



KEY HIGHLIGHTS

1. RESULTS OVERVIEW:

- Consolidated revenue declined merely 0.3% YoY to Rs.910 cr owing to low revenue velocity from existing projects.
- ROCE of the company improved to 9.34% in FY22 from 14.15% in FY23.
- EBITDA margin dipped 160 bps YoY to 54.7% in Q1FY24 due to an increase in operating costs.

2. MANAGEMENT COMMENTARY:

- Thane Launches:** The company will launch the Pokhran road project in 3QFY24 and the Kolshet road project is expected to follow in a couple of months. At Pokhran road, the construction work will soon commence on 5 towers (1800 units). The management has decided to launch the first phase with the release of 3 towers initially.
- Business development:** The company's expansion efforts are already in motion, with an ongoing deal in Gurugram, which is nearing its conclusion. Additionally, it has signed an LOI for a redevelopment project in Mumbai and are awaiting the signing of the development agreement. Management is hopeful of announcing new acquisitions in 2QFY24.
- Elysian, Goregaon:** Increased prices since Oct'22 along with sales at higher floors resulted in a sharp rise in price realization (21% YoY). Inventory at lower floors is almost exhausted and company will launch a new tower in FY24.

3. PRICE PERFORMANCE (%)

Particulars	3 M	1 Y
Oberoi Realty	0.80	34.12
Nifty Realty	5.95	41.28
Nifty 50	-0.11	8.34

4. CONCALL SUMMARY:

- Mulund Projects:** Now that the project is fully complete, the sales traction should improve in 1 or 2 quarters. Similar to the company's completed project in Goregaon, Esquire, which experienced a surge in velocity after completion, the Mulund projects are expected to follow a similar trajectory aided by strong demand for RTM inventory.
- Borivali Mall:** The entire civil work at the Borivali mall is now complete and the common area fit-out is currently under execution. Tenat fit-out will commence by Feb'24 and the mall will commence operation by FY25 festive season.
- Commerz III:**
 - The company received part OC in Comm 3 and handed over the area for fit-outs to anchor tenant (Morgan Stanley).
 - Hence, as per accounting rules, the revenue recognition has commenced to the tune of INR500m/quarter and this will continue from here on.
- South Mumbai projects:** Peddar road – it is a redevelopment project and negotiations are pending with final 1 or 2 tenants. The company will declare the launch plans soon. Tardeo – Done with rehab building and will be handed over in CY24, post which work on for-sale area will commence.
- Management feels that Mumbai is set for a major boom, aided by a new coastal road, a metro rail and a trans-harbour link among the many ongoing infrastructure projects. As these projects complete over the next few years, new micro markets will open up in and around Mumbai, as commuting would become easier. That will boost real estate development further.

5. VALUATION AND OUTLOOK:

- With a robust near term launch pipeline across, the sales run rate is expected to remain strong over the next three- to-four years.
- The company remains on track for a healthy launch pipeline in 2HFY24 and company remains hopeful of closing a few land deals in the coming quarter, which is expected to drive up pre-sales growth.
- Strong cash generation will enable business development and further growth visibility in future.
- As per channel checks, Company is likely to differentiate itself from the competition by offering larger 3BHK/4BHK units starting Rs.30 million.
- We initiate BUY rating on stock and value the stock at 21.3x FY25 earnings to arrive at the target of Rs.1316.**

RECOMMENDATION – BUY

CMP –1113.6

TARGET – 1316 (18.2%)

Industry	Construction- Real Estate
NSE CODE	OBEROIRLTY
BSE CODE	533273
Market Cap (₹ Cr)	41091
Shares outstanding (in Cr)	36.4
52 wk High/Low (₹)	1207/790
P/E	22.9
P/BV	3.42
Face Value (₹)	10.0
Book Value (₹)	336.0
EPS (₹)	52.4
Dividend Yield (%)	0.36
Debt / Equity	0.32
Interest coverage	11.80

