

Ambuja Cements | BUY

Cementing vision for FY28

We recently interacted with the management of Ambuja Cements during a visit to the Marwar Mundwa plant in Rajasthan. The key takeaways from the interaction are: (1) the company reiterated its cement capacity expansion targets of 118mt by FY26 and 140mt by FY28 (from ~103mt currently); (2) it aims to enhance market share from ~14% currently to 17–18% by FY28 and over 20% by FY30; (3) it has a cost reduction target of INR 500–550/tn, bringing cost/tn down to INR 3,650 by FY28; and (4) the long-term strategic focus is on integrating operations under its “One Business, One Company” vision. We maintain our BUY rating on Ambuja Cements with a Mar’26 target price of INR 635/share, based on 18x FY27 EV/EBITDA. We continue to like the company for its strong pan-India presence, dominant market position, industry-leading volume growth, and robust balance sheet.

- Targeting clinker/cement capacity of ~107mt/140mt and 17–18% market share by FY28:** Since the acquisition of Holcim’s stake in Sep’22, Ambuja Cements has expanded its cement capacity by over 35mt (>50%), with ~28mt (~80% of the addition) coming through the inorganic route. This has taken the group’s total capacity >100mt milestone. The company remains committed to its aggressive expansion strategy, targeting cement capacity of 140mt and clinker capacity of ~107mt by FY28. Of this, ~16mt is currently under execution, with plans to add another 21mt. The planned capacity additions are expected to come at a competitive capital cost of USD 75–80/tn. Ambuja’s current capacity market share is ~14%, which it aims to lift to ~15% by FY26 and to 17–18% by FY28 and over 20% by FY30.
- Reaffirms cost optimisation target to achieve INR 3,650/tn by FY28:** Ambuja Cements reiterated its cost reduction roadmap, aiming to lower cost/tn by INR 500–550 to INR 3,650/tn by FY28. Key levers include: (1) savings of INR 280–300/tn in power and fuel costs, driven by scaling up green power capacity from 375MW to 1GW by Jun’26 (targeting ~60% of power requirement from green sources by FY28 vs. 23% in FY25) and increasing AFR usage to 27% by FY28 (from 9% in FY25); (2) logistics savings of INR 100/tn through network optimisation, reduction in lead distance, and increasing the share of sea logistics by 500bps to 10%; (3) raw material savings of INR 100/tn via long-term tie-ups for fly ash and slag; and (4) overhead and administrative savings of INR 50–100/tn. A significant portion of these savings is expected to materialise from FY27 onwards. Premium products contribute ~30% of trade sales and it is targeting 50% share in the near term. These products generate an EBITDA premium of ~INR 400/tn. The management has reaffirmed its guidance of achieving EBITDA/tn of INR 1,500 by FY28.
- “One Business, One Company” strategy driving portfolio consolidation:** The Adani Group is actively consolidating its cement operations under a unified structure. The ongoing mergers of Sanghi Industries and Penna Cement are expected to be completed by 3QFY26. A potential merger between Ambuja and ACC remains under consideration. The recent acquisition of Orient Cement was executed smoothly, with no disruption to volumes—around 60% of Orient’s dealers have already begun selling Ambuja and ACC products.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	325,298	336,977	419,829	484,061	556,520
Sales Growth	-15.3%	3.6%	24.6%	15.3%	15.0%
EBITDA	63,995	51,443	76,242	98,316	121,975
EBITDA Margin	19.3%	15.0%	17.9%	20.0%	21.6%
Adjusted Net Profit	33,652	14,239	27,377	38,680	50,950
Diluted EPS (INR)	15.3	5.8	11.0	15.6	20.5
Diluted EPS Growth	4.8%	-62.2%	90.6%	41.3%	31.7%
ROIC	12.4%	3.7%	6.1%	7.4%	8.8%
ROE	9.2%	3.0%	4.9%	6.5%	8.1%
P/E (x)	38.8	102.8	53.9	38.2	29.0
P/B (x)	3.1	2.7	2.6	2.4	2.3
EV/EBITDA (x)	21.8	28.5	19.9	15.9	12.8
Dividend Yield	0.3%	0.3%	0.1%	0.2%	0.3%

