NAM KIM STEEL JSC (HSX: NKG)

Benefits from rising steel prices and high demand from overseas

(VND bn)	4Q-FY20	3Q-FY20	+/- qoq	4Q-FY19	+/- yoy
Net revenue	3,418	3,376	1%	3,201	7%
PAT	154	83	86%	7	2,052%
EBIT	198	143	38%	47	323%
EBIT margin	5.8%	4.2%	154bps	1.5%	432bps

Source: NKG, Rong Viet Securities

2020: Favorable HRC prices and recovering demand from both domestic and export markets boosted net income

- 2H volume went up by 16% YoY to offset the 11% decrease in 1H volume as we believe the overall demand is recovering. 2020 whole year volume stabilized at +3.0% YoY.
- GPM improved from 2.8% in 2019 to 7.5% in 2020 as HRC prices surged by 19% QoQ and 18% QoQ in 3Q and 4Q respectively, the highest increase over the last three years.
- 2H surprises brought the bottom-line from a loss in 1H to VND 295 billion net profit for the whole year, up 524% YoY.

2021: Steel prices and strong demand from European and North American markets are going to boost net income in the short-term

We expect that NKG can produce at full capacity in 2021 and sell 800,000 tons of products, increasing by 14% YoY. Strong orders from Europe have guaranteed the consumption of NKG's production output in 1H. Due to increasing steel prices and higher profitability from developed markets, gross margin is predicted at 8.5% in 1H2021. For 2H, the company can increase its selling volume in domestic and traditional export markets to reduce the dependence on the demand from the EU. However, as we believe HRC prices cannot rally as strongly toward the end of the year, NKG's gross margin will be lowered to 4.3% in 2H.

We forecast its average selling price will be up by 30%, coupled with an increase of 14% in selling volume, resulting in a revenue increase of 48% YoY. NKG's gross margin and NPAT are forecasted to be 6.7% and VND 514 billion (+74% YoY) respectively.

Valuation and recommendation

Seizing opportunities from the European and North American markets will help NKG to improve both sales volume and gross margin in 1H2021. Afterwards, the company can reallocate its selling volume to the domestic market in 2H2021 if the demand from foreign markets becomes weaker. Overall, we think NKG can achieve substantial earnings in 2021 via both volume growth and higher HRC price.

*Using a P/B of 1.1x and P/E of 9.5x, we estimate NKG's fair value is roughly **VND 24,700** per share. Although NKG's NPAT can increase strongly in 1H, we think its results still are uncertain in 2H due to the highly volatile steel price. "Short-term" investors can consider our target price of VND 25,600 per share, which is based on the P/E method. With a cash dividend of VND 300/share over the next 12 months, the total return is **+15%,** based on the closing price on 25th March 2021. Therefore, we recommend to **ACCUMULATE** this stock.*

ACCUMULATE +15%

Target price (VND)	24,700
Current market price (VND)	21,700
Cash Dividend (VND)*	300

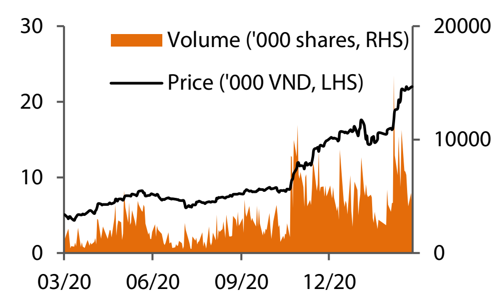
** Expected in the next 12 months*

Stock Info

Sector	Basic Materials
Market Cap (VND billion)	3,895.8
Current Shares O/S	172.0
Avg. Daily Volume (in 20 sessions)	6,628.6
Free float (%)	50
52 week High	22,650
52 week Low	4,313
Beta	1.0

	FY2019	TTM
EPS	260	1,623
EPS Growth (%)	-17.4	524.1
Diluted EPS	260	1,623
P/E	26.5	5.1
P/B	0.4	0.5
EV/EBITDA	7.1	4.4
Cash dividend yield (%)	0	4
ROE (%)	1.6	9.3

Price performance



Major Shareholders (%)