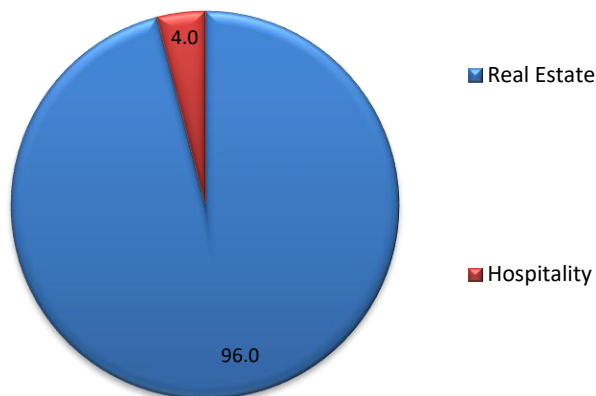
SHAREHOLDING PATTERN

	June 23	March 23	Dec 22
Promoters	67.7	67.7	67.7
Mutual Funds	9.3	9.9	10.2
FII/FPI	18.2	17.8	17.3
Non Institutions	2.8	2.4	2.5
Promoter Pledging	0.0	0.0	0.0

FINANCIAL SNAPSHOT (₹ Cr)

Y/E March	2023A	2024E	2025E
Core			
Sales	4193	4866	5912
Sales Gr. (%)	55.6	16.1	21.5
EBITDA	2111.7	2535	2994
EBITDA mrg. (%)	52.8	52.1	50.6
PAT	1904.6	1939	2252
EPS (₹)	52.4	53.3	61.8
EPS Gr. (%)	81.9	1.7	16.1
Ratios			
RoE (%)	16.8	11.2	12.9
RoCE (%)	16.3	17.3	19.2
Valuation			
P/E (x)	16.1	22	21.3
Net Debt/ equity	0.3	0.3	0.2

Particulars	TTM	5 Yr Avg
Historical P/E :	22.1	23.6
Industry P/E :	59.4	
Historical P/B :	3.2	2.4
Industry P/B :	3.9	

REVENUE SPLIT (%) FY23

QUARTERLY PERFORMANCE (CONSOLIDATED)

(₹ Cr)

Y/E March	FY22				FY23			FY24		FY23	FY24E*
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2QE*		
Net sales	754	832	823	913	689	1,629	961	910	1217	4193	4866
YoY change (%)	138.64	0.43	4.22	221.23	-8.71	95.85	16.75	-0.34	76.6	56	16.1
Total Expenditure	381	500	472	421	378	689	593	436	583	2081	2331
EBITDA	373	332	352	492	310	940	369	474	634	2112	2535
Margins (%)	49	40	43	54	45	58	38	52	52.1	50	52.09
Depreciation	10	10	10	10	10	10	10	11	16	40	64
Interest	17	20	32	33	36	38	62	62	69	169	215
Other income	14	14	19	22	23	22	34	24	59	321	330
PBT	360	316	330	471	287	914	331	424	608	2224	2586
Tax	95	84	98	114	69	226	-90	105	152	311.4	647
Rate (%)	26%	26%	30%	24%	24%	25%	-27%	25%	25%	14.0	25.0
Adjusted PAT	265	232	232	358	218	688	420	320	456	1905	1939
YoY change (%)	94.51	-19.04	-19.19	353.13	-17.66	196.37	81.47	-10.6	109.2	81.9	1.79
Key Performance Indicators											
RM Cost (% of Sales)	-7.50	-23.83	-14.97	12.50	-2.86	-17.25	-17.25	-345.4	-	-84	-
Staff Cost (% of Sales)	2.07	1.89	2.60	1.99	3.01	1.19	1.19	2.02	-	129	-
Other Costs (% of Sales)	105.4	121.9	112.4	85.51	99.9	116.1	116.1	443.4	-	55	-
EBITDA Margin (%)	49	40	43	54	45	58	38	52	52.1	50	52.09
PAT Margin (%)	35	28	28	39	32	42	44	35	37.5	45.4	39.85

Source: Company, Hem Securities Research.

