REDUCE

Zee Entertainment

Weak advertising growth persists; margins steady

Emkay
Your success is our success

Media & Entertainment ▸ Result Update ▸ **January 23, 2025**

TARGET PRICE (Rs): 130

Zee reported another quarter of subpar advertising growth, down another 8% YoY in Q3FY25. Ad revenue has now declined (YoY) in nine of the last ten quarters. Subscription revenue reported a steady uptick of 6.6% YoY while other sales and services was weak on account of no major movie releases. EBITDA margin jumped up by 590bps YoY to 16.1%, ahead of our estimate of 14.2%, as the company curtailed its operational expenses. The macro environment remains sluggish, particularly on the urban front, hindering advertising growth. The management highlighted it has successfully completed the first phase of its turnaround plan centered around cost optimization, and focus now is on driving revenue higher. We trim FY25-27E EBITDA by 4-11%, factoring in the Q3 performance and slower advertising growth going ahead. We believe the company will find it difficult to meaningfully improve margins from current levels in the absence of advertising growth. We maintain REDUCE on Zee, and lower our TP by 7% to Rs130 (8x Dec-26E Broadcasting EBITDA).

Zee Entertainment: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	80,879	86,372	83,713	88,720	93,485
EBITDA	11,011	9,071	12,615	14,156	15,840
Adj. PAT	5,811	4,738	7,318	8,542	10,231
Adj. EPS (Rs)	0.5	1.5	7.6	8.9	10.7
EBITDA margin (%)	13.6	10.5	15.1	16.0	16.9
EBITDA growth (%)	(36.1)	(17.6)	39.1	12.2	11.9
Adj. EPS growth (%)	(95.0)	196.0	417.4	16.7	19.8
RoE (%)	5.4	4.4	6.6	7.4	8.3
RoIC (%)	6.1	4.5	7.1	8.0	9.0
P/E (x)	20.0	24.5	15.8	13.6	11.3
EV/EBITDA (x)	10.0	11.7	8.5	7.5	6.7
P/B (x)	1.1	1.1	1.0	1.0	0.0
FCFF yield (%)	(1.9)	2.6	2.6	3.5	2.9

Source: Company, Emkay Research

Results Summary

Zee's consol revenue declined 3.3% YoY to Rs19.8bn, below our estimate of Rs20.3bn. Advertising revenue declined 8.4% YoY, with domestic advertising falling by 10.8% YoY. International ad revenue jumped up 50% YoY to Rs600mn. Subscription revenue growth was steady at 6.6% YoY. Other sales and services declined 42.6% YoY to Rs557mn, on account of no major movie releases. Zee5 revenue grew 8.1% YoY, with EBITDA losses reducing to Rs1.4bn from Rs1.6bn in Q2FY25. The OTT platform released 14 shows and movies in the quarter (7 originals). Consolidated EBITDAM of 16.1% was up by 590bps YoY, aided by lower operational expenses. The company reported a profit of Rs1.6bn. There was an exceptional item to the tune of Rs809mn related to arbitration claim for Margo Network. Zee's market share declined by 50bps QoQ to 16.9% in Q3FY25. **What we liked:** Improvement in margin, steady growth in subscription revenue. **What we did not like:** Persistent weakness in advertising revenue, loss in market share (QoQ).

Earnings call KTAs

1) Growth for the industry has been soft during the quarter with broad consumption slowdown outweighing the festive season impact. There were some green shoots at the start of the quarter which though did not sustain post festive season 2) Rural saw a marginal pickup, but Urban and the Hindi heartland were weak, while the South held up relatively better. 3) The company witnessed an uptick for the Marathi language channel, where it has made significant investment in the past. Zee Tamil has also done well on a YoY basis. Zee continues to invest in strengthening the Hindi language channels. 4) New channel tariff should aid subscription growth a few quarters down the line. 5) Profitability is steady in the music segment, while overall competitive intensity has increased led by domestic music labels. International labels are not aggressive yet. 6) Zee5's revenue growth was impacted by delay in renewal of a B2B deal, which ended in September, with discussions currently under way. There has been a thorough calibration of the Zee5 cost structure. 7) Q3 was a lean quarter for the movies segment. Five movies were released, with Zee being the distributor (2 Hindi, and 3 Regional). The movies segment acts as a feeder into the core business. Despite the subpar performance of movies at the box office, the company has no plans of a scale down, though some rejig is possible among languages. 8) Wage hikes were undertaken effective 1-Sep.

