

Larsen & Toubro | BUY

Middle Eastern question; the order inflows

Our deep dive on Middle East oil & gas bid pipeline suggests multi-billion USD bids being finalised over 2Q/3QFY26 with pick-up not only in Saudi Arabia but also in Qatar and Kuwait. Prospects are also materially strong in CY26/FY27E and thus order inflow growth may persist well into FY27E. Unlike Indian sub-contractors in Middle East L&T is effectively a local prime contractor and thus we do not expect project closure linked issues cropping up in FY26/27E.

- **Not just Aramco, tendering is rising in Qatar and Kuwait as well for 2HCY25:** L&T is already well-placed for USD1.5-2.0bn of contracts with Aramco which can get awarded in 2QFY26. Further, there are major tenders in bidding like Dorra Offshore gas (USD10bn+ in packages) in Kuwait, chemical plants by ADNOC and significant tenders by QatarEnergy (USD10bn+) that should be finalised by 3QFY26. Thus, we expect L&T Energy segment orders to remain elevated over 2Q and 3QFY26 potentially leading to order inflow surprises vs a guidance of 10% order inflow growth for FY26. Qatar in particular is focused on LNG linked developments and offshore oil.
- **Prospects remain strong in CY26 as well with significant downstream capex in UAE and Aramco:** There is significant thrust on downstream integration into refining and petrochemicals. This is in particular prominent in Saudi Arabia (inline with Vision 2030 to achieve 40% integration) and UAE (led by naphtha and chemicals projects by ADNOC). Further, similar to Aramco Oman's PDO is also developing LTA (long term agreement) contractor pool to drive two waves of project awards in oil and gas. L&T is well-placed in particular with existing local presence in Oman.
- **Lumpy billion USD+ inflows maybe the norm, local value added compliant contractor status aids project wins and execution:** L&T is already classified as IKVTIA (In kingdom value added) contractor in Saudi Arabia and is part of Aramco's LTA pool. Recently, it has secured ICV (In country value) compliant status in UAE and Qatar which places it favourably for execution and market share gains. **We are seeing large market shares not only in oil & gas but also in renewable energy where we estimate L&T has 30-40% win rate.** L&T is not participating as sub-contractor like some Indian peers and as a locally compliant contractor is better placed in terms of project closure and cash flows. L&T has secured and commissioned multi-billion USD oil projects in the regions and a repeat of FY15-16 "legacy" order issues in Kuwait is unlikely to crop up over FY26/27E in our view.
- **Valuations attractive, maintain Buy:** We value L&T on SOTP (sum of the parts) basis with valuation multiples benchmarked to segment peers leading to effective EV/EBITDA of ~24x for FY27. We add market caps of listed subsidiaries in IT&S and LTFH with a 25% holdco discount. This leads to our TP of INR 4,313 implying effective core PE of 27x. **Near term catalysts:** continued order inflow momentum into 2HFY26, land monetisation at Hyderabad Metro and special dividends. **Key risks are:** IT&S accounts for INR 750/sh in our TP (at CMP with 25% holdco) where persisting headwinds can impact even though core may remain robust.



Priyanka Biswas
priyanka.biswas@jmfl.com | Tel: (91 22) 6970 3622

Neelotpal Sahu
neelotpal.sahu@jmfl.com | Tel: (91 22) 66303076

Vaibhav Shah
vaibhav.shah@jmfl.com | Tel: (91 22) 66303068

Parth Thakkar
parth.thakkar@jmfl.com | Tel: (91 22) 61781879

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	4,313
Upside/(Downside)	18.8%
Previous Price Target	4,313
Change	0.0%

Key Data – LT IN

Current Market Price	INR3,631
Market cap (bn)	INR4,994.1/US\$57.0
Free Float	69%
Shares in issue (mn)	1,365.7
Diluted share (mn)	1,365.7
3-mon avg daily val (mn)	INR7,164.4/US\$81.7
52-week range	3,964/2,965
Sensex/Nifty	81,019/24,723
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	1.0	5.6	-0.9
Relative*	4.0	2.0	-3.7