***Insights into the assumptions:**

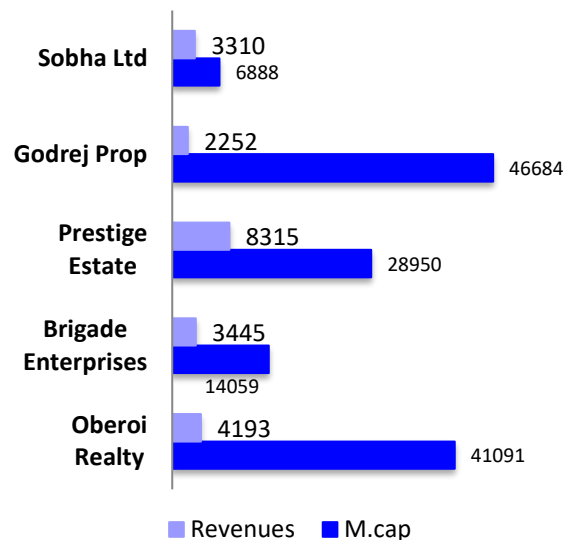
- 1> Expected to see sharp growth in FY24 on the back of Owning to the improving demand dynamics and a strong sales performance in FY23.
- 2> Near term focus of company is to de leverage the balance sheet.
- 3> We expect EBITDA and PAT margins to improve in line with dedicated cost cutting efforts by the company.



INDUSTRY OVERVIEW

- Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations.
- By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.
- Demand for residential properties has surged due to increased urbanization and rising household income. India is among the top 10 price appreciating housing markets internationally.
- As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date.
- Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth Rs. 3.8 lakh crore (US\$ 50 billion), is seeking to invest an additional Rs. 1.7 lakh crore (US\$ 22 billion) by 2030. Overall Real Estate sector is in bull trend.