Ho Minh Quang	13.6
Vo Hoang Vu	11.1
Remaining ownership room (%)	87.4

Tu Pham

(084) 028- 6299 2006 – Ext: 1536

tu.pm@vdsc.com.vn

Trinh Nguyen

(084) 028- 6299 2006 – Ext: 1551

trinh.nh@vdsc.com.vn

Exhibit 1: 4Q/2020 Results

(VND Bn)	4Q-FY20	3Q-FY20	+/- (qoq)	4Q-FY19	+/- (yoy)
Net revenue	3,418	3,376	1.3%	3,201	6.8%
Gross profit	307	242	26.8%	130	137.3%
SG&A	110	99	10.6%	83	32.6%
Operating income	198	143	38.1%	47	322.9%
EBITDA	293	238	23.2%	159	84.0%
EBIT	198	143	38.1%	47	322.9%
Financial expenses	54	73	-25.3%	144	-62.4%
- Interest Expenses	*49*	*56*	*-12.4%*	*134*	*-63.5%*
Dep. and amortization	95	95	0.6%	112	-15.3%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	171	92	86.5%	7	2251.2%
PAT	154	83	86.4%	7	2052.0%
(*) Adjusted PAT	154	83	86.4%	7	2052.0%

Source: NKG, Rong Viet Securities

Exhibit 2: 4Q/2020 Performance Analysis

Particulars	4Q-FY20	3Q-FY20	+/- (qoq)	4Q-FY19	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	9.0%	7.2%	181bps	4.0%	495bps
EBITDA Margin	8.6%	7.0%	152bps	5.0%	359bps
EBIT Margin	5.8%	4.2%	154bps	1.5%	432bps
Net Margin	4.5%	2.4%	206bps	0.2%	428bps
Adjusted Net Margin	4.5%	2.4%	206bps	0.2%	428bps
Turnover *(x)					
-Inventories	5.4	4.9	0.5	5.3	0.1
-Receivables	9.4	10.6	-1.2	14.8	-5.3
-Payables	10.5	10.8	-0.3	8.4	2.1
Leverage (%)					
Total Debt/ Equity	121.9%	148.1%	-2,616bps	135.3%	-1,335bps

Source: NKG, Rong Viet Securities. (*) annualized

Exhibit 3: 1Q/2021 Performance Forecast

(VND Bn)	1Q-FY21	+/-qoq	+/-yoy
Revenue	4,360	27.6%	77.9%
Gross profit	429	39.5%	102.3%
EBIT	313	58.6%	139.1%
NPAT	256	66.2%	516.6%

Source: Rong Viet Securities

- Revenue is going to increase by 78% YoY because NKG's selling volume can increase by 35% supported by the strong demand from the EU and North America. Besides, we expect the quarterly average HRC price will increase by 45% YoY.

- Gross margin is forecasted to expand from 8.6% in 1Q2020 to 9.8% in 1Q2021 because the average HRC price is expected to increase by 20% QoQ, while it increased by only 7% QoQ in 1Q2020.

Update

NKG's profit increased strongly in 2020 owing to the sharp increase in HRC price and high sales volume, mainly export volume.

Due to the favorable HRC price movement, the gross profit margin in 2H2020 increased strongly compared to 1H2020. HRC price has increased by 19% QoQ in 3Q and 18% during 4Q, after hitting the bottom in 2Q. The increase in HRC price improved NKG's gross margin from 4.6% in 2Q to 7.2% in 3Q and 9.0% in 4Q.

Sales volume improved rapidly due to the recovery of export orders and domestic steel pipe demand. The total consumption volume of NKG in 2H reached 404,000 tons, up 16% YoY, and export volume increased strongly by 18% YoY. The main reason is that construction activities are back to normal after the pandemic and export orders to European markets increased. Therefore, NKG's profit grew from VND 47 billion in 2019 to VND 295 billion in 2020.

Strong demand from Europe and North American will continue to boost NKG's selling volume and profitability in 1H2021.