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	22,11,129	25,57,345	30,29,400	35,43,907	39,58,764
Sales Growth	20.6%	15.7%	18.5%	17.0%	11.7%
EBITDA	2,34,937	2,64,347	3,19,201	3,73,335	4,29,824
EBITDA Margin	10.6%	10.3%	10.5%	10.5%	10.9%
Adjusted Net Profit	1,29,655	1,45,593	1,80,496	2,16,108	2,54,630
Diluted EPS (INR)	95.1	106.6	132.2	158.2	186.4
Diluted EPS Growth	29.4%	12.1%	24.0%	19.7%	17.8%
ROIC	8.0%	8.3%	9.4%	9.9%	10.6%
ROE	14.8%	14.9%	17.2%	17.4%	17.6%
P/E (x)	38.2	34.1	27.5	22.9	19.5
P/B (x)	5.8	5.1	4.5	3.9	3.4
EV/EBITDA (x)	24.5	21.8	18.1	15.4	13.2
Dividend Yield	0.9%	0.8%	0.9%	1.1%	1.3%

Source: Company data, JM Financial. Note: Valuations as of 04/Aug/2025

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.

Deep dive into near term Hydrocarbon prospect pipeline in Middle East

Exhibit 1. L&T already well placed in Aramco projects; several multi-billion USD bids are in pipeline

Project	Company	USD mn	Well placed
CRPO 158/160	Saudi Aramco	700	L&T
CRPO 150/157/159	Saudi Aramco	1000-1500	Lamprell
CRPO 145	Saudi Aramco	1600	L&T
CRPO 146	Saudi Aramco	1500	Subsea 7
CRPO 147	Saudi Aramco	1500	Lamprell
CRPO 148	Saudi Aramco	1200	Subsea 7
Riyadh Metro Line 2 extn	Saudi Royal Commission	900	Arriyadh New Mobility (incl L&T)
Prospects for CY26			
Phase IV of the Jafurah unconventional gas	Saudi Aramco	2,250	Bid deadline Sep-25; L&T bidding
Shedgum & Uthmaniya Gas Compression Plant: Pkg 1 and 2	Saudi Aramco	2,500	PQ ongoing
Sasref integrated refinery Jubail	Saudi Aramco	5,000	FEED
Yasref integrated refinery Yanbu	Saudi Aramco	5,000	FEED
Samref integrated refinery Yanbu	Saudi Aramco	5,000	FEED
Sabic: Crude oil-to-chemicals (COTC) complex in Ras Al-Khair	Saudi Aramco	5,000	FEED

Source: MEED, JM Financial

Exhibit 2. Prospects also rising in Kuwait, UAE, Qatar and Oman (multi-billion USD)

Project being bid	Company	USD mn	Bid deadline	Comments
Kuwait				
Separation facility at GC23/24	Kuwait Oil Company	951	05-Aug-25	13 companies incl L&T qualified in Sep-2024
New injection facility at GC-31	Kuwait Oil Company	420	05-Aug-25	
Other 3 large projects	Kuwait Oil Company	770	05-Aug-25	
developing separation facilities at GC-25	Kuwait Oil Company	338	05-Aug-25	
Dorra offshore's onshore gas processing plant	Kuwait Gulf Oil		FEED stage	Bid invites in 3QFY25
Development of Dora offshore gas (4 pkgs)	Kuwait Gulf Oil- Aramco	10,000	31-Jul-25	Bidders include L&T among 5 players
Olefin IV plant	Kuwait Petroleum	500	Study completed	
Mina Al Ahmady refinery gas recovery units	KNPC	900	12-Aug-25	
Algeria				
Skidra refinery expansion	Sonatrach	8,000		L&T and Others
UAE				
Naphtha project Abu Dhabi	ADNOC	1,000	Bid submitted in Jun-25	6 bidders incl L&T and KPIL
Chemical plants Taziz, Ruwais, Abu Dhabi	ADNOC/ADQ	1,700	06-Aug-25	L&T, Samsung and Chinese bidders
Naphtha project Abu Dhabi	ADNOC	2,000	To be bid	
Satah al-Razboot (SARB) field development	ADNOC	3,000	To be bid	
Qatar				
NorthField LNG Ph2 COMP5	QatarEnergy	5,000	Tech bids submitted	L&T and others
Bul Hanine offshore oil	QatarEnergy	3,000	13-Jul-25	L&T and others
Fifth NGL train (NGL-5)	QatarEnergy	2,500	Bids submitted	L&T and others
Oman				
Al-Ghubar GOGD – Oil and gas	PDO Oman		Likely in FY27	
Raba hub development – Oil	PDO Oman		Likely in FY27	
Rabab Harweel Integrated Project (RHIP) tranche 2 – Oil and gas	PDO Oman		Likely in FY27	

