

# Zydus Lifesciences | REDUCE

## Strong 2Q; earnings to remain muted despite levers

Zydus reported a strong 2QFY26 with revenue/EBITDA/PAT growing +17/+13/+38% YoY, and EBITDA margins coming flat at 26.2% (-88bps YoY). The strong performance was driven by robust growth in the US formulations segment (+14% YoY), led by volume expansion and new product launches. Zydus launched 7 new products during 2Q, including Beizray (a 505(b)(2) product), and made significant progress with 6 ANDA filings and 4 approvals. Further, Zydus plans to file Saraglitazar NDA in the US by 4QFY26. In India, formulations grew by 8% YoY, supported by strong growth in branded business (+9% YoY). The Consumer Wellness segment saw 31% YoY growth, aided by the acquisition of Comfort Click, marking Zydus's entry into the high-growth VMS space. The International Formulations business delivered +39% YoY growth, driven by strong demand in emerging markets and Europe. Additionally, Zydus made its entry into Medtech, acquiring 86% of Amplitude Surgical, contributing INR 1.5bn to top-line growth. The ongoing product launches and recent acquisitions remains a major driver for growth, we have adjusted our FY26/27 estimates to reflect the same. However, due to absence of gRevlimid post FY26, the reported earnings growth is likely to be negative over FY25-28, making it unattractive for investors to buy at current valuations. We value the stock at 22x Sept'27 EPS to arrive at a TP of INR 906 (includes option value for Saraglitazar), rating the stock as REDUCE.

- **US formulations (45% of sales):** The segment reported sales of INR 27bn (+14% YoY). In constant currency terms, the sales was at USD 313mn (+9% YoY). The growth was led by volume expansion and new products launches over the last 18 months. Zydus launched 7 new products during 2Q, with Beizray (albumin solubilized docetaxel injection), a 505(b)(2) product on specialty front, additionally launched in October. Further, 2Q saw 6 ANDA filings and 4 ANDA approvals (including 1 tentative). The company also received its first Notice of Compliance (NOC) approval in Canada, with receipt of NOC for Varenicline tablets. The company has additionally received 2 more NOCs in October.
- **India formulations (26% of sales):** The segment reported INR 15.9bn in top-line, (+8% YoY), with growth being led by branded formulations (+9% YoY). The company outpaced IPM in key therapies of Cardiology, Gynecology and Oncology. Overall, the contribution of chronic stood at 44.5%. 2Q also saw launch of VaxiFlu – India's first trivalent influenza vaccine for flu protection.
- **Consumer wellness (11% of sales):** The segment reported top-line of INR 6.4bn (+31% YoY). Growth seems magnified on account of UK-based Comfort Click Limited (CCL)'s acquisition, marking company's first international acquisition and strengthening presence in UK, EU and US. It also marks Zydus's entry into high growth VMS space. CCL derives majority of its revenues from e-comm. & D2C, and is one of the fastest-growing digital healthcare platforms in VMS.
- **Innovation portfolio:** Zydus is advancing its pipeline with key milestones ahead, including filing the NDA for saraglitazar with the U.S. FDA in Q4 FY '26. The company is also progressing with the Bivalent Typhoid Conjugate Vaccine in India and plans to launch CUTX-101 between January-June 2026. Additionally, Zydus is set to conduct clinical trials for TAVI in Europe.
- **Other businesses:** The International Formulations segment (12% of sales) reported INR 7.5bn sales (+39% YoY), with growth being across regions and led by strong demand in both emerging markets and Europe. The company acquired 86% of Amplitude Surgical in 2Q, thus entering Medtech business (3% of sales). The vertical reported INR 1.5bn in sales, and the company completed its 100% stake acquisition in October. API (2% of sales) grew 23% YoY.



**Amey Chalke**

amey.chalke@jmfll.com | Tel: (91 22) 66303056

**Abin Benny**

abin.benny@jmfll.com | Tel: (91 22) 69703621

### Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	HOLD
Current Price Target (12M)	906
Upside/(Downside)	-3.3%
Previous Price Target	872
Change	3.9%

### Key Data – ZYDUSLIF IN

Current Market Price	INR937
Market cap (bn)	INR942.5/US\$10.6
Free Float	20%
Shares in issue (mn)	1,006.0
Diluted share (mn)	1,006.0
3-mon avg daily val (mn)	INR955.4/US\$10.8
52-week range	1,059/795
Sensex/Nifty	83,311/25,510
INR/US\$	88.6