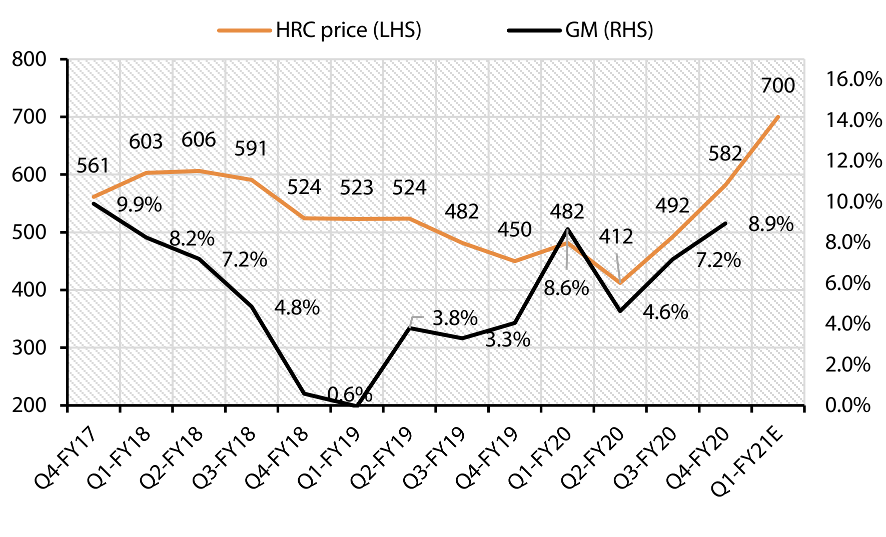
Export volume to Europe and North America has been increasing strongly as NKG has received enough orders for production until June 2021. This shows the demand from these markets is strong as NKG only receives orders one to two months in advance under normal market conditions. The coated steel consumption in these markets has been stronger in 1Q2021 due to the expectation that economies will recover due to available COVID-19 vaccines. The European and North American markets require high-quality standards, hence, limiting the supply and bringing a higher gross margin. Besides, flat steel prices are highly different between Vietnam and these markets, leading to higher profitability for exporters. The European and North American markets' share currently accounts for roughly 80% - 90% of the company's total export volume.

Besides, NKG's profitability will be improved compared to 2H 2020 as exporting to these markets brings more attractive gross margin compared to the traditional markets and export volume accounts for a higher portion in NKG's sales. We expect that NKG's gross margin in current export markets will range from 9% to 12%. In the short term, the company will prioritize export orders and only maintain the domestic sales portion at 30%-40%, lower compared to 58% in 2020.

NKG can maintain high earnings growth in 2021

NKG's NPAT in 1Q can still grow by 66% QoQ owing to the favorable HRC price and higher selling volume. We expect that the quarterly HRC average price will increase by roughly 20% QoQ in 1Q, which will support NKG's gross margin at roughly 9.8% this quarter, higher than that of 9.0% in 4Q2020. Exporting to developed markets, such as Europe and North America, also brings higher gross margin due to the tight supply in these markets. In addition, because factories will run at full capacity until June, NKG's selling volume can reach 400,000 tons in 1H, growing by 35% YoY.

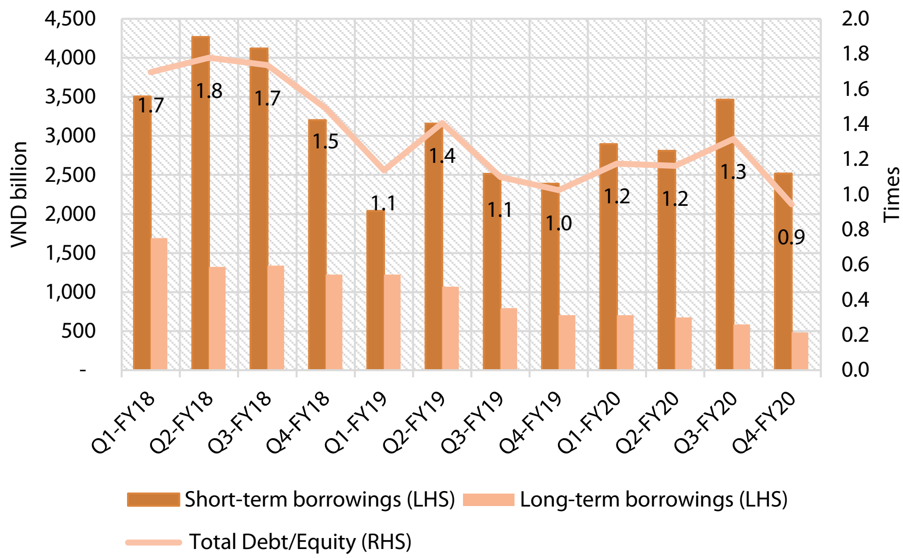
Figure 1: Quarterly HRC average price and NKG's gross margin



Source: Bloomberg, NKG

Despite a certain level of dependence on HRC's price fluctuation, we think that in case of a decrease in steel prices in 2021, NKG's gross margin will not be hit as strongly as it was in the 2018-2019 period. During late-2018 and early-2019, large inventories accumulated at a high price caused gross margin to hit the bottom of roughly 0% in the 4Q2018 - 1Q2019 period, alongside with an interest expense burden deteriorating NKG's bottom line. However, NKG now maintains inventories ay of only two months, lower compared to that of roughly three months in the 2018-2019 period. The majority of which already secured a buyer, as mentioned above. The current debt-to-equity ratio is only 0.9 times, significantly lower than that of 1.8 in 2018. Interest expenses also decreased to VND 222 billion in 2020 and is expected to fall by 7% YoY to VND 207 billion in 2021. In short, we believe that the company has taken precautious measure to reduce the risks associated with commodity prices.

