	2,633	(14.5)
E/o (adj for tax)	-	25	(100.0)	67	-	(73)	(343)	(78.6)
APAT	672	946	(29.0)	469	43.2	2,178	2,290	(4.9)

Source: Company, HSIE Research

Margin Analysis

MARGIN ANALYSIS	4Q FY20	4Q FY19	YoY (bps)	3Q FY20	QoQ (bps)	FY20	FY19	YoY (bps)
Material Expenses % Net Sales	60.4	67.9	(755)	58.4	198	60.4	65.0	(457)
Employee Expenses % Net Sales	4.7	3.5	120	5.4	(77)	5.6	4.3	123
Other Operating Expenses % Net Sales	13.2	8.5	473	13.8	(65)	12.3	10.7	162
EBITDA Margin (%)	21.7	20.1	162	22.3	(56)	21.7	20.0	172
Tax Rate (%)	21.8	9.1	1,272	31.6	(982)	23.3	9.4	1,391
APAT Margin (%)	9.9	13.2	(327)	8.4	154	10.0	12.3	(228)

Source: Company, HSIE Research

Key Assumptions & Estimates

Key Assumptions	FY19	FY20	FY21E	FY22E	Comments
Closing order book	59,006	55,788	69,843	81,272	
Order book growth (%)	(6.4)	(5.5)	25.2	16.4	
New order booking	17,306	22,000	38,000	40,000	With Rs 23bn order booking in 1QFY21, we expect KNR to win Rs 38bn of order in FY21
Book to bill ratio	2.8	2.5	2.9	2.8	
Total Revenue	21,373	22,442	23,945	28,571	With strong opening order book, we expect revenue to grow by 7% in FY21 and 19% in FY22
Growth (%)	10.6	5.0	6.7	19.3	
EBIDTA	4,270	4,871	4,475	5,514	
EBIDTA margin (%)	20.0	21.7	18.7	19.3	EBITDA margin could normalize by FY22
Depreciation	1,681	1,918	1,940	2,112	
Financial Charges	291	474	490	497	Could remain high as company continue to utilize mobilization advances for cashflow management
PBT	2,906	2,937	2,423	3,291	
PBT margin (%)	13.6	13.1	10.1	11.5	
Tax	273.3	684.6	621.6	845.0	
Tax rate (%)	9.4	23.3	25.7	25.7	KNR could adopt lower tax regime in FY22E
RPAT	2,633	2,252	1,802	2,446	
Net margin (%)	12.3	10.0	7.5	8.6	
Extraordinary	(342.6)	(73.8)	-	-	
Adjusted PAT	2,290	2,178	1,802	2,446	
Gross Block Turnover	2.3	2.1	2.0	2.1	
Debtor days	40	77	60	55	Recovery of collection post lockdown would improve working capital
CFO - a	2,475	3,941	2,385	3,853	
CFI - b	(2,860)	(2,900)	(1,598)	(2,114)	
FCF - a+b	(384)	1,042	787	1,739	
CFF - c	72	(898)	(150)	(321)	
Total change in cash - a+b+c	(313)	144	637	1,417	

Source: HSIE Research

For Kerala Walayar deal, lender's approval is in place and KNR believes that NHAI has given in-principal NOC; Given extension of concession period, deal might be revalued slightly

After final approval from NHAI for the deal, it will be completed within 45 days; KNR expects it to be finalized by Sept-21;

We revise FY21E EPS by 47% to incorporate better execution on back of strong orderbook

Tweak our FY22 numbers and cut earnings by 1.8%

We expect KNR to infuse equity of Rs 1.3bn in HAM projects in FY21 which raises our TP Rs 279/sh (vs. Rs 278/sh earlier)