KEY PLAYERS



PEER PERFORMANCE

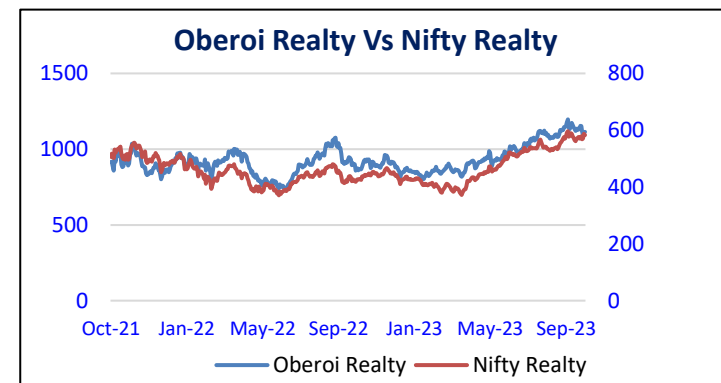
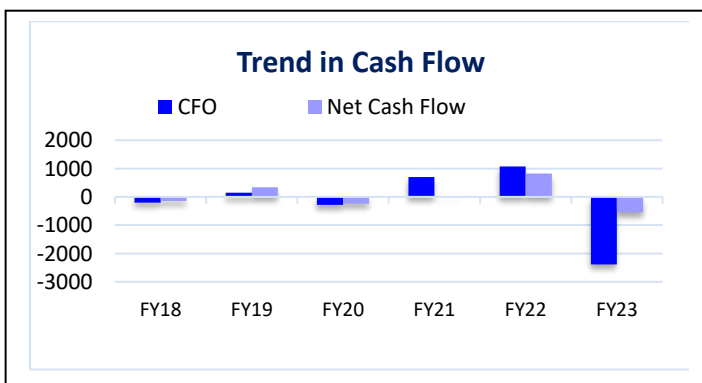
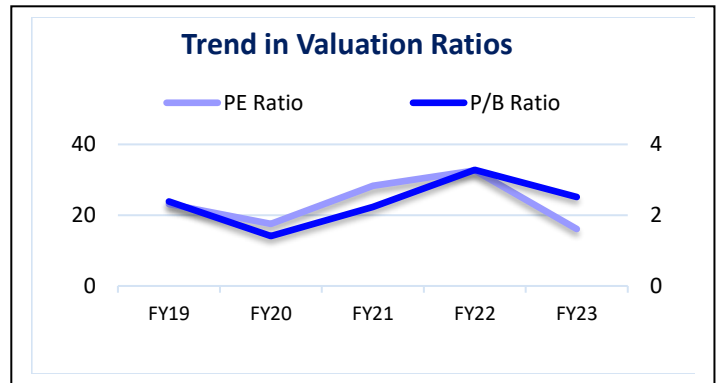
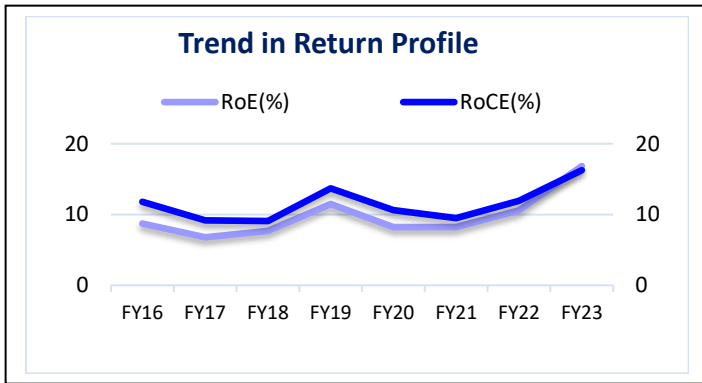
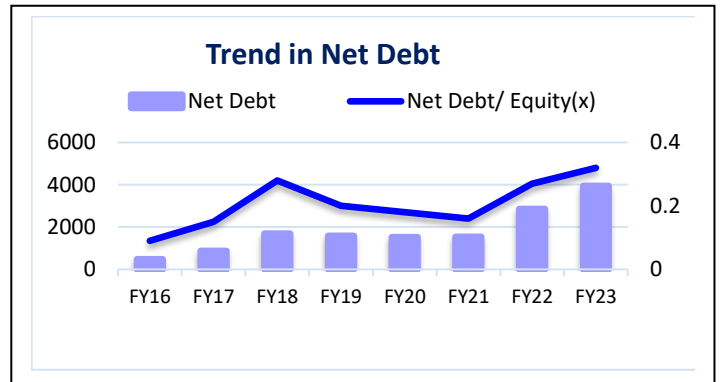
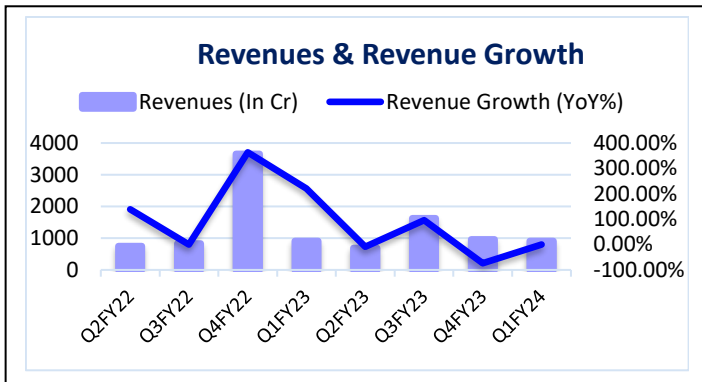
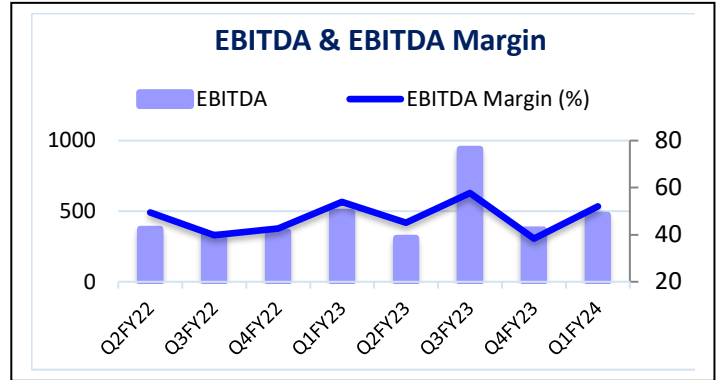
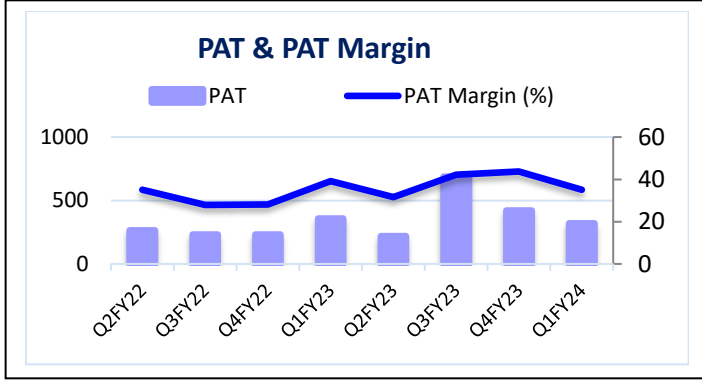
(₹ Cr)

