

Steady quarter

Healthcare ▶ Result Update ▶ January 30, 2025

TARGET PRICE (Rs): 3,250

DLPL's Q3FY25 results were largely in line with street/our estimates, with Swasthfit continuing to grow 25%+ YoY for six quarters. Return of double-digit revenue growth in DLPL's core Delhi NCR offset the muted performance of Suburban (9% revenue growth with EBITDAM of 12.3%). With competition hiking prices (both online and organized chains), and the management continuing to prioritize volume growth over pricing, we build in 12% revenue CAGR over FY25-27E. Margins should remain stable with operating leverage and higher Swasthfit contribution offsetting the network investments. A strong net cash balance sheet, industry leading margins, and improving return ratios provide comfort on valuations. We retain BUY with revised down Dec-25E TP of Rs3,250 (4.4% cut, based on DCF), implying Dec-26E PER of 43x.

Dr Lal Pathlabs: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	20,169	22,266	24,592	27,467	31,098
EBITDA	4,899	6,093	6,796	7,436	8,541
Adj. PAT	2,389	3,577	4,236	4,850	5,835
Adj. EPS (Rs)	28.7	42.8	50.7	58.1	69.9
EBITDA margin (%)	24.3	27.4	27.6	27.1	27.5
EBITDA growth (%)	(12.6)	24.4	11.5	9.4	14.9
Adj. EPS growth (%)	(30.7)	49.4	18.4	14.5	20.3
RoE (%)	14.8	20.0	21.2	21.5	22.5
RoIC (%)	21.8	28.4	33.2	37.0	38.6
P/E (x)	100.3	67.2	56.7	49.5	41.2
EV/EBITDA (x)	47.8	38.0	33.5	30.1	25.6
P/B (x)	14.4	13.0	11.6	10.1	8.7
FCFF yield (%)	1.8	2.1	2.2	2.3	2.7

Source: Company, Emkay Research

In-line quarter; double-digit growth in core markets

For Q3FY25, DLPL reported an in-line quarter, with revenue increase of 11% YoY on the back of sample volumes increasing 11% YoY and flat realizations. Patient volumes grew 3% YoY. Gross margin expanded marginally by 25bps, which can be attributed to the continued uptick in contribution of the Swasthfit portfolio. EBITDA margin, however, contracted by 30bps YoY to 25.8% on account of employee expenses growing 16% YoY as the company added employees in the sales, marketing, and infrastructure teams. D&A expenses declined 1% YoY on account of lower capex intensity, coupled with other income increasing 37% YoY and finance cost reducing 24%, leading to PAT increasing 18% YoY. The company has announced an interim dividend of Rs6/sh for the quarter. Net cash on books stood at ~Rs11.2bn. Suburban ramp up continues to be patchy, with revenue growing 9.2% and EBITDA margin at 12.3% vs H1 margin of 17-18%.

Outlook and risks

With the return of double-digit revenue growth in DLPL's core Delhi NCR market and plans of adding 15-20 labs in FY25, we believe the current growth trajectory would improve for DLPL. While network investments (employee additions and SG&A expenses) and subdued margins at Suburban led to margins contracting by 30bps on a YoY basis, we believe higher contribution from Swasthfit and operating leverage will result in stable margins over FY25-27E. Factoring in the Q3FY25 results, we marginally tweak EBITDAM by 70-90bps over FY26/27E. Lower depreciation on account of tapering capex intensity, however, results in PAT CAGR of 18% over FY24-27E. Strong balance sheet (net cash of Rs11bn), improving return ratios (ROE/ROCE at 23%/25%, respectively, in FY27), and robust cash generation (OCF as a % of EBITDA at 88% in FY24) lend comfort on valuations. We retain BUY on DLPL, with revised down Dec-25E TP to Rs3,250 (DCF), implying Dec-26E PER of 43x. **Key risks:** Increased competition in the organized market from growing hospital chains, predatory pricing from any market participants, and adverse regulatory ruling around pricing cap for healthcare services.