Outlook and valuation

Maintain BUY– Target Price of Rs 279/sh

- We have valued KNR's EPC business at 12x Mar-22E EPS. Our rationale behind this is (1) Strong order backlog of ~Rs 78.8bn including orders won in 1QFY21 (3.5x FY20 revenue), (2) Robust balance sheet net D/E of (0.0x) by FY21E, (3) Superior earnings quality vs. similar-sized peers makes a case for valuation premium.
- KNR's standalone gross debt is Rs 2.1bn and net D/E is 0.11x. This gives us comfort on gearing. Apart from that, proceeds from deal with Cube Highways for Walayar BOT asset would improve liquidity keeping debt in check.
- Investments in the road sector will continue to drive stock performance. KNR, with its strong execution skills, is likely to benefit from the pick-up in order activity.
- We value the (1) Standalone EPC business at Rs 209/share (12x Mar-22 EPS), (2) Kerala BOT at Rs 28/share (at 1x P/BV of equity invested), (3) Muzaffarpur Barauni BOT at Rs 5/share (at 1x P/BV of equity invested), (4) Real estate at Rs 5/share (at 1x P/BV of amount invested) and (5) HAM Projects investment at 32/share (Mar-21 NPV of expected receipts from Cube Highways and 1x P/BV(x) for equity in KSHIP HAM). We arrive at SOTP of Rs 279/sh.

Valuation

Particulars	Segments	Value (Rsmn)	Value per share(Rs)	Rationale
KNR Standalone	Core construction business	29,353	209	At 12x one year forward EPS, Mar-22E Earnings
Kerala BOT Project	Roads Toll	3,974	28	1x P/BV of equity invested as on date
Land Cost		694	5	
Muzaffarpur Barauni BOT	Roads Toll	718	5	1x P/BV of equity invested as on date
HAM Projects investment	Roads BOT	4,488	32	Dec-21 end NPV
		39,227	279	

Source: HSIE Research

Change in estimates

Particulars	FY21E			FY22E		
	FY21E New	FY21E Old	% Change	FY22E New	FY22E Old	% Change
Revenues (Rs mn)	23,945	21,706	10.3	28,571	28,571	-
EBITDA (Rs mn)	4,475	3,801	17.7	5,514	5,714	(3.5)
Margin (%)	18.7	17.5	117.9	19.3	20.0	(70.0)
APAT (Rs mn)	1,802	1,222	47.4	2,446	2,491	(1.8)

Source: HSIE Research

Peer Set Comparison: Core EPC

Core EPC	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	Adj. EPS (Rs/sh)			P/E (x)			EV/EBITDA (x)			ROE (%)		
					FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Dilip Buildcon	36.8	269	BUY	466	30.4	17.9	41.4	4.4	7.5	3.2	3.3	4.1	2.9	12.2	6.4	13.3
KNR	27.6	196	BUY	279	15.5	12.8	17.4	8.1	9.8	7.2	4.0	4.3	3.3	14.3	10.5	12.8
PNC Infratech	32.1	125	BUY	234	12.8	9.6	14.0	4.6	6.1	4.2	2.3	3.0	2.4	14.0	9.2	12.2
NCC	18.6	31	BUY	48	4.9	2.2	5.1	4.7	10.4	4.5	3.0	4.1	3.0	6.0	2.6	5.8
Ashoka Build	14.6	52	BUY	134	8.8	5.4	7.7	2.6	4.2	2.9	2.3	2.9	2.3	14.0	8.3	9.6
PSP Projects	13.5	375	REDUCE	370	35.9	18.4	37.0	10.4	20.3	10.1	7.1	12.3	6.9	31.2	13.7	23.5
Ahluwalia Contracts	12.7	190	BUY	265	12.4	14.3	25.2	14.3	12.3	7.0	5.6	5.5	3.5	10.7	11.1	17.1
HG Infra	11.9	182	BUY	337	25.7	20.6	28.1	4.9	6.2	4.5	3.1	3.3	2.4	22.3	14.7	17.2
JMC Projects	7.4	44	BUY	69	9.4	4.3	7.6	3.7	8.1	4.6	3.3	4.0	2.9	16.7	7.3	11.8
Sadbhav Engineering	7.4	43	BUY	56	4.9	4.0	7.1	6.1	7.5	4.2	6.2	5.5	3.8	4.1	3.2	5.5
ITD Cementation	7.5	44	ADD	44	3.1	-2.9	5.5	14.2	-15.0	7.9	4.3	8.1	3.9	5.1	-4.8	8.9
JKIL	6.0	88	BUY	144	25.5	14.2	24.0	3.5	6.2	3.7	2.6	3.3	2.4	11.1	5.8	9.3
Capacite Infraprojects	7.2	106	BUY	147	10.9	2.0	16.8	8.6	46.9	5.6	3.6	5.0	2.8	8.4	1.5	11.7
Average								6.3	9.2	4.9	3.7	4.7	3.0	13.1	6.9	12.2