Particulars	Oberoi Realty	Brigade Enterprises	Prestige Estate	Godrej Properties	Sobha
Market Cap	41091	14059	28950	46684	6888
Net Sales	4192.58	3445	8315	2252	3310
EBITDA	2111.66	866	2088	207	370
PAT	1904.55	222	1067	621	104
EPS (Rs)	52.38	12.63	23.49	20.55	10.97
EBITDA MARGIN %	52.77	25	25	9	11
PAT MARGIN %	45.43	6.44	12.8	27.6	3.14
ROCE %	16.26	8.41	10.3	5.7	8.32
ROE %	16.83	6.34	7.50	5.4	4.24
P/E	22.5	84.3	31.4	72.0	61.7
P/B	3.37	4.30	2.91	5.0	2.73
EV/EBITDA	18.8	18.4	12.9	46.2	17.8
Dividend Yield %	0.36	0.34	0.21	0.00	0.41
Mcap/ Sales	9.8	4.08	3.48	20.73	2.08

Source: Company, Hem Securities Research.



STORY IN CHARTS





INVESTMENT RATIONALE:

- Company is one of India's most established brands with a track record of 30+ years in the Mumbai Metropolitan Region (MMR) – amongst the most attractive real estate markets in the country.
- The company has ~45.3msf of premium developable/unsold area in prime locations. They has maintained discipline and delivered sustainable growth, thanks to their focussed strategy of (a) need-based land acquisition and complex project execution via alternative structures, (b) purchase of land parcels only from reputed players and (c) addressing aspirations via different brands across price points.
- With demonetisation and RERA implementation, organized players such as OBER benefited immensely from their brand value and high quality. Also, company gained from historically low lending rates, tax cuts, and consumer preference for ready-to-move-in/timely-completed projects.
- Given the established brand and favourable dynamics, OBER will continue to capitalize on upcoming opportunities.
- OBER has a strong corporate governance framework driven by its Board of Directors. More than 50% of Board members are independent directors.
- OBER has developed over 42 projects in 30+ years at strategic locations across the Mumbai skyline, aggregating about 11.89mn sq. ft of spaces. With another 45.3mn sq. ft. in the making, it has upcoming projects in various parts of Mumbai and other regions.
- OBER has always maintained a disciplined approach with regard to land acquisition, following a need-based strategy rather than a market-based one. Company acquired a substantial portion of land between 2002-2005 when land prices were lower than market rates. In contrast, the company took a conscious decision to avoid land acquisition during 2007-08 – a period that saw the Lehman and housing crisis in the US and spooked the global economy. Prudent use of funds has thus ensured that capital is efficiently used and leverage stays under control.