### Price Performance

%	1M	6M	12M
Absolute	-5.8	6.4	-5.9
Relative*	-7.5	3.0	-9.2

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,90,215	2,25,738	2,65,165	2,62,675	2,62,979
Sales Growth (%)	12.7	18.7	17.5	-0.9	0.1
EBITDA	53,033	68,951	71,623	60,882	56,128
EBITDA Margin (%)	27.1	29.7	26.6	22.8	21.0
Adjusted Net Profit	38,507	47,451	51,608	41,611	38,951
Diluted EPS (INR)	38.3	47.2	51.3	41.4	38.7
Diluted EPS Growth (%)	50.8	23.2	8.8	-19.4	-6.4
ROIC (%)	18.4	22.7	21.8	17.6	15.9
ROE (%)	20.6	21.7	19.7	13.8	11.6
P/E (x)	24.5	19.9	18.3	22.7	24.2
P/B (x)	4.8	3.9	3.3	2.9	2.7
EV/EBITDA (x)	18.1	13.3	12.3	13.8	14.3
Dividend Yield (%)	0.7	0.3	0.6	0.6	0.6

Source: Company data, JM Financial. Note: Valuations as of 06/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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

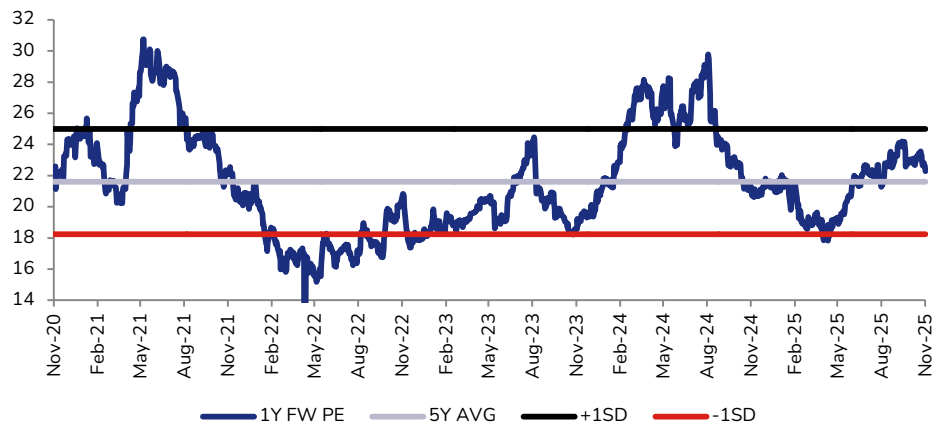
### Financial Highlights:

- Revenue at INR 61.2bn (+17% YoY | +3/+5 % vs street/JMFe); The beat on JMFe is on account of Medtech business acquisition, adjusting for the same the company delivered a +2% vs JMFe
- Gross Profit of INR 44.3bn (+18% YoY), with gross margin at 72.4% (+49bps YoY | +148bps vs JMFe)
- EBITDA at INR 16.0bn (+13% YoY | -1/+4 % vs street/JMFe)
- EBITDA Margin at 26.2% (-88bps YoY | -112/-10 bps vs street/JMFe)
- PAT at INR 12.6bn (+38% YoY | +16/+34 % vs street/JMFe); beat on PAT is on account of gain on foreign transactions

### Segmental analysis

- India formulations at INR 15.9bn (+8% YoY | in-line with JMFe)
- Consumer wellness at INR 6.4bn (+31% YoY | +22% vs JMFe)
- US formulations at INR 27.4bn (+14% YoY | -2% vs JMFe)
- International formulations at INR 7.5bn (+39% YoY | +19% vs JMFe)
- Medtech at INR 1.5bn
- APIs at INR 1.5bn (+23% YoY | +14% vs JMFe)
- Alliances & others at INR .12bn (-85% YoY | -76% vs JMFe)

Exhibit 1. Valuation Chart



Source: Bloomberg, JM Financial

Exhibit 2. Change in estimates

INR mn	FY26				FY27				FY28			
	Old est.	New est.	YoY change	Est. change	Old est.	New est.	YoY change	Est. change	Old est.	New est.	YoY change	Est. change
Net sales	247737	2,65,165	17%	7%	239918	2,62,675	-1%	9%	239459	2,62,979	0%	10%
Total operating revenue	254080	2,69,171	16%	6%	246896	2,67,082	-1%	8%	247134	2,67,826	0%	8%
EBITDA	70755	71,623	4%	1%	56161	60,882	-15%	8%	54370	56,128	-8%	3%
- margin	27.8%	26.6%			22.7%	22.8%			22.0%	21.0%		
PAT	48095	51,266	13%	6.6%	38673	41,611	-19%	7.6%	37709	38,951	-6%	3.3%