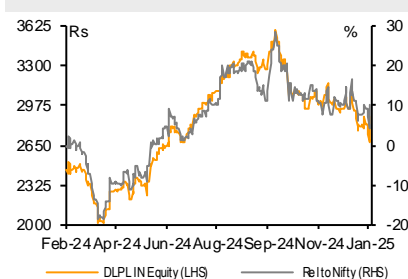
Target Price – 12M	Dec-25
Change in TP (%)	(4.4)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	12.9
CMP (30-Jan-25) (Rs)	2,877.9

Stock Data	Ticker
52-week High (Rs)	3,654
52-week Low (Rs)	1,943
Shares outstanding (mn)	83.6
Market-cap (Rs bn)	241
Market-cap (USD mn)	2,777
Net-debt, FY25E (Rs mn)	-12,653
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	594.3
ADTV-3M (USD mn)	6.9
Free float (%)	-
Nifty-50	23,250
INR/USD	86.6
Shareholding, Dec-24	
Promoters (%)	53.9
FPIs/MFs (%)	26.8/13.2

Price Performance

(%)	1M	3M	12M
Absolute	(2.6)	(5.5)	16.2
Rel. to Nifty	(1.0)	(1.0)	7.6

1-Year share price trend (Rs)



Anshul Agrawal

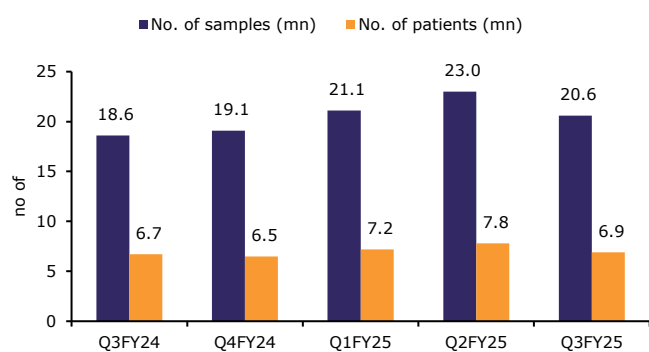
anshul.agrawal@emkayglobal.com
+91 22 6612 1228

Abin Benny

abin.benny@emkayglobal.com
+91 22 6624 2413

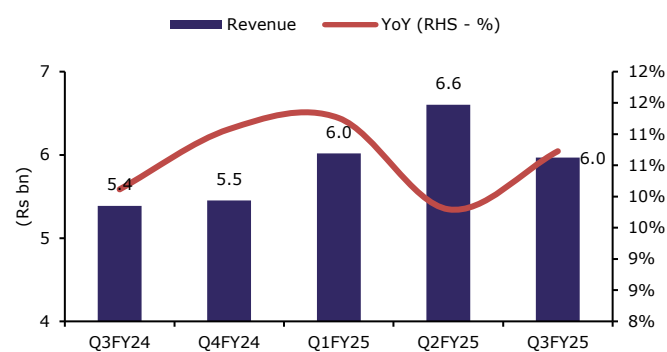
Story in Charts

Exhibit 1: Sample/patient volumes improve 11%/3% YoY



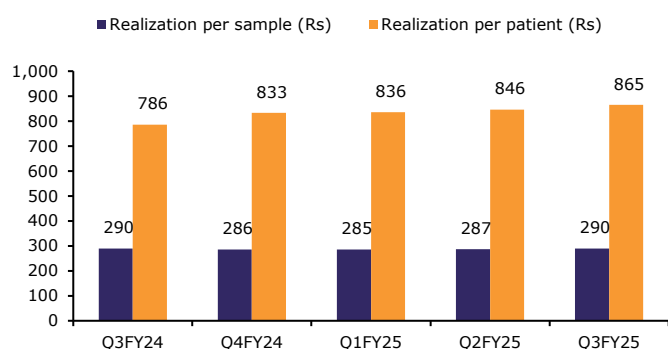
Source: Company, Emkay Research

Exhibit 2: Core business registered 11% YoY topline growth



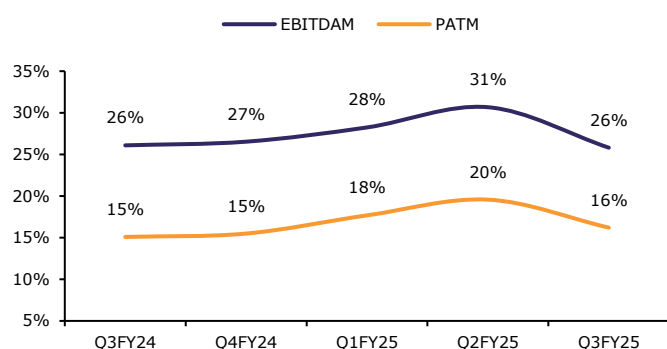
Source: Company, Emkay Research

Exhibit 3: Realizations improved on account of better product mix...