Source: Company, HSIE Research

Financials

Standalone Income Statement

Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Net Revenues	9,025	15,411	19,317	21,373	22,442	23,945	28,571
<i>Growth (%)</i>	2.1	70.7	25.3	10.6	5.0	6.7	19.3
Material Expenses	6,805	12,281	14,353	13,881	13,550	15,205	18,600
Employee Expenses	431	552	721	929	1,252	1,343	1,429
Other Operating Expenses	260	281	381	2,293	2,770	2,921	3,029
Operating Profits	1,529	2,296	3,862	4,270	4,871	4,475	5,514
<i>Operating Profit Margin (%)</i>	16.9	14.9	20.0	20.0	21.7	18.7	19.3
EBIDTA	1,529	2,296	3,862	4,270	4,871	4,475	5,514
<i>EBIDTA (%)</i>	16.9	14.9	20.0	20.0	21.7	18.7	19.3
<i>EBIDTA Growth (%)</i>	13.8	50.1	68.2	10.6	14.1	(8.1)	23.2
Depreciation	423	639	1,341	1,681	1,918	1,940	2,112
EBIT	1,106	1,657	2,521	2,589	2,952	2,535	3,402
Other Income (Incl. EO Items)	317	194	393	608	459	378	386
Interest	132	219	231	291	474	490	497
PBT	1,291	1,632	2,683	2,906	2,937	2,423	3,291
Tax	(319)	60	(38)	273	685	622	845
RPAT	1,611	1,573	2,721	2,633	2,252	1,802	2,446
EO items (net of tax)	(165)	(194)	(1,099)	(343)	(74)	-	-
APAT	1,445	1,378	1,622	2,290	2,178	1,802	2,446
<i>APAT Growth (%)</i>	97.9	(4.6)	17.7	41.2	(4.9)	(17.3)	35.8
EPS	10.3	9.8	11.5	16.3	15.5	12.8	17.4
<i>EPS Growth (%)</i>	97.9	(4.6)	17.7	41.2	(4.9)	(17.3)	35.8