Source: MEED, JM Financial

Exhibit 3. Aramco's LTA pool of offshore service providers

Saipem (Italy)

McDermott International (US)

Larsen & Toubro Energy Hydrocarbon (India) / Subsea7 (UK)

NMDC Energy (UAE)

Lamprell (UAE/Saudi Arabia)

China Offshore Oil Engineering Company (China)

Dynamic Industries (US)

Sapura Energy (Malaysia)

TechnipFMC (France) / MMHE (Malaysia)

Hyundai Heavy Industries (South Korea)

Source: MEED, JM Financial

Exhibit 4. Saudi Arabia 15GW of renewables of near terms prospect pipeline

Project	Capacity (MW)	Technology	Province
Bisha	3,000	Solar PV	Asir
Humaij	3,000	Solar PV	Medina
Khulis	2,000	Solar PV	Mecca
Afif1	2,000	Solar PV	Riyadh
Afif2	2,000	Solar PV	Riyadh
Starah	2,000	Wind	Riyadh
Shaqra	1,000	Wind	Riyadh

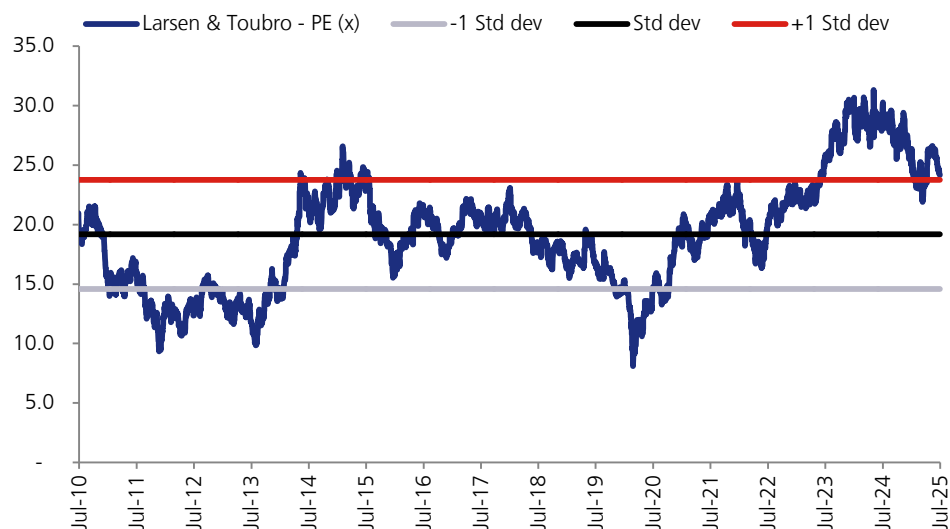
Source: MEED, JM Financial

Exhibit 5. SOTP based valuation

Segments	L&T share (%)	Holdco discount (%)	Valuation Metric	Multiple (x)	FY27E EBITDA	Enterprise value (INR bn)	Per share (INR)	Equity value (INR bn)	Mkt Cap (INR bn)
Core segments									
Infrastructure	100%		EV/EBITDA	17.8	117	2,091			
Energy	100%		EV/EBITDA	25.0	66	1,639			
Hi-tech manufacturing	100%		EV/EBITDA	22.0	24	537			
Realty	100%		DCF	25.6	24	615			
Industrial Machinery & Products	100%		EV/EBITDA	17.8	11	119			
Core total (implied EV/EBITDA)				21.0	242	5,072			
Inter-segmental elimination	84%			21.1	(43)	(758)			
JV						23			
Aggregate EV				21.8	199	4,337	3,243	4,429	
Net Debt/ (cash) Ex Finance and Development projects [Mar-26E]						(92)			
Developmental projects									
Hyderabad Metro	97.0%		DCF				69	93	
Nabha Power	100.0%		DCF				69	94	
Services									
Financial services (LTFH)	66.2%	25.2%	Mkt Cap				187	255	514
IT & TS							747	1,020	
LTIM	68.6%	25.2%	Mkt Cap					770	1,500
LTTS	73.7%	25.2%	Mkt Cap					250	454
Overall Equity value							4,313	5,890	