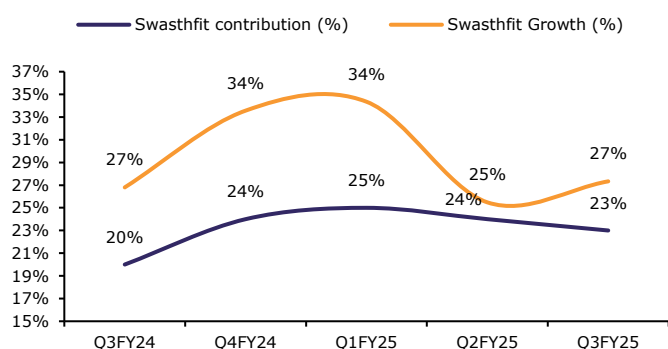
Source: Company, Emkay Research

Exhibit 4: ...with margins stable on a YoY basis



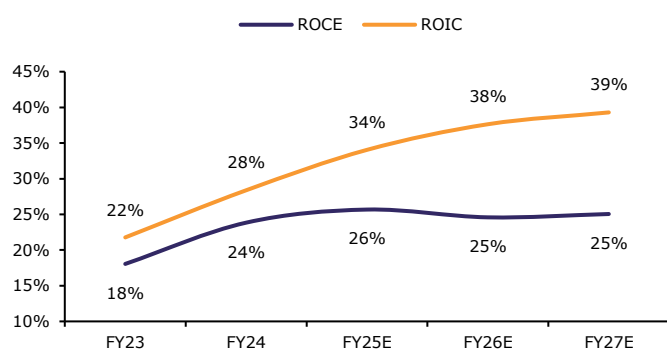
Source: Company, Emkay Research

Exhibit 5: Swasthfit continues to grow at a fast rate



Source: Company, Emkay Research

Exhibit 6: Return ratios are expected to improve, with tapering capex intensity



Source: Company, Emkay Research

Exhibit 7: Summary of quarterly financials

Particulars (Rs mn)	Q3FY24	Q2FY25	Q3FY25	YoY	QoQ
Net sales	5,389	6,602	5,967	11%	-10%
Operating Expenses	(3,983)	(4,577)	(4,427)	11%	-3%
Medical consumable costs	1,070	1,273	1,170	9%	-8%
Employee Costs	1,090	1,240	1,264	16%	2%
SG&A expenses	1,823	2,064	1,993	9%	-3%
EBITDA	1,406	2,025	1,540	10%	-24%
Margins	26.1%	30.7%	25.8%	-1%	-16%
Depreciation	(360)	(353)	(355)	-1%	1%
EBIT	1,046	1,672	1,185	13%	-29%
Other Income	183	219	251	37%	15%
Interest	(70)	(60)	(53)	-24%	-12%
Extra ordinary items					
PBT	1,159	1,831	1,383	19%	-24%
Tax	(337)	(523)	(402)	19%	-23%
PAT	822	1,308	981	19%	-25%
Adj PAT	822	1,308	981	19%	-25%
Minority interests	9	16	14	56%	-13%
PAT (reported)	813	1,292	967	19%	-25%
EPS	9.74	15.5	11.6	19%	-25%
(%)	Q3FY24	Q2FY25	Q3FY25	YoY (bps)	QoQ (bps)
Gross Margin	80.1%	80.7%	80.4%	25	-33
EBITDAM	26.1%	30.7%	25.8%	-28	-486
EBITM	19.4%	25.3%	19.9%	45	-547
PBTM	21.5%	27.7%	23.2%	167	-456
PATM	15.1%	19.6%	16.2%	112	-336
Effective Tax rate	29.1%	28.6%	29.1%	-1	50

Source: Company, Emkay Research

Exhibit 8: Actuals vs estimates (Q3FY25)

(Rs mn)	Actual	Estimate (Emkay)	Consensus estimate (Bloomberg)	Variation	
				Emkay	Consensus
Revenue	5,967	5,933	5,973	1%	0%
EBITDA	1,540	1,543	1,578	0%	-2%
EBITDA Margin	26%	26%	26%	-19 bps	-60 bps
PAT	981	931	996	5%	-1%