Source: Company data, JM Financial. Note: Valuations as of 02/Jul/2025



Dharmesh Shah

dharmesh.shah@jmfl.com | Tel: (91 22) 66303541

Shouvik Chakraborty

shouvik.chakraborty@jmfl.com | Tel: (91 22) 66301692

We acknowledge the support of Piyush Kedia (piyush.kedia@jmfl.com) in preparation of this report

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	635
Upside/(Downside)	6.8%
Previous Price Target	635
Change	0.0%

Key Data – ACEM IN

Current Market Price	INR594
Market cap (bn)	INR1,463.6/US\$17.1
Free Float	27%
Shares in issue (mn)	2,463.1
Diluted share (mn)	2,484.8
3-mon avg daily val (mn)	INR1,554.8/US\$18.1
52-week range	707/453
Sensex/Nifty	83,410/25,453
INR/US\$	85.7

Price Performance

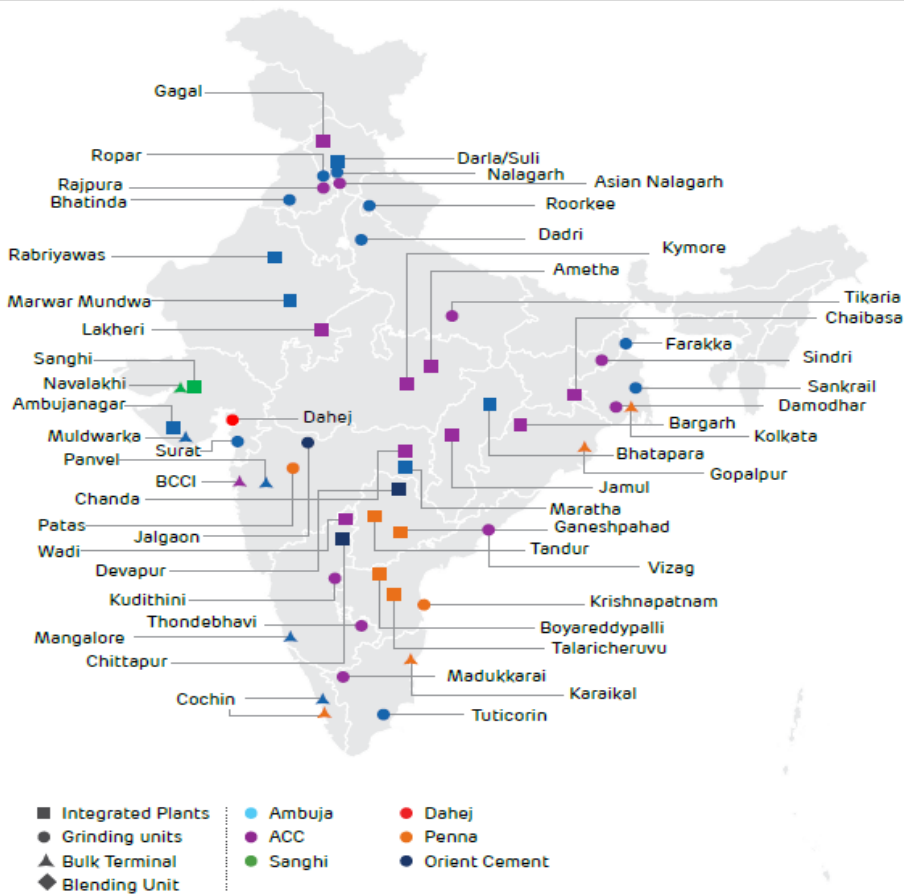
%	1M	6M	12M
Absolute	7.0	8.1	-14.2
Relative*	3.5	2.6	-17.7