Source: Company, HSIE Research

Standalone Balance Sheet

As at March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
SOURCES OF FUNDS							
Share Capital	281	281	281	281	281	281	281
Reserves	7,096	8,674	11,298	13,862	15,958	17,588	20,016
Total Shareholders Funds	7,377	8,955	11,579	14,143	16,239	17,869	20,297
Long Term Debt	1,125	1,441	2,203	2,472	1,805	2,396	2,406
Short Term Debt	-	-	-	169	336	169	419
Total Debt	1,125	1,441	2,203	2,641	2,141	2,566	2,826
Deferred Taxes	(374)	(815)	(1,408)	(1,739)	(1,610)	(1,739)	(1,739)
Other Non Current Liabilities	325	314	284	181	176	181	181
TOTAL SOURCES OF FUNDS	8,453	9,894	12,658	15,226	16,946	18,876	21,564
APPLICATION OF FUNDS							
Net Block	1,762	2,576	3,315	3,710	3,805	2,372	2,260
CWIP	59	15	-	-	102	-	-
Investments, LT Loans & Advances	3,451	5,297	5,619	6,447	7,149	8,719	9,219
Other Non Current Assets	1,663	1,466	1,563	2,003	1,809	2,505	2,505
Total Non-current Assets	6,936	9,354	10,496	12,160	12,865	13,596	13,984
Inventories	353	574	712	951	1,232	1,056	1,620
Debtors	1,294	1,640	2,320	2,344	4,761	3,947	4,315
Cash & Equivalents	650	649	438	130	330	968	2,385
ST Loans & Advances, Others	2,979	3,147	4,282	5,378	6,380	6,219	7,611
Total Current Assets	5,276	6,009	7,752	8,803	12,703	12,189	15,931
Creditors	1,038	1,344	2,102	2,236	2,511	2,493	3,131
Other Current Liabilities & Provns	2,721	4,125	3,488	3,502	6,111	4,330	5,133
Total Current Liabilities	3,759	5,469	5,590	5,738	8,622	6,822	8,264
Net Current Assets	1,517	540	2,162	3,066	4,082	5,367	7,667
TOTAL APPLICATION OF FUNDS	8,453	9,894	12,658	15,226	16,946	18,876	21,564

Source: Company, HSIE Research

Standalone Cash Flow

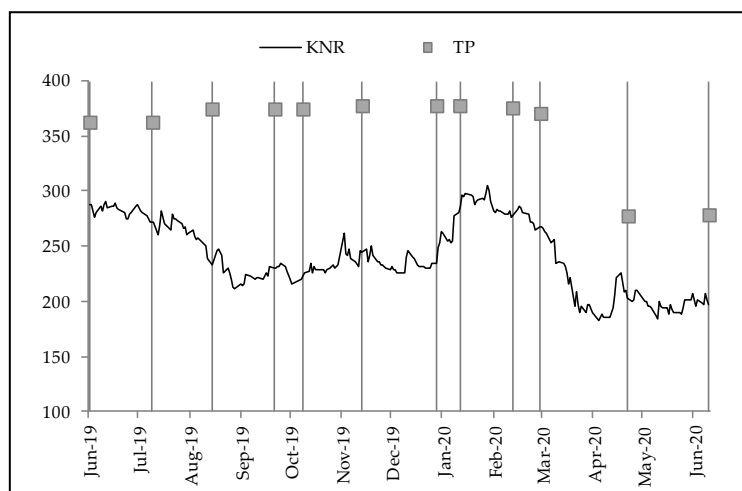
Year ending March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
PBT	1,291	1,632	2,682	2,906	2,937	2,423	3,357
Non-operating & EO items	(86)	20	(119)	(347)	(239)	(378)	(386)
Interest expenses	132	219	231	291	473	490	497
Depreciation	423	639	1,341	1,681	1,923	1,940	2,112
Working Capital Change	830	730	(2,330)	(1,506)	(309)	(1,469)	(882)
Tax paid	(56)	(75)	(237)	(550)	(844)	(622)	(845)
OPERATING CASH FLOW (a)	2,534	3,165	1,567	2,475	3,941	2,385	3,853
Capex	(595)	(1,383)	(2,009)	(2,034)	(2,078)	(406)	(2,000)
Free cash flow (FCF)	1,939	1,782	(442)	441	1,863	1,980	1,853
Investments	(1,455)	(1,836)	(259)	(826)	(1,087)	(1,570)	(500)
Other non operating income	-	-	-	-	266	378	386
INVESTING CASH FLOW (b)	(2,049)	(3,219)	(2,268)	(2,860)	(2,900)	(1,598)	(2,114)
Share capital Issuance	-	-	-	169	-	-	-
Debt Issuance	204	273	763	268	(344)	425	260
Interest expenses	(128)	(220)	(189)	(298)	(401)	(490)	(497)
Dividend	(68)	-	(85)	(68)	(153)	(84)	(84)
Others	-	-	-	-	-	-	-
FINANCING CASH FLOW (c)	9	53	489	72	(898)	(150)	(321)
NET CASH FLOW (a+b+c)	493	(1)	(212)	(313)	144	637	1,417
Opening cash balance	157	650	649	438	130	330	968
Cash not included in Cash and Cash Equivalents				5	57		
Closing Cash & Equivalents	650	649	438	130	330	968	2,385