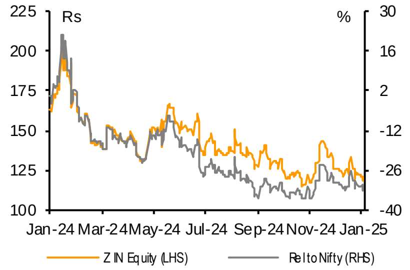
Target Price – 12M	Dec-25
Change in TP (%)	**(7.1)**
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	7.7
CMP (23-Jan-25) (Rs)	120.8

Stock Data	**Ticker**
52-week High (Rs)	210
52-week Low (Rs)	114
Shares outstanding (mn)	960.5
Market-cap (Rs bn)	116
Market-cap (USD mn)	1,341
Net-debt, FY25E (Rs mn)	-8,351
ADTV-3M (mn shares)	12
ADTV-3M (Rs mn)	1,512.5
ADTV-3M (USD mn)	17.5
Free float (%)	96.0
Nifty-50	23,205
INR/USD	86.5
Shareholding, Dec-24	
Promoters (%)	4.0
FPIs/MFs (%)	20.1/18.0

Price Performance

(%)	1M	3M	12M
Absolute	(3.9)	(2.3)	(22.6)
Rel. to Nifty	(1.6)	2.9	(29.1)

1-Year share price trend (Rs)



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

Exhibit 1: Actual vs Estimates (Q3FY25)

(Rs mn)	Actual	Estimate		Variation		
		Emkay	Consensus	Emkay	Consensus	Comment
Revenue	19,788	20,342	21,146	-3%	-6%	Lower ad revenue, and other sales and services
EBITDA	3,184	2,889	3,149	10%	1%	Better margins on account of lower operational expenses
EBITDA margin	*16.1%*	*14.2%*	*14.9%*	*189 bps*	*120 bps*	
PAT	1,636	1,578	1,893	4%	-14%	

Source: Company, Emkay Research

Exhibit 2: Summary of Quarterly Financials

(Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
Ad revenue	10,274	11,102	9,113	9,017	9,406	(8.4)	4.3
Subscription Revenue	9,213	9,494	9,872	9,699	9,825	6.6	1.3
Others	970	1,103	2,320	1,291	557	(42.6)	(56.9)
Net Sales	**20,457**	**21,699**	**21,305**	**20,007**	**19,788**	**(3.3)**	**(1.1)**
Programming Cost	11,876	12,830	11,770	10,615	9,968	(16.1)	(6.1)
as % of sales	58.1	59.1	55.2	53.1	50.4		
Employee Expenses	2,442	2,552	2,258	2,275	2,433	(0.4)	6.9
as % of sales	11.9	11.8	10.6	11.4	12.3		
Admin and Other expense	4,047	4,215	4,561	3,907	4,203	3.9	7.6
as % of sales	19.8	19.4	21.4	19.5	21.2		
Total operating expenditure	18,365	19,597	18,589	16,797	16,604	(9.6)	(1.1)
EBITDA	**2,092**	**2,103**	**2,717**	**3,210**	**3,184**	**52.2**	**(0.8)**
Depreciation	761	772	756	732	658	(13.6)	(10.1)
EBIT	1,330	1,331	1,960	2,478	2,526	89.9	1.9
Other Income	277	154	190	337	345	24.6	2.4
Interest	183	69	55	83	108	(41.1)	30.1
Exceptional Item Fair value through P&L)	(551)	(265)	(373)	130	(786)		
PBT	872	1,151	1,722	2,862	1,977	126.6	(30.9)
Tax	288	1,018	542	769	342	18.8	(55.5)
PAT before MI	584	133	1,180	2,093	1,635	179.8	(21.9)
MI	(1)	(1)	(1)	(1)	(1)	-	-
PAT before comprehensive income	585	134	1,181	2,094	1,636	179.5	(21.9)
PAT after MI	**585**	**134**	**1,181**	**2,094**	**1,636**	**179.5**	**(21.9)**
(%)						(bps)	(bps)
EBITDAM	10.2	9.7	12.8	16.0	16.1	587	5
EBITM	6.5	6.1	9.2	12.4	12.8	626	38
EBTM	4.3	5.3	8.1	14.3	10.0	573	(431)
PATM	2.9	0.6	5.5	10.5	8.3	541	(220)
Effective Tax rate	33.0	88.5	31.5	26.9	17.3	(1,571)	(957)