Figure 2: Borrowings and debt-to-equity ratio



Source: NKG, Rong Viet Securities

We expect NKG's net income to reach VND 514 billion in 2021, increasing by 74% YoY, mainly coming in 1H2021. Our forecast is based on the assumption that the average HRC price in 2021 is USD 650/ton. NKG's net income target is VND 600 billion, increasing by 103% compared to the 2020 result. The plans were set based on the HRC price assumption of USD 700/ton in 2021, which we think is high. Besides, the company expects export activities to contribute roughly 70% of total net income.

NKG does not have plan to sell its 32-ha land in My Xuan B industrial park in Ba Ria – Vung Tau province in 2021. However, we estimate that the company can earn a large profit by selling its land as the average market price for industrial land in Ba Ria – Vung Tau province is roughly 100 USD/m2, while the company's purchasing cost for this land was roughly USD 45/m2. The unrealized PAT from this land can be approximately VND 330 billion.

The new warehouse can bring some growth potential in NKG's coated steel production volume in late-2021.

NKG plans to invest VND 250 billion in building a new warehouse in Binh Duong, which will be completed in mid-3Q 2021. The new warehouse will create more production space for the factory in Binh Duong, , hence, the company can boost coated steel volume to roughly one million tons/year. Currently, the company does not have a plan to expand its cold-rolling capacity, hence, it has to buy CRC to reach that coated steel production volume.

We think the company will not face difficulties to finance this project. Owing to the larger portion of export volume, cash flow from operating is expected to improve. In export deals, the company just takes two-three weeks to receive the payment, while its days sales outstanding in the domestic market is 30-35 days. In 2021, NKG is forecasted to depreciate roughly VND 390 billion and earn VND 500 billion NPAT, meanwhile, investment in working capital and capital expenditure are only roughly VND 650 billion and VND 250 billion.

Valuation

To value NKG, we use the PE and PB methods with a weighting of 70% and 30%, respectively. In 2021, we use a target P/E of 9.5x and an estimated EPS this year of roughly VND 2,681. The target P/B for NKG is 1.1x because the company is using its assets effectively and the market price of several assets is higher than book value, such as land use rights. We arrive at target price per share of **VND 24,700**. Therefore, we recommend to **Accumulate** this stock.

VND Billion

INCOME STATEMENT	2019	2020	2021E	2022F
Revenue	12,177	11,560	17,112	15,825
COGS	11,835	10,690	15,970	15,003
Gross profit	**342**	**869**	**1,143**	**822**
Selling expenses	210	268	350	315
G&A expenses	69	92	104	96
Financial income	107	89	116	120
Financial expenses	275	281	234	259
Other income/loss	195	4	0	0
Gain/(loss) from JVs	0	0	0	0
PBT	**90**	**321**	**571**	**272**
Tax expense	43	25	57	33
Minority interests	0	0	0	0
PAT	**47**	**295**	**514**	**238**
EBIT	63	509	689	411

%

FINANCIAL RATIO	2019	2020	2021E	2022F
Growth (%)				
Revenue	-17.8	-5.1	48.0	-7.5
Operating Income	-37.8	75.5	22.1	-25.7
EBITDA	-83.9	710.8	35.3	-40.4
PAT	-17.4	524.1	73.8	-53.6
Total Assets	-0.7	-6.5	18.8	-7.2
Equity	1.5	5.4	13.6	3.7
Profitability (%)				
Gross margin	2.8	7.5	6.7	5.2
EBITDA margin	4.1	7.7	6.3	5.1
EBIT margin	0.5	4.4	4.0	2.6
Net margin	0.4	2.6	3.0	1.5
ROA	0.6	3.9	5.7	2.9
ROE	1.6	9.3	14.2	6.4
Efficiency				(times)
Receivable Turnover	13.9	8.0	14.3	13.8
Inventory Turnover	4.6	5.0	4.4	4.3
Payable Turnover	6.2	8.1	8.4	9.7
Liquidity				(times)
Current	1.0	1.1	1.2	1.4
Quick	0.4	0.6	0.5	0.5
Finance Structure (%)				
Total Debt/Equity	102.5	94.4	93.4	78.5
Current Debt/Equity	79.2	79.2	79.4	67.7
Long-term Debt/Equity	23.3	15.2	14.0	10.8