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

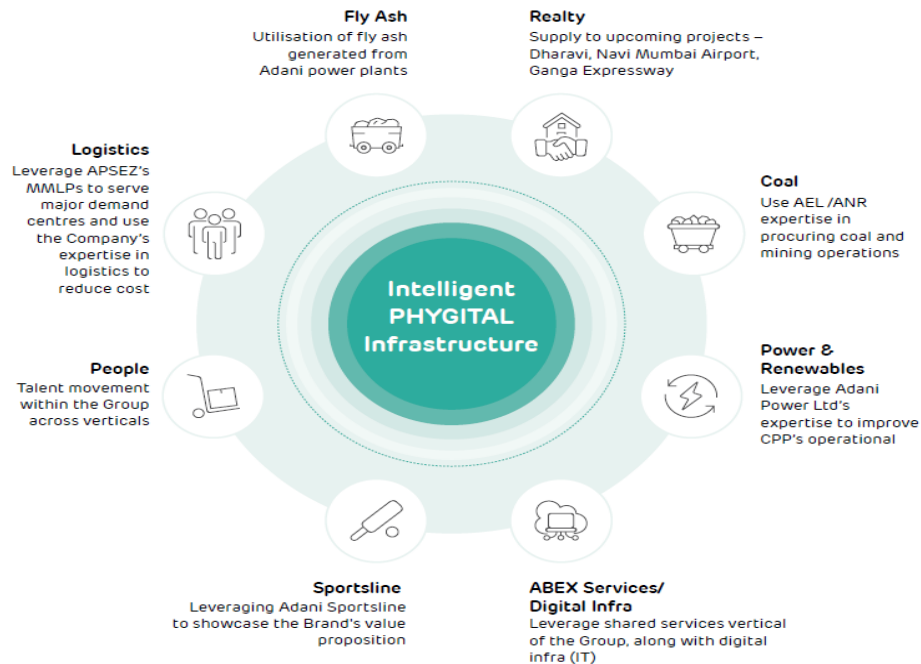
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Exhibit 1. Adani Cement's presence in 31 states and UTs across 635+ districts



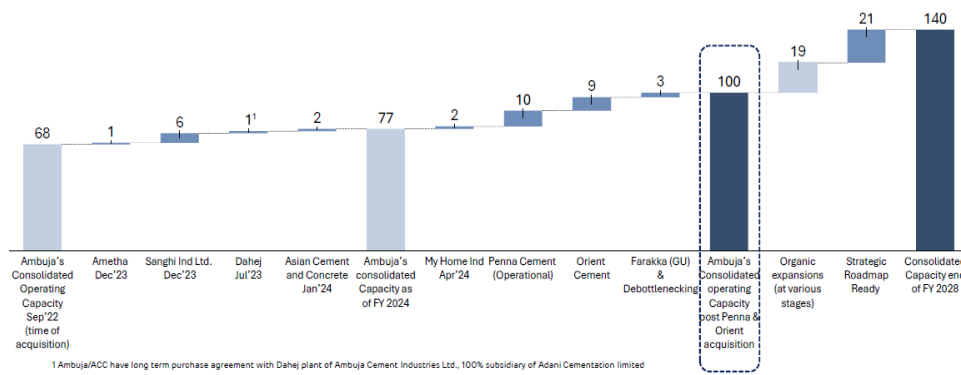
Source: Company, JM Financial

Exhibit 2. Potential benefits of Adani Group synergies



Source: Company, JM Financial

Exhibit 3. Ambuja Cements' roadmap to 140mt by FY28



Source: Company, JM Financial

Exhibit 4. We maintain BUY with TP of INR 635/sh, based on Mar'27 EV/E of 18x

EV/E method

Mar'27E Consolidated EBITDA (INR bn)	98
EV/E multiple (x)	18
EV (INR bn)	1,755
Mar'26 Consolidated Net debt (INR bn)	(44)
Equity value (Consolidated)	1,799
ACC- 50% stake	(202)
Orient Cement- 28% stake	(20)
SOTP value	1,577
No. of shares (mn)	2,485
Mar'26 Target Price (INR)	635