Source: Company, Emkay Research

Exhibit 9: Change in estimates

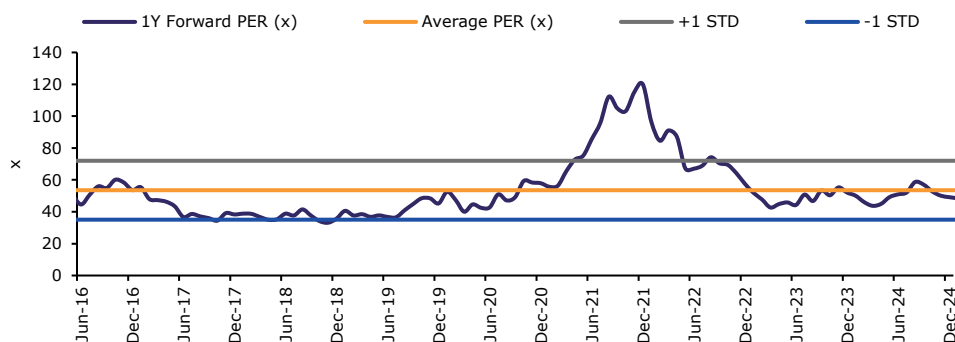
Particulars (Rs mn)	FY25E			FY26E			FY27E		
	Old	New	Change	Old	New	Change	Old	New	Change
Revenue	24,558	24,592	0.1%	27,554	27,467	-0.3%	31,478	31,098	-1.2%
EBITDA	6,949	6,796	-2.2%	7,715	7,436	-3.6%	8,867	8,541	-3.7%
EBITDA Margin	28.3%	27.6%	-66 bps	28.0%	27.1%	-92 bps	28.2%	27.5%	-71 bps
PAT	4,284	4,236	-1.1%	4,954	4,850	-2.1%	5,931	5,835	-1.6%

Source: Company, Emkay Research

Exhibit 10: We value Dr Lal Path Labs at Rs3,250

	FY24	FY25E	FY26E	FY27E	FY30E	FY35E
Revenue	22,266	24,592	27,467	31,098	43,925	77,132
Growth	10%	10%	12%	13%	12%	12%
NOPAT	3,338	3,823	4,272	5,015	7,846	14,332
Non-cash items	1,436	1,437	1,504	1,576	1,733	3,082
Change in WC	(204)	75	93	176	189	303
Capex	(512)	(560)	(560)	(580)	(680)	(1,156)
FCFF	4,057	4,776	5,308	6,187	9,088	16,561
WACC	10.7%					
Terminal growth	6%					
PV of CFs (FY24-45E)	113,814					
PV of terminal value	122,879					
Total EV	236,692					
(Less) Net debt - FY25E	(12,653)					
Total equity value	249,345					
Total no of shares - Dec-24 (mn)	84					
Target price - Dec-25E (Rs)	3,250					

Source: Company, Emkay Research

Exhibit 11: Dr Lal Path Labs is trading below its long-term 1YF PER

Source: Bloomberg, Emkay Research

Call Highlights

- The management target 7-8% volume CAGR on the back of lab expansion in metros and Tier 1 regions over the medium term.
- The management stated that no immediate price hikes are planned despite rising costs (due to inflation and higher import prices for reagents). Instead, the company is focusing on optimizing geographic and test mix for improving margins and expanding franchise-based collection centers (now contributing ~45% of revenue), in order to increase reach with lower operational costs.
- Q4 is expected to be stronger on account of growth potential of well packages, as more patients avail annual wellness testing.
- The West has been growing faster than the national average, and now contributes ~15% to overall revenue. The South remains a weaker segment for the company, and the management plans to focus aggressively on this region, both organically and inorganically.
- Swasthfit has been a major growth driver for the business and the management continues to aspire for increasing the share of bundled packages beyond 25-30% of total revenue.
- Delhi NCR has shown double-digit growth for two consecutive quarters now. The management is leveraging this momentum to further strengthen its foothold in high-margin urban areas.
- The company's effective tax rate remains at 25% but due to lack of deriving benefits of goodwill impairment, the tax rate is 29%.
- The diagnostic sector is transitioning from unorganized to organized players, with consolidation trends visible.
- NCDs account for ~65% of deaths in India and result in a 2% GDP loss annually. Timely screening and preventive health management are crucial for controlling NCDs, creating long-term demand for diagnostic services.
- The industry has stabilized after aggressive discounting by some players in previous years. Hospital chains entering retail pathology pose a competitive challenge, but their pricing strategies are limited by their need to match their higher internal hospital pricing.