Key Ratios

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
PROFITABILITY (%)							
GPM	24.6	20.3	25.7	35.1	39.6	36.5	34.9
EBITDA Margin	16.9	14.9	20.0	20.0	21.7	18.7	19.3
EBIT Margin	12.3	10.8	13.0	12.1	13.2	10.6	11.9
APAT Margin	16.0	8.9	8.4	10.7	9.7	7.5	8.6
RoE	22.1	16.9	15.8	17.8	14.3	10.5	12.8
Core RoCE	31.7	40.4	38.7	27.1	24.6	21.1	26.1
RoCE	19.0	16.1	14.7	16.8	15.0	11.5	13.1
EFFICIENCY							
Tax Rate (%)	(24.7)	3.7	(1.4)	9.4	23.3	25.7	25.7
Asset Turnover (x)	1.8	2.4	2.4	2.1	1.9	1.9	2.0
Inventory (days)	14	14	13	16	20	16	21
Debtors (days)	52	39	44	40	77	60	55
Payables (days)	42	32	40	38	41	38	40
Cash Conversion Cycle (days)	25	21	18	18	57	38	36
Other Current Assets (days)	120	75	81	92	104	95	97
Other Current Liab (days)	110	98	66	60	99	66	66
Net Working Capital Cycle (Days)	35	(3)	33	50	61	67	67
Debt/EBITDA (x)	0.7	0.6	0.6	0.6	0.4	0.6	0.5
Net D/E	0.06	0.09	0.2	0.2	0.1	0.1	0.0
Interest Coverage	8.4	7.6	10.9	8.9	6.2	5.2	6.8
PER SHARE DATA							
EPS (Rs/sh)	10.3	9.8	11.5	16.3	15.5	12.8	17.4
CEPS (Rs/sh)	13.3	14.3	21.1	28.2	29.1	26.6	32.4
DPS (Rs/sh)	0.4	0.0	0.5	0.4	0.9	0.5	0.5
BV (Rs/sh)	52	64	82	101	115	127	144
VALUATION							
P/E	19.1	20.0	17.0	12.0	12.7	15.3	11.3
P/BV	3.7	3.1	2.4	1.9	1.7	1.5	1.4
EV/EBITDA	18.3	12.3	7.6	7.0	6.0	6.5	5.1
OCF/EV (%)	9.0	0.1	0.1	0.1	0.1	0.1	0.1
FCF/EV (%)	6.9	6.3	(1.5)	1.5	6.3	6.8	6.6
FCFE/Market Cap (%)	7.3	6.7	0.5	1.5	4.1	6.9	5.9
Dividend Yield (%)	0.2	0.0	0.3	0.2	0.5	0.3	0.3

Source: Company, HSIE Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
1-Jun-19	280	BUY	363
11-Jul-19	271	BUY	363
17-Aug-19	233	BUY	375
22-Sep-19	231	BUY	375
10-Oct-19	224	BUY	375
16-Nov-19	245	BUY	378
30-Dec-19	234	BUY	378
12-Jan-20	278	BUY	378
15-Feb-20	277	BUY	376
2-Mar-20	265	BUY	371
24-Apr-20	203	BUY	278
13-Jun-20	196	BUY	279

From 2nd March 2020, we have moved to new rating system

Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: >10% Downside return potential

Disclosure:

We, **Parikshit Kandpal, CFA & Rohan Rustagi, MBA**, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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