Source: Company, JM Financial

Exhibit 6. 1 year forward P/E chart



Source: Company, JM Financial, Bloomberg

Exhibit 7. 1 year forward EV/EBITDA chart



Source: Company, JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	22,11,129	25,57,345	30,29,400	35,43,907	39,58,764
Sales Growth	20.6%	15.7%	18.5%	17.0%	11.7%
Other Operating Income	0	0	0	0	0
Total Revenue	22,11,129	25,57,345	30,29,400	35,43,907	39,58,764
Cost of Goods Sold	14,03,139	16,46,707	19,51,727	22,91,376	25,51,580
Personnel Cost	4,11,710	4,67,687	5,54,016	6,48,109	7,23,978
Other Expenses	1,61,343	1,78,604	2,04,456	2,31,087	2,53,382
EBITDA	2,34,937	2,64,347	3,19,201	3,73,335	4,29,824
EBITDA Margin	10.6%	10.3%	10.5%	10.5%	10.9%
EBITDA Growth	13.2%	12.5%	20.8%	17.0%	15.1%
Depn. & Amort.	36,823	41,212	41,442	41,984	42,689
EBIT	1,98,113	2,23,136	2,77,759	3,31,351	3,87,134
Other Income	41,580	41,248	45,528	57,745	72,154
Finance Cost	35,459	33,344	38,292	47,909	57,317
PBT before Excep. & Forex	2,04,235	2,31,040	2,84,995	3,41,186	4,01,972
Excep. & Forex Inc./Loss(-)	-226	-141	-141	-141	-141
PBT	2,04,009	2,30,900	2,84,855	3,41,046	4,01,831
Taxes	49,474	58,914	72,672	87,001	1,02,501
Extraordinary Inc./Loss(-)	936	4,748	0	0	0
Assoc. Profit/Min. Int.(-)	24,880	26,392	31,686	37,937	44,700
Reported Net Profit	1,30,591	1,50,341	1,80,496	2,16,108	2,54,630
Adjusted Net Profit	1,29,655	1,45,593	1,80,496	2,16,108	2,54,630
Net Margin	5.9%	5.7%	6.0%	6.1%	6.4%
Diluted Share Cap. (mn)	1,363	1,366	1,366	1,366	1,366
Diluted EPS (INR)	95.1	106.6	132.2	158.2	186.4
Diluted EPS Growth	29.4%	12.1%	24.0%	19.7%	17.8%
Total Dividend + Tax	47,255	38,498	45,437	54,401	64,098
Dividend Per Share (INR)	34.0	28.0	33.0	39.6	46.6

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,55,471	1,76,733	2,12,182	2,54,045	2,99,330
Depn. & Amort.	36,823	41,212	41,442	41,984	42,689
Net Interest Exp. / Inc. (-)	35,459	33,344	38,292	47,909	57,317
Inc (-) / Dec in WCap.	-66,652	-1,76,651	-36,792	-42,929	-28,801
Others	-41,415	-40,954	-45,554	-57,826	-72,392
Taxes Paid	63,142	58,217	0	0	0
Operating Cash Flow	1,82,828	91,901	2,09,596	2,43,264	2,98,381
Capex	-42,105	-35,407	-46,398	-48,718	-51,153
Free Cash Flow	1,40,724	56,494	1,63,198	1,94,547	2,47,227
Inc (-) / Dec in Investments	-9,553	-89,419	-89,419	-89,419	-89,419
Others	73,288	-30,349	45,528	57,745	72,154
Investing Cash Flow	21,630	-1,55,175	-90,289	-80,392	-68,418
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-1,64,968	-38,496	-45,124	-54,027	-63,658
Inc / Dec (-) in Loans	-44,736	1,55,196	1,55,196	1,55,196	1,55,196
Others	-44,429	-51,134	-38,292	-47,909	-57,317
Financing Cash Flow	-2,54,134	65,566	71,780	53,260	34,221
Inc / Dec (-) in Cash	-49,675	2,292	1,91,087	2,16,132	2,64,184
Opening Cash Balance	1,69,260	1,19,578	1,21,863	3,12,950	5,29,081
Closing Cash Balance	1,19,585	1,21,870	3,12,950	5,29,081	7,93,265