Source: Company, Emkay Research

Exhibit 3: Change in Estimates

(Rs mn)	FY25E			FY26E			FY27E		
	Old	Revised	Change	Old	Revised	Change	Old	Revised	Change
Ad revenue	39,977	38,052	-4.8%	41,811	39,278	-6.1%	44,245	40,932	-7.5%
Subscription revenue	39,901	39,493	-1.0%	41,633	41,842	0.5%	44,227	44,153	-0.2%
Revenue	86,490	83,713	-3.2%	91,044	88,720	-2.6%	96,872	93,485	-3.5%
EBITDA	13,161	12,615	-4.1%	15,555	14,156	-9.0%	17,751	15,840	-10.8%
EBITDA margin (%)	15.2	15.1	-13 bps	17.1	16.0	-114 bps	18.3	16.9	-136 bps
PAT	7,382	7,318	-0.9%	9,637	8,542	-11.4%	11,881	10,231	-13.9%
EPS (Rs)	7.7	7.6	-1.1%	10.0	8.9	-11.1%	12.4	10.7	-14.1%

Source: Emkay Research

Zee Entertainment: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	**80,879**	**86,372**	**83,713**	**88,720**	**93,485**
Revenue growth (%)	(1.2)	6.8	(3.1)	6.0	5.4
EBITDA	**11,011**	**9,071**	**12,615**	**14,156**	**15,840**
EBITDA growth (%)	(36.1)	(17.6)	39.1	12.2	11.9
Depreciation & Amortization	3,128	3,091	3,539	3,291	2,836
EBIT	**7,884**	**5,980**	**9,076**	**10,866**	**13,004**
EBIT growth (%)	(46.6)	(24.1)	51.8	19.7	19.7
Other operating income	0	0	0	0	0
Other income	797	1,293	1,000	1,200	1,320
Financial expense	702	721	386	640	640
PBT	**7,979**	**6,553**	**9,690**	**11,426**	**13,684**
Extraordinary items	(5,333)	(3,324)	0	0	0
Taxes	2,167	1,818	2,373	2,876	3,444
Minority interest	0	0	0	0	0
Income from JV/Associates	(1)	4	1	(8)	(8)
Reported PAT	**478**	**1,414**	**7,318**	**8,542**	**10,231**
PAT growth (%)	(95.0)	196.0	417.4	16.7	19.8
Adjusted PAT	**5,811**	**4,738**	**7,318**	**8,542**	**10,231**
Diluted EPS (Rs)	**0.5**	**1.5**	**7.6**	**8.9**	**10.7**
Diluted EPS growth (%)	(95.0)	196.0	417.4	16.7	19.8
DPS (Rs)	**0.0**	**0.4**	**2.3**	**2.7**	**3.2**
Dividend payout (%)	**0.0**	**30.0**	**30.0**	**30.0**	**30.0**
EBITDA margin (%)	13.6	10.5	15.1	16.0	16.9
EBIT margin (%)	9.7	6.9	10.8	12.2	13.9
Effective tax rate (%)	27.2	27.7	24.5	25.2	25.2
NOPLAT (pre-IndAS)	**5,743**	**4,321**	**6,854**	**8,131**	**9,731**
Shares outstanding (mn)	960.3	960.3	960.3	960.3	960.3