Source: JM Financial

Exhibit 5. Annual analysis

Key Assumptions	CY20	CY21	15MFY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR	
									CY19-FY25	FY25-28E
Capacity (mt)	63.1	66.3	66.3	77.4	103.8	114.4	124.0	133.6	10.5	13.5
Volumes (mt)	48.9	56.4	69.0	59.2	65.2	80.2	91.5	104.3	3.9	26.4
Utilisation (%)	77	85	104	76	63	70	74	78	(5.9)	11.4
Blended Realisation (INR/tn)	5,017	5,134	5,643	5,602	5,246	5,311	5,367	5,408	0.8	1.5
EBITDA/tn (INR/tn)	1,051	1,101	742	1,081	789	950	1,075	1,170	(1.6)	21.8
P&L (INR bn)										
Revenue	245	290	389	332	342	426	491	564	4.8	28.4
EBITDA	51	62	51	64	51	76	98	122	2.3	54.0
Adj. Net Profit	22	29	29	34	14	27	39	51	(5.0)	89.2
Balance Sheet (INR bn)										
Equity	228	254	317	415	534	573	609	656		
Net Debt	(89)	(117)	(115)	(160)	(101)	(44)	(12)	(21)		
Net Debt/EBITDA (x)	(1.7)	(1.9)	(2.3)	(2.5)	(2.0)	(0.6)	(0.1)	(0.2)		
Net Debt/Equity (x)	(0.4)	(0.5)	(0.4)	(0.4)	(0.2)	(0.1)	(0.0)	(0.0)		
Cash Flow (INR bn)										
OCF	51	54	9	63	22	44	56	76		
Capex	(17)	(23)	(41)	(63)	(128)	(100)	(100)	(80)		
FCF	33	31	(32)	0	(106)	(56)	(44)	(4)		
Return ratios (%)										
RoE	9.6	12.1	10.2	9.2	3.0	4.9	6.5	8.1		
RoCE	9.7	12.1	10.1	7.6	2.6	4.4	5.7	6.8		
RoIC	7.5	9.4	8.2	8.4	2.8	4.4	5.6	6.7		
Valuations (x)										
PE						53.9	38.2	29.0		
EV/EBITDA						19.3	15.6	12.8		
EV/tn						151	144	137		

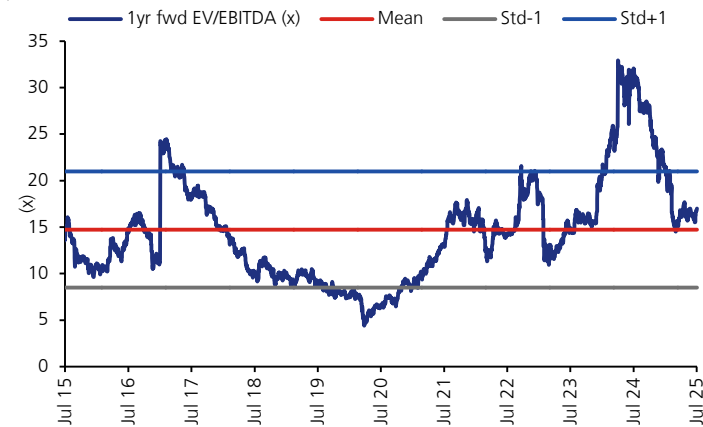
Source: Company, JM Financial

Exhibit 6. Annual analysis on a per-tonne basis

INR/tonne	15MFY23	FY24	FY25	FY26E	FY27E	FY28E
Blended realisation	5,565	5,496	5,166	5,232	5,292	5,337
% YoY		(1.2)	(6.0)	1.3	1.1	0.8
Raw materials consumed	741	832	1,016	996	986	976
Power & fuel costs	1,704	1,370	1,264	1,239	1,214	1,202
Freight costs	1,380	1,352	1,273	1,260	1,246	1,233
Staff costs	269	229	215	200	195	190
Other expenses	806	739	689	667	651	637
Total OpEx	4,900	4,521	4,457	4,361	4,292	4,239
% YoY		(7.7)	(1.4)	(2.1)	(1.6)	(1.3)
Other operating income	78	106	80	79	75	71
Blended EBITDA	742	1,081	789	950	1,075	1,170
% YoY		45.6	(27.1)	20.5	13.1	8.8