RISK FACTORS:

- Any decline in property prices could exert pressure on the real estate market. Further, there is uncertainty about events such as government policy changes, market movements and in general demographic preferences, which could cause considerable damage to players operating in the real estate industry.
- Interest rates play a pivotal role in real estate and are one of the key demand boosters. Any adverse movement in interest rates can lead to a reduction in demand and impact the industry and the company's growth prospects. reason in the country, then it can have a detrimental effect on the demand for steel products

COMPANY RECAP

- Oberoi Realty Ltd is a real estate development company, headquartered in Mumbai. It is the part of Oberoi Realty Group, focused on developments in the residential, office space, retail, hospitality, and social infrastructure verticals.
- Company has categorized its revenue into three categories:-
 - **Residential Projects (81%):** Projects Like Seven, Exquisite, Esquire and recent project, three sixty west.
 - **Rental Income(16%):** It includes rental income from investment properties like Malls and commercial spaces.
 - **Hospitality & Property management Services(4%):** It includes services like the sale of rooms, food and beverages and allied services relating to hotel operations.
- OBER focusses on acquiring land from a near-to-mid-term perspective and by making up-front payments for land purchases. However, it also develops projects through alternative structures such as Joint Development Agreement (JDA) or development management agreements. The company earns revenue from the development and sale of free-sale portion on a revenue-sharing basis. Company's slum rehabilitation scheme (SRS) structure is beneficial for all as the JV partner can get higher value using Oberoi's brand, while OBER benefits from access to quality land without making significant capital investments.
- Company has a very strong presence in MMR – one of India's costliest and strongest real estate markets with 50-55% of the inventory skewed towards mid-high income ticket sizes. The company's healthy portfolio has brands such as Esquire, Exquisite, Sky-city, and Three Sixty West – independent brands across MMR and address customer requirements at every price point.
- Given OBER's branding and quality, it has always garnered strong responses in the launch year itself, keeping future selling uncertainties at bay. Sales are done via various sources: own sales staff, channel partners and third-party brokers. The company has consistently recorded strong sales at launch year itself. OBER has sold more than 33% (average) of its inventory within a year of its project launch, clearly indicating its strong pull in strategy. A strong opening ensures healthy profitability and controlled leverage.
- OBER has a very healthy project pipeline which will ensure sales momentum and healthy cash flow visibility over the near-to-mid-term. The company has 6 ongoing projects and 6 under the planning stage. Given healthy inventory of ~23.2mn sqft and the current outlook, we expect the strong momentum to continue.