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	8,63,592	9,76,556	11,11,928	12,74,009	14,64,982
Share Capital	2,749	2,750	2,750	2,750	2,750
Reserves & Surplus	8,60,843	9,73,806	11,09,178	12,71,259	14,62,231
Preference Share Capital	0	0	0	0	0
Minority Interest	1,61,904	1,77,481	2,09,167	2,47,104	2,91,804
Total Loans	11,40,398	12,95,593	14,50,789	16,05,985	17,61,181
Def. Tax Liab. / Assets (-)	0	0	0	0	0
Total - Equity & Liab.	21,65,894	24,49,630	27,71,884	31,27,098	35,17,967
Net Fixed Assets	4,70,133	4,68,016	4,72,972	4,79,705	4,88,169
Gross Fixed Assets	3,64,821	4,01,270	4,47,667	4,96,385	5,47,538
Intangible Assets	2,53,325	2,55,971	2,55,971	2,55,971	2,55,971
Less: Depn. & Amort.	1,48,013	1,89,225	2,30,666	2,72,650	3,15,340
Capital WIP	28,970	23,909	23,909	23,909	23,909
Investments	3,49,576	4,33,606	4,33,606	4,33,606	4,33,606
Current Assets	25,81,642	28,93,619	35,46,358	41,71,461	48,00,505
Inventories	66,202	76,706	91,445	1,07,593	1,22,805
Sundry Debtors	4,87,710	5,37,137	6,50,511	7,65,385	8,73,599
Cash & Bank Balances	1,53,584	2,29,653	4,20,740	6,36,872	9,01,056
Loans & Advances	5,36,028	5,55,709	6,45,128	7,34,547	8,23,966
Other Current Assets	13,38,118	14,94,414	17,38,534	19,27,064	20,79,079
Current Liab. & Prov.	12,35,457	13,45,611	16,81,052	19,57,674	22,04,314
Current Liabilities	5,72,619	5,71,055	7,87,970	9,13,906	10,39,044
Provisions & Others	6,62,838	7,74,556	8,93,082	10,43,768	11,65,270
Net Current Assets	13,46,185	15,48,008	18,65,306	22,13,787	25,96,191
Total - Assets	21,65,894	24,49,630	27,71,884	31,27,098	35,17,967

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	5.9%	5.7%	6.0%	6.1%	6.4%
Asset Turnover (x)	1.0	1.1	1.1	1.2	1.2
Leverage Factor (x)	2.5	2.6	2.5	2.5	2.5
RoE	14.8%	15.8%	17.3%	18.1%	18.6%

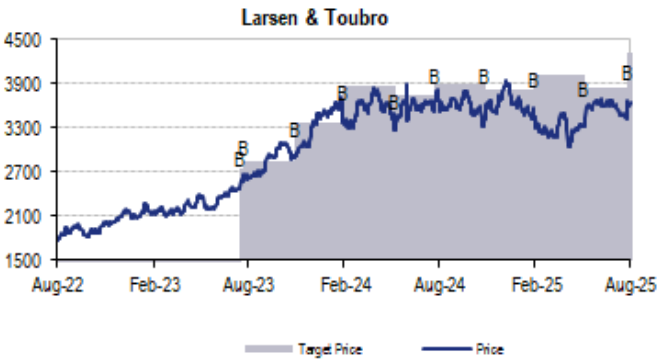
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (₹)	621.4	710.3	808.6	926.4	1,065.3
ROIC	8.0%	8.3%	9.4%	9.9%	10.6%
ROE	14.8%	14.9%	17.2%	17.4%	17.6%
Net Debt/Equity (x)	0.7	0.6	0.5	0.4	0.3
P/E (x)	38.2	34.1	27.5	22.9	19.5
P/B (x)	5.8	5.1	4.5	3.9	3.4
EV/EBITDA (x)	24.5	21.8	18.1	15.4	13.2
EV/Sales (x)	2.6	2.3	1.9	1.6	1.4
Debtor days	81	77	78	79	81
Inventory days	11	11	11	11	11
Creditor days	98	84	99	98	101

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
20-Jul-23	Buy	2,745	
26-Jul-23	Buy	2,835	3.3
1-Nov-23	Buy	3,380	19.2
1-Feb-24	Buy	3,875	14.6
9-May-24	Buy	3,740	-3.5
25-Jul-24	Buy	3,890	4.0
31-Oct-24	Buy	3,825	-1.7
31-Jan-25	Buy	4,015	5.0
9-May-25	Buy	3,850	-4.1
30-Jul-25	Buy	4,313	12.0

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.com

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | 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, 27th Floor, Office No. 2715, 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.