Source: Company, JM Financial

Exhibit 7. One-year forward EV/EBITDA



Source: Bloomberg, JM Financial

Exhibit 8. One-year forward EV/tonne



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	325,298	336,977	419,829	484,061	556,520
Sales Growth	-15.3%	3.6%	24.6%	15.3%	15.0%
Other Operating Income	6,299	5,207	6,340	6,867	7,436
Total Revenue	331,596	342,184	426,169	490,927	563,956
Cost of Goods Sold/Op. Exp	49,228	66,298	79,915	90,192	101,791
Personnel Cost	13,528	14,034	16,054	17,844	19,833
Other Expenses	204,846	210,409	253,958	284,576	320,357
EBITDA	63,995	51,443	76,242	98,316	121,975
EBITDA Margin	19.3%	15.0%	17.9%	20.0%	21.6%
EBITDA Growth	24.9%	-19.6%	48.2%	29.0%	24.1%
Depn. & Amort.	16,234	24,783	31,227	35,287	39,874
EBIT	47,761	26,659	45,015	63,029	82,101
Other Income	11,664	15,446	5,792	5,503	5,227
Finance Cost	2,764	2,159	2,915	3,236	3,592
PBT before Excep. & Forex	56,662	39,946	47,892	65,296	83,737
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	56,662	39,946	47,892	65,296	83,737
Taxes	11,626	15,929	11,255	15,345	19,678
Extraordinary Inc./Loss(-)	2,116	27,435	0	0	0
Assoc. Profit/Min. Int.(-)	11,841	10,042	9,578	11,652	13,565
Reported Net Profit	35,768	41,674	27,377	38,680	50,950
Adjusted Net Profit	33,652	14,239	27,377	38,680	50,950
Net Margin	10.1%	4.2%	6.4%	7.9%	9.0%
Diluted Share Cap. (mn)	2,197.7	2,463.1	2,484.8	2,484.8	2,484.8
Diluted EPS (INR)	15.3	5.8	11.0	15.6	20.5
Diluted EPS Growth	4.8%	-62.2%	90.6%	41.3%	31.7%
Total Dividend + Tax	4,395	4,926	2,053	2,901	3,821
Dividend Per Share (INR)	2.0	2.0	0.8	1.2	1.5

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	56,662	39,946	47,892	65,296	83,737
Depn. & Amort.	16,234	24,783	31,227	35,287	39,874
Net Interest Exp. / Inc. (-)	-9,369	-24,339	-5,792	-5,503	-5,227
Inc (-) / Dec in WCap.	1,941	-34,012	-11,592	-12,907	-10,130
Others	147	19,643	-7,198	-10,938	-12,745
Taxes Paid	-9,156	-3,802	-11,255	-15,345	-19,678
Operating Cash Flow	56,458	22,219	43,283	55,890	75,830
Capex	-44,825	-86,871	-100,000	-100,000	-80,000
Free Cash Flow	11,634	-64,651	-56,717	-44,109	-4,170
Inc (-) / Dec in Investments	-31,820	11,002	23,607	-880	0
Others	44,377	-51,238	5,792	5,503	5,227
Investing Cash Flow	-32,268	-127,107	-70,600	-95,377	-74,773
Inc / Dec (-) in Capital	66,610	83,391	0	0	0
Dividend + Tax thereon	-5,848	-5,630	-2,053	-2,901	-3,821
Inc / Dec (-) in Loans	-241	-11,711	13,100	17,500	0
Others	-3,633	-10,130	-4,432	9,830	11,523
Financing Cash Flow	56,888	55,920	6,614	24,429	7,702
Inc / Dec (-) in Cash	81,078	-48,967	-20,703	-15,058	8,759
Opening Cash Balance	29,610	110,689	61,722	41,018	25,961
Closing Cash Balance	110,689	61,722	41,018	25,961	34,720