ANNUAL PERFORMANCE

Financials & Valuations

Income Statement							(₹ Cr)	
March	2018	2019	2020	2021	2022	2023	2024E	2025E
Revenue from operations	1265.4	2,582.5	2237.6	2052.6	2694	4192.6	4866	5912
Growth YoY (%)	13.6	104.1	-13.4	-8.3	31.3	55.6	16.1	21.5
Total Expenditure	590.1	1427.2	1189.7	1052.2	1513	2080.9	2331	2918
(%) of sales	46.6	55.3	53.2	51.3	56.2	49.6	47.90	49.4
EBITDA	675.3	1155.3	1048	1000.4	1181	2111.7	2535	2994
EBITDA Growth (%)	13.7	75.8	-11.2	-5.3	18.1	78.8	20.04	18.1
EBITDA Margin (%)	55.5	47.8	49.0	50.6	44	52.8	52.09	50.6
Depreciation	49.1	44.0	44.9	41.2	40	40	64	82
EBIT	695	1214.8	1007.9	962.4	1141	2071.7	2471	2912
Growth (%)	15.0	82.3	-11.6	-5.2	18.6	81.6	19.27	17.85
Interest Expenses	6.9	19.4	88.5	76.0	86	169	215	225
Other Income	26.6	78.8	48.4	38.0	298	321	330	315
Exceptional Items	-	-	-	-	-	-	-	-
Earnings before Taxes	645.9	1170.7	963.0	921.2	1353	2224	2586	3002
Growth (%)	14.7	81.3	-17.7	-4.3	46.9	64.4	16.3	16.09
EBT Margin (%)	51.0	45.3	43.0	44.9	50.2	53.0	53.1	50.78
Tax-Total	190.7	360.7	279.0	185.1	306	319	647	750.5
Rate of tax (%)	29.5	30.8	29.0	20.1	23	14	25	25
Net Profit	455.2	810.0	683.4	736.0	1047	1905	1939	2251.5
Growth (%)	21.2	78.0	-15.6	7.7	42.2	81.9	1.79	16.12
PAT Margin (%)	36.0	31.4	30.5	35.9	38.9	45.4	39.85	16.12
EPS	13.5	22.5	19.0	20.3	28.8	52.4	53.27	61.85
EPS Growth (%)	21.2	66.3	-15.6	7.2	41.9	81.9	1.66	16.12

Balance Sheet

Y/E March	2018	2019	2020	2021	2022	2023
Equity Share Capital	340	364	364	364	364	364
Reserves & Surplus	5753	7666	8266	9006	10053	11847
Total Shareholder's Funds (A)	6093	8030	8630	9370	10417	12211
Long Term Borrowings	1694	1586	1519	1534	2855	2881
Non-Controlling Interest	-	-	-	-	-	-
Total Non-Current Liabilities (B)	1694	1586	1519	1534	2855	2881
Advance from customers	37	6	8	10	-	5
Trade Payables	131	208	61	72	393	173
Other Liability Items	2234	1268	976	1034	2026	3356
Total Current Liabilities (C)	2401	1482	1045	1116	2419	3534
Total Equity and Liabilities (A+B+C)	10188	11098	11194	12020	15691	18626
Property, Plant & Equipment	976	1062	1046	1014	980	949
Capital Work in progress	113	126	305	1980	3297	4031
Investments	2420	2938	2406	1620	2679	703
Total Non-Current Assets (A)	3509	4126	3757	4614	6956	5683
Inventory	4247	4165	5317	4663	5036	8543
Debtors	181	109	115	128	125	1098
Cash and Bank Balance	117	425	108	133	293	513
Loans and advances	2022	2084	1261	1825	484	11
Other Current Assets	112	188	633	657	2796	2777
Total Current Assets (B)	6679	6972	7435	7406	8734	12943
Total Assets(A+B)	10188	11098	11194	12020	15691	18626

Source: Company, Hem Securities Research.



Ratios						
Y/E March (Basic (INR))	2018	2019	2020	2021	2022	2023
Profitability and return ratios						
Net profit margin (%)	35.9	31.4	30.5	35.9	38.9	45.4
EBITDA margin (%)	55.5	47.8	48.9	50.6	46.02	52.8
EBIT margin (%)	51.6	46.1	46.9	48.6	42.4	49.4
ROE (%)	7.7	11.5	8.2	8.2	10.1	16.8
ROCE (%)	9.1	13.7	10.6	9.5	9.3	16.3
Working Capital & liquidity ratios						
Payables (Days)	61.1	28.1	50.8	57.1	-	-
Inventory (Days)	1155.6	594.5	773.4	887.3	-	-
Receivables (Days)	41.4	20.5	18.3	21.6	17	53
Current Ratio (x)	1.9	3.0	2.9	3.3	3.1	3.8
Valuations Ratios						
EV/sales (x)	14.9	7.9	6.1	10.9	11.7	8.13
EV/EBITDA (x)	26.9	16.5	12.4	21.5	29.6	15.41
P/E (x)	6.0	23.5	17.6	28.3	32.6	16.09
P/BV (x)	2.8	2.4	1.4	2.2	3.3	2.51
Dividend Yield (%)	0.4	0.4	0.0	0.0	0.0	0.47
Return on Assets (%)	4.9	7.7	6.2	6.4	6.7	11.17
Leverage Ratio						
Debt/Equity (x)	0.3	0.2	0.2	0.2	0.16	32