VND Billion

BALANCE SHEET	2019	2020	2021E	2022F
Cash and cash equivalents	76	219	591	395
Short-term investments	702	370	333	432
Accounts receivable	877	1,439	1,199	1,148
Inventories	2,589	2,150	3,626	3,495
Other current assets	191	95	76	84
Property, plant & equipment	3,260	2,936	2,806	2,435
Acquired intangible assets	247	249	242	236
Long-term investments	48	23	23	23
Other non-current assets	74	63	66	69
Total assets	**8,064**	**7,544**	**8,961**	**8,317**
Accounts payable	1,904	1,317	1,903	1,542
Short-term borrowings	2,389	2,520	2,869	2,540
Long-term borrowings	703	482	507	405
Other non-current liabilities	2	2	2	2
Bonus and Welfare fund	49	41	67	79
Technology-science, dev. fund	0	0	0	0
Total liabilities	**5,048**	**4,362**	**5,346**	**4,567**
Common stock and APIC	2,586	2,586	2,586	2,586
Treasury stock (enter as -)	0	-78	-78	-78
Retained earnings	356	576	984	1,108
Other comprehensive income	36	37	37	37
Inv. and Dev. Fund	39	60	85	97
Total equity	**3,017**	**3,181**	**3,614**	**3,750**
Minority Interest	**0**	**0**	**0**	**0**

VALUATION RATIO	2019	2020	2021E	2022F
EPS (VND)	118	1,101	2,681	1,244
P/E (x)	26.5	5.1	8.1	17.5
BV (VND)	16,576	17,479	19,859	20,603
P/B (x)	0.4	0.5	1.1	1.1
DPS (VND/cp)	0	300	300	500
Dividend yield (%)	0.0%	2.0%	1.4%	2.3%

VALUATION MODEL	Price	Weight	Average
PE	25,598	70%	17,919
PB	22,719	30%	6,816
Target price			**24,700**

VALUATION HISTORY	Price	Recommendation	Period
06/11/2015	8,947	Neutral	Intermediate
01/11/2016	30,466	Buy	Intermediate
19/07/2017	39,800	Buy	Intermediate
31/08/2018	18,000	Buy	Intermediate

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report. we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information. investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2007. licensed to perform the complete range of securities services including brokerage. financial investment. underwriting. financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders. also our strategic partners. are reputable institutions. i.e Eximbank. Viet Dragon Fund Management. etc... Along with a team of the professional and dynamic staffs. RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially. RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongViet Securities provides research reports on the macro-economy. securities market and investment strategy along with industry and company reports and daily and weekly market reviews.

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

Lam Nguyen
Head of Research
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)

Trinh Nguyen
Senior manager
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006 (1551)
- Energy
- Construction

Tung Do
Manager
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Retails
- F&B
- Aviation
- Logistics

Tam Pham
Manager
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Textiles
- Fishery
- Fertilizer

Hoang Bui
Analyst
hoang.bh@vdsc.com.vn
+ 84 28 6299 2006 (1514)
- Automobile and spares
- Agriculture
- Industrial Park

Tu Pham
Analyst
tu.pm@vdsc.com.vn
+ 84 28 6299 2006 (1536)
- Steel
- Pharmaceutical

Thao Nguyen
Analyst
thao.nn@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Utilities

Kiet Tran
Analyst
kiet.tht@vdsc.com.vn
+ 84 28 6299 2006 (1528)
- Real Estate
- Market Strategy

Thanh Nguyen
Analyst
thanh.nn@vdsc.com.vn
+ 84 28 6299 2006 (1535)
- Banking

Ha My Tran
Senior Consultant
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

Bernard Lapointe
Senior Consultant
bernard.lapointe@vdsc.com.vn
+ 84 28 6299 2006

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

Vi Truong
Assistant
vi.ttt@vdsc.com.vn
+ 84 28 6299 2006 (1517)

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES

Third Party Research

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Disclaimers

Tellimer and/or its members, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.