Dr Lal Pathlabs: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	20,169	22,266	24,592	27,467	31,098
Revenue growth (%)	(3.4)	10.4	10.4	11.7	13.2
EBITDA	4,899	6,093	6,796	7,436	8,541
EBITDA growth (%)	(12.6)	24.4	11.5	9.4	14.9
Depreciation & Amortization	1,502	1,436	1,437	1,504	1,576
EBIT	3,397	4,657	5,359	5,933	6,965
EBIT growth (%)	(25.0)	37.1	15.1	10.7	17.4
Other operating income	0	0	0	0	0
Other income	417	692	897	1,121	1,457
Financial expense	375	294	243	243	243
PBT	3,439	5,055	6,013	6,811	8,179
Extraordinary items	0	0	0	0	0
Taxes	1,028	1,432	1,723	1,907	2,290
Minority interest	(22)	(46)	(54)	(54)	(54)
Income from JV/Associates	0	0	0	0	0
Reported PAT	2,389	3,577	4,236	4,850	5,835
PAT growth (%)	(30.7)	49.7	18.4	14.5	20.3
Adjusted PAT	2,389	3,577	4,236	4,850	5,835
Diluted EPS (Rs)	28.7	42.8	50.7	58.1	69.9
Diluted EPS growth (%)	(30.7)	49.4	18.4	14.5	20.3
DPS (Rs)	12.0	24.0	24.0	24.0	24.0
Dividend payout (%)	(41.8)	(56.0)	(47.3)	(41.3)	(34.3)
EBITDA margin (%)	24.3	27.4	27.6	27.1	27.5
EBIT margin (%)	16.8	20.9	21.8	21.6	22.4
Effective tax rate (%)	29.9	28.3	28.7	28.0	28.0
NOPLAT (pre-IndAS)	2,382	3,338	3,823	4,272	5,015
Shares outstanding (mn)	83.3	83.5	83.5	83.5	83.5