Cash Flow Statement						
Y/E March	2018	2019	2020	2021	2022	2023
CF from Operating activities (A)	-202	146	-282	703	1069	-2383
CF from Investing Activities (B)	-592	-646	358	-597.5	-1390	-1135.6
CF from Financing Activities (C)	651	839	-309	-116	1142	709
Net Cash Flow	-143	338	-233	-11	821	-539
Add: Opening Bal.	236	93	431	198	187	1008
Closing Balance	93	431	198	187	1008	470

Source: Company, Hem Securities Research.



RATING CRITERIA

INVESTMENT RATING	EXPECTED RETURN
BUY	>=15%
ACCUMULATE	5% to 15%
HOLD	0 to 5%
REDUCE	-5% to 0
SELL	<-5%

RECOMMENDATION SUMMARY

DATE	RATING	TARGET
9 TH Oct 2023	BUY	1316

DISCLAIMER

HEM Securities Limited (“Research Entity or HSL”) is regulated by the Securities and Exchange Board of India (“SEBI”) and is licensed to carry on the business of broking, depository services and other related activities. Broking services offered by HEM Securities Limited are under SEBI Registration No.: INZ000168034.

This Report has been prepared by HEM Securities Limited in the capacity of a Research Analyst having SEBI Registration No. INH100002250 and distributed as per SEBI (Research Analysts) Regulations 2014. This report does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. The information contained herein is from publicly available data or other sources believed to be reliable. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his own advisors to determine the merits and risks of such investment. This should not be construed as invitation or solicitation to do business with HSL. The investment discussed or views expressed may not be suitable for all investors.

This information is strictly confidential and is being furnished to you solely for your information. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject HSL and associates / group companies to any registration or licensing requirements within such jurisdiction. The distribution of this report in certain jurisdictions may be restricted by law, and persons in whose possession this report comes, should observe, any such restrictions. The information given in this report is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. HSL reserves the right to make modifications and alterations to this statement as may be required from time to time. HSL or any of its associates / group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. HSL is committed to providing independent and transparent recommendation to its clients. Neither HSL nor any of its associates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including loss of revenue or lost profits that may arise from or in connection with the use of the information. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. Past performance is not necessarily a guide to future performance. The disclosures of interest statements incorporated in this report are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report.

We offer our research services to clients as well as our prospects. Though this report is disseminated to all the customers simultaneously, not all customers may receive this report at the same time. We will not treat recipients as customers by virtue of their receiving this report.



HSL and its associates, officer, directors, and employees, research analyst (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company(ies), mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company(ies) discussed herein or act as advisor or lender/borrower to such company(ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of research report or at the time of public appearance.

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

ANALYST CERTIFICATION/ DISCLOSURE OF INTEREST

Name of the Research Analyst: Deepanshu Jain

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.

SN	Particulars	Yes/No
1.	Research Analyst or his/her relative's or HSL's financial interest in the subject company(ies)	No
2.	Research Analyst or his/her relative or HSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3.	Research Analyst or his/her relative or HSL has any other material conflict of interest at the time of publication of the Research Report	No
4.	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5.	HSL has received any compensation from the subject company in the past twelve months	No
6.	HSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7.	HSL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8.	HSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9.	HSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10.	Research Analyst or HSL has been engaged in market making activity for the subject company(ies)	No

Since HSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months. Associates of HSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

There were no instances of non-compliance by HSL on any matter related to the capital markets, resulting in significant and material disciplinary action during the last three years.