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	414,551	534,433	572,773	608,551	655,681
Share Capital	4,395	4,926	4,970	4,970	4,970
Reserves & Surplus	410,155	529,506	567,803	603,582	650,711
Preference Share Capital	0	0	0	0	0
Minority Interest	93,908	103,682	101,265	110,900	122,224
Total Loans	368	268	13,368	30,868	30,868
Def. Tax Liab. / Assets (-)	15,491	24,076	9,043	9,238	9,438
Total - Equity & Liab.	524,318	662,458	696,449	759,557	818,210
Net Fixed Assets	350,469	523,982	592,754	657,467	697,594
Gross Fixed Assets	344,361	444,670	554,490	663,328	751,283
Intangible Assets	82,193	108,561	108,561	108,561	108,561
Less: Depn. & Amort.	102,669	127,453	158,680	193,966	233,840
Capital WIP	26,585	98,204	88,384	79,545	71,591
Investments	58,155	59,565	35,957	36,837	36,837
Current Assets	244,354	225,908	209,078	216,166	247,057
Inventories	36,086	42,480	35,347	48,244	60,487
Sundry Debtors	12,131	15,903	17,733	21,360	24,683
Cash & Bank Balances	110,689	61,722	41,018	25,961	34,720
Loans & Advances	85,449	105,803	114,980	120,602	127,167
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	128,660	146,996	141,341	150,913	163,278
Current Liabilities	31,088	27,595	37,759	42,355	49,435
Provisions & Others	97,573	119,401	103,582	108,558	113,843
Net Current Assets	115,694	78,912	67,737	65,253	83,779
Total - Assets	524,318	662,458	696,449	759,557	818,210

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	10.1%	4.2%	6.4%	7.9%	9.0%
Asset Turnover (x)	0.7	0.6	0.6	0.7	0.7
Leverage Factor (x)	1.3	1.3	1.2	1.2	1.2
RoE	9.2%	3.0%	4.9%	6.5%	8.1%

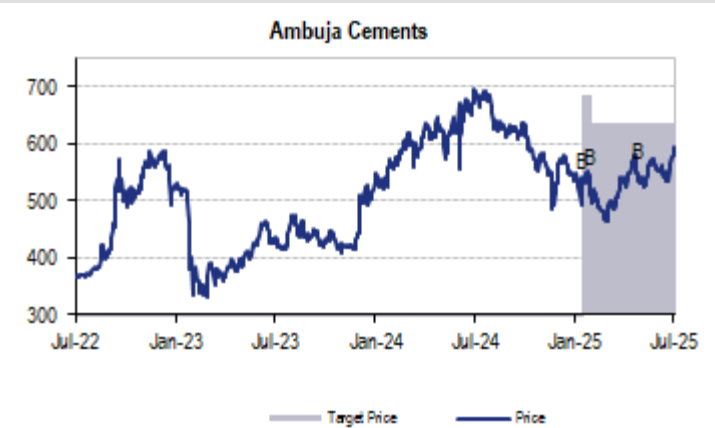
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	188.6	217.0	230.5	244.9	263.9
ROIC	12.4%	3.7%	6.1%	7.4%	8.8%
ROE	9.2%	3.0%	4.9%	6.5%	8.1%
Net Debt/Equity (x)	-0.4	-0.2	-0.1	0.0	0.0
P/E (x)	38.8	102.8	53.9	38.2	29.0
P/B (x)	3.1	2.7	2.6	2.4	2.3
EV/EBITDA (x)	21.8	28.5	19.9	15.9	12.8
EV/Sales (x)	4.2	4.3	3.6	3.2	2.8
Debtor days	13	17	15	16	16
Inventory days	40	45	30	36	39
Creditor days	42	35	39	39	41

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-Jan-25	Buy	685	
29-Jan-25	Buy	635	-7.2
29-Apr-25	Buy	635	-0.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the 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 company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may 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. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

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 JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.