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	3,439	5,055	6,013	6,811	8,179
Others (non-cash items)	0	0	0	0	0
Taxes paid	(1,028)	(1,432)	(1,723)	(1,907)	(2,290)
Change in NWC	50	195	706	365	483
Operating cash flow	4,560	5,354	5,485	5,622	6,427
Capital expenditure	(365)	(512)	(560)	(560)	(580)
Acquisition of business	0	0	0	0	0
Interest & dividend income	306	473	736	960	1,297
Investing cash flow	(2,873)	(243)	176	(600)	(4,283)
Equity raised/(repaid)	0	1	0	0	0
Debt raised/(repaid)	(1,090)	(1,534)	(833)	0	0
Payment of lease liabilities	(342)	(335)	630	272	307
Interest paid	(375)	(294)	(243)	(243)	(243)
Dividend paid (incl tax)	(1,000)	(2,004)	(2,004)	(2,004)	(2,004)
Others	1,255	201	236	284	285
Financing cash flow	(1,209)	(3,630)	(2,844)	(1,963)	(1,962)
Net chg in Cash	478	1,481	2,818	3,060	181
OCF	4,560	5,354	5,485	5,622	6,427
Adj. OCF (w/o NWC chg.)	4,610	5,549	6,191	5,987	6,909
FCFF	4,195	4,842	4,925	5,062	5,847
FCFE	4,126	5,021	5,419	5,780	6,900
OCF/EBITDA (%)	93.1	87.9	80.7	75.6	75.2
FCFE/PAT (%)	172.7	140.4	127.9	119.2	118.3
FCFF/NOPLAT (%)	176.2	145.1	128.8	118.5	116.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	834	835	835	835	835
Reserves & Surplus	15,829	17,658	19,944	22,843	26,728
Net worth	16,663	18,493	20,779	23,678	27,563
Minority interests	332	361	361	361	361
Deferred tax liability (net)	(375)	(425)	(425)	(425)	(425)
Total debt	2,367	833	0	0	0
Total liabilities & equity	18,987	19,262	20,715	23,614	27,499
Net tangible fixed assets	2,004	1,994	1,983	1,996	1,941
Net intangible assets	3,562	3,026	2,524	1,937	1,342
Net ROU assets	2,006	1,436	1,232	1,024	838
Capital WIP	30	40	40	40	40
Goodwill	5,478	5,482	5,482	5,482	5,482
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	8,154	9,441	12,653	16,701	21,904
Current assets (ex-cash)	2,198	2,338	2,458	2,606	2,734
Current Liab. & Prov.	4,464	4,849	5,675	6,188	6,799
NWC (ex-cash)	(2,266)	(2,511)	(3,217)	(3,582)	(4,065)
Total assets	18,987	18,925	20,714	23,614	27,499
Net debt	(5,787)	(8,608)	(12,653)	(16,701)	(21,904)
Capital employed	18,987	19,262	20,715	23,614	27,499
Invested capital	10,804	9,444	8,022	6,874	5,555
BVPS (Rs)	200.0	221.5	248.8	283.6	330.1
Net Debt/Equity (x)	(0.3)	(0.5)	(0.6)	(0.7)	(0.8)
Net Debt/EBITDA (x)	(1.2)	(1.4)	(1.9)	(2.2)	(2.6)
Interest coverage (x)	0.1	0.1	0.0	0.0	0.0
RoCE (%)	18.1	23.8	25.1	24.3	24.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	100.3	67.2	56.7	49.5	41.2
P/CE(x)	61.6	47.9	42.4	37.8	32.4
P/B (x)	14.4	13.0	11.6	10.1	8.7
EV/Sales (x)	11.6	10.4	9.3	8.1	7.0
EV/EBITDA (x)	47.8	38.0	33.5	30.1	25.6
EV/EBIT(x)	68.9	49.8	42.5	37.7	31.4
EV/IC (x)	21.7	24.5	28.4	32.5	39.3
FCFF yield (%)	1.8	2.1	2.2	2.3	2.7
FCFE yield (%)	1.7	2.1	2.3	2.4	2.9
Dividend yield (%)	0.4	0.8	0.8	0.8	0.8
DuPont-RoE split					
Net profit margin (%)	11.8	16.1	17.2	17.7	18.8
Total asset turnover (x)	2.6	2.8	2.9	3.0	3.1
Assets/Equity (x)	1.2	1.1	1.0	1.0	1.0
RoE (%)	14.8	20.0	21.2	21.5	22.5
DuPont-RoIC					
NOPLAT margin (%)	11.8	15.0	15.5	15.6	16.1
IC turnover (x)	1.8	1.9	2.1	2.4	2.4
RoIC (%)	21.8	28.4	33.2	37.0	38.6
Operating metrics					
Core NWC days	(9.3)	(11.8)	(11.8)	(11.8)	(12.5)
Total NWC days	(9.3)	(11.8)	(11.8)	(11.8)	(12.5)
Fixed asset turnover	1.2	1.3	1.5	1.7	1.9
Opex-to-revenue (%)	53.5	52.4	52.4	51.9	51.5

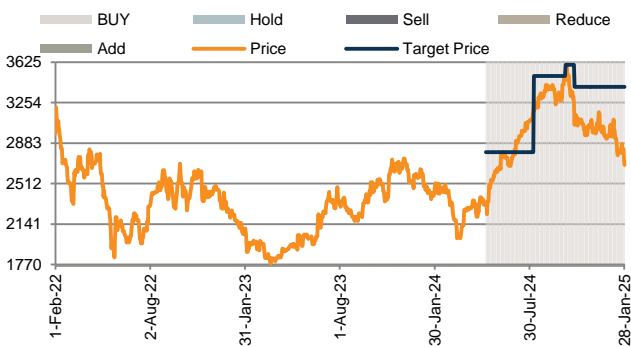
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
24-Oct-24	3,049	3,400	Buy	Anshul Agrawal
07-Oct-24	3,460	3,600	Buy	Anshul Agrawal
07-Aug-24	3,275	3,500	Buy	Anshul Agrawal
19-Jun-24	2,679	2,800	Buy	Anshul Agrawal
10-May-24	2,348	2,800	Buy	Anshul Agrawal
07-May-24	2,323	2,800	Buy	Anshul Agrawal

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:-

- 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 30, 2025
- 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 January 30, 2025
- 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 30, 2025
- 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.