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	961	961	961	961	961
Reserves & Surplus	106,258	107,768	112,115	118,094	125,256
Net worth	**107,219**	**108,729**	**113,075**	**119,055**	**126,217**
Minority interests	0	0	0	0	0
Deferred tax liability (net)	(4,229)	(4,542)	(5,451)	(5,451)	(5,451)
Total debt	**2,820**	**2,303**	**4,103**	**4,103**	**4,103**
Total liabilities & equity	**105,810**	**106,490**	**111,728**	**117,707**	**124,869**
Net tangible fixed assets	7,455	7,212	7,429	5,842	4,909
Net intangible assets	4,645	3,376	2,041	901	1,001
Net ROU assets	1,497	1,455	1,335	2,720	3,318
Capital WIP	191	93	93	93	93
Goodwill	0	0	0	0	0
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	**8,314**	**11,731**	**12,454**	**13,621**	**13,660**
Current assets (ex-cash)	109,230	105,784	110,457	119,355	126,489
Current Liab. & Prov.	27,167	23,161	22,081	24,825	24,600
NWC (ex-cash)	**82,062**	**82,623**	**88,376**	**94,530**	**101,889**
Total assets	**105,810**	**106,490**	**111,728**	**117,707**	**124,869**
Net debt	(5,493)	(9,427)	(8,351)	(9,517)	(9,557)
Capital employed	104,165	106,490	111,728	117,707	124,869
Invested capital	**95,660**	**94,666**	**99,181**	**103,994**	**111,116**
BVPS (Rs)	109.9	113.2	117.8	124.0	0.0
Net Debt/Equity (x)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Net Debt/EBITDA (x)	(0.5)	(1.0)	(0.7)	(0.7)	(0.6)
Interest coverage (x)	0.1	0.1	0.0	0.1	0.0
RoCE (%)	**8.3**	**6.9**	**9.2**	**10.5**	**11.8**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	7,979	6,553	9,690	11,426	13,684
Others (non-cash items)	0	0	0	0	0
Taxes paid	(2,167)	(1,818)	(2,373)	(2,876)	(3,444)
Change in NWC	(3,436)	(873)	(6,662)	(6,154)	(7,359)
Operating cash flow	**1,741**	**4,160**	**5,104**	**5,679**	**5,709**
Capital expenditure	(3,793)	(1,439)	(2,300)	(1,950)	(2,600)
Acquisition of business	0	0	0	0	0
Interest & dividend income	270	270	270	270	270
Investing cash flow	**(2,675)**	**(184)**	**(1,300)**	**(750)**	**(1,280)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	2,057	(517)	1,800	0	0
Payment of lease liabilities	2,033	(513)	(200)	0	0
Interest paid	(702)	(721)	(386)	(640)	(640)
Dividend paid (incl tax)	0	(424)	(2,195)	(2,563)	(3,069)
Others	7,562	9,049	9,219	5,106	2,928
Financing cash flow	**8,917**	**7,387**	**8,437**	**1,903**	**(782)**
Net chg in Cash	7,984	11,363	12,240	6,832	3,647
OCF	1,741	4,160	5,104	5,679	5,709
Adj. OCF (w/o NWC chg.)	(1,695)	3,287	(1,558)	(475)	(1,650)
FCFF	(2,052)	2,721	2,804	3,729	3,109
FCFE	(2,484)	2,270	2,687	3,358	2,738
OCF/EBITDA (%)	15.8	45.9	40.5	40.1	36.0
FCFE/PAT (%)	(519.8)	160.5	36.7	39.3	26.8
FCFF/NOPLAT (%)	**(35.7)**	**63.0**	**40.9**	**45.9**	**31.9**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	20.0	24.5	15.8	13.6	11.3
P/CE(x)	13.0	14.8	10.7	9.8	8.9
P/B (x)	1.1	1.1	1.0	1.0	0.0
EV/Sales (x)	1.4	1.2	1.3	1.2	1.1
EV/EBITDA (x)	10.0	11.7	8.5	7.5	6.7
EV/EBIT(x)	14.0	17.8	11.9	9.8	8.2
EV/IC (x)	1.2	1.1	1.1	1.0	1.0
FCFF yield (%)	(1.9)	2.6	2.6	3.5	2.9
FCFE yield (%)	(2.1)	2.0	2.3	2.9	2.4
Dividend yield (%)	0.0	0.4	1.9	2.2	2.6
DuPont-RoE split					
Net profit margin (%)	7.2	5.5	8.7	9.6	10.9
Total asset turnover (x)	0.8	0.8	0.8	0.8	0.8
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	**5.4**	**4.4**	**6.6**	**7.4**	**8.3**
DuPont-RoIC					
NOPLAT margin (%)	7.1	5.0	8.2	9.2	10.4
IC turnover (x)	0.9	0.9	0.9	0.9	0.9
RoIC (%)	**6.1**	**4.5**	**7.1**	**8.0**	**9.0**
Operating metrics					
Core NWC days	370.3	349.2	385.3	388.9	397.8
Total NWC days	**370.3**	**349.2**	**385.3**	**388.9**	**397.8**
Fixed asset turnover	2.8	2.7	2.4	2.4	2.4
Opex-to-revenue (%)	31.1	31.2	32.0	31.6	31.1

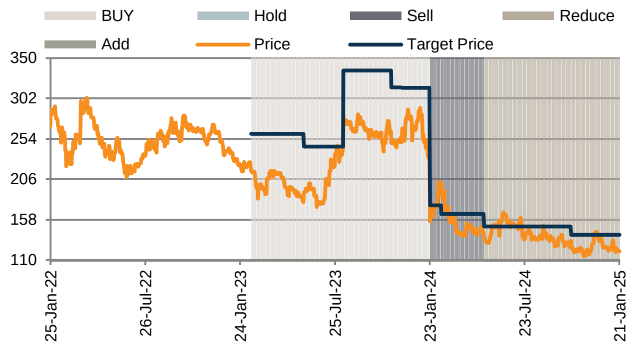
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
20-Oct-24	132	140	Reduce	Pulkit Chawla
27-Aug-24	151	150	Reduce	Pulkit Chawla
31-Jul-24	149	150	Reduce	Pulkit Chawla
18-May-24	141	150	Reduce	Pulkit Chawla
06-May-24	136	150	Reduce	Pulkit Chawla
14-Feb-24	200	165	Sell	Pulkit Chawla
23-Jan-24	156	175	Sell	Pulkit Chawla
08-Jan-24	278	315	Buy	Pulkit Chawla
30-Nov-23	253	315	Buy	Pulkit Chawla
10-Nov-23	249	315	Buy	Pulkit Chawla
02-Nov-23	269	335	Buy	Pulkit Chawla
10-Aug-23	282	335	Buy	Pulkit Chawla
10-Aug-23	282	265	Buy	Pulkit Chawla
26-May-23	191	245	Buy	Pulkit Chawla
14-Feb-23	216	260	Buy	Pulkit Chawla

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be 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-:

1. 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 January 23, 2025
2. 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:
3. 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.
4. 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 January 23, 2025
5. 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 January 23, 2025
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. 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.
8. 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.

SESHADRI KUMAR SEN

Digitally signed by SESHADRI KUMAR SEN
DN: c=IN, o=Personal,
pseudonym=133422712594461905DSVUy8kk9un4ET,
2.5.4.20=1217a0ac22644d6a490a50ef35978ca2cbcf94
e39548b678bafc1f29f6e1ced7, postalCode=400011,
st=Maharashtra,
serialNumber=07837cb61a11364e9d2229a78d0af55d
5d599551e83b808ee76a10dbb491f06e, cn=SESHADRI
KUMAR SEN
Date: 2025.01.23 23:00:46 +05'30'