Source: JM Financial

## Exhibit 3. 2QFY26 review

Zydus Lifesciences P&L - in INR mn	2QFY25A	2QFY26	% YoY	2QFY26 JMFe	% Delta vs JMFe	2QFY25E (cons)	% Delta vs cons	1QFY26	% QoQ
<b>Total Income</b>	<b>52,370</b>	<b>61,232</b>	<b>17%</b>	<b>58,445</b>	<b>5%</b>	<b>59,532</b>	<b>3%</b>	<b>65,737</b>	<b>-7%</b>
<b>Expenses</b>									
Raw material	14,714	16,905	15%	17,000	-1%			17,895	-6%
Gross Profit	37,656	44,327	18%	41,445				47,842	
Gross Profit (%)	72%	72.4%	<b>49 bps</b>	71%	<b>148 bps</b>			73%	-1%
Staff cost	8,792	10,342	18%	10,100	2%			10,052	3%
Mfg & Other expense	14,704	17,968	22%	16,000	12%			16,905	6%
<b>EBITDA (excl. other income)</b>	<b>14,160</b>	<b>16,017</b>	<b>13%</b>	<b>15,345</b>	<b>4%</b>	<b>16,238</b>	<b>-1%</b>	<b>20,885</b>	<b>-23%</b>
<b>% EBITDA Margin</b>	<b>27.0%</b>	<b>26.2%</b>	<b>-88 bps</b>	<b>26.3%</b>	<b>-10 bps</b>	<b>27.3%</b>	<b>-112 bps</b>	<b>31.8%</b>	<b>-561 bps</b>
Other income	1,136	5,231		1,000				1,549	
Interest income									
Finance expenses	251	1,013		850				847	
Depreciation	2,336	3,019		2,450				2,381	
Exceptional items	0	-342		0				0	
Foreign exchange gain (loss) on loans									
Other foreign exchange gain (loss)									
Profit Before Tax (PBT)	12,709	16,874	33%	13,045	29%			19,206	-12%
Tax	3,731	4,540		3,500				4,340	
% Tax rate	29%	27%		27%				23%	
Minority interest	90	-200		350				542	
JVs	221	52		221				344	
Exceptional	0	0		0				0	
<b>Reported PAT</b>	<b>9,109</b>	<b>12,586</b>	<b>38%</b>	<b>9,416</b>	<b>34%</b>	<b>10,889</b>	<b>16%</b>	<b>14,668</b>	<b>-14%</b>
<b>% Cost Ratios</b>	<b>2QFY25A</b>	<b>2QFY26</b>	<b>% YoY</b>	<b>2QFY26</b>	<b>% Delta vs JMFe</b>			<b>1QFY26</b>	<b>% QoQ</b>
Raw Materials	28.1	27.6	-49 bps	29.1	-148 bps			27.2	39 bps
Staff cost	16.8	16.9	10 bps	17.3	-39 bps			15.3	160 bps
Mfg & Other expenses	28.1	29.3	127 bps	27.4	197 bps			25.7	363 bps
<b>Sales Break-up</b>	<b>2QFY25A</b>	<b>2QFY26</b>	<b>% YoY</b>	<b>2QFY26</b>	<b>% Delta vs JMFe</b>			<b>1QFY26</b>	<b>% QoQ</b>
<b>Formulations - Key Markets</b>	<b>44,260</b>	<b>50,881</b>	<b>15%</b>	<b>43,930</b>	<b>16%</b>			<b>47,012</b>	<b>8%</b>
US	24,168	27,437	14%	28,050	-2%			31,817	-14%
India	14,703	15,931	8%	15,880	0%			15,195	5%
International Markets	5,389	7,513	39%	6,310	19%			7,265	3%
<b>Other Businesses and Alliances</b>	<b>6,876</b>	<b>9,498</b>	<b>38%</b>	<b>14,028</b>	<b>-32%</b>			<b>18,370</b>	<b>-48%</b>
Consumer Wellness	4,875	6,374	31%	5,216	22%			8,549	-25%
APIs	1,194	1,472	23%	1,290	14%			1,575	-7%
Alliances	807	120	-85%	500	-76%			269	-55%
Medtech	-	1,532							

Source: JM Financial

## Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,90,215	2,25,738	2,65,165	2,62,675	2,62,979
Sales Growth	12.7%	18.7%	17.5%	-0.9%	0.1%
Other Operating Income	5,259	6,677	4,006	4,407	4,848
<b>Total Revenue</b>	<b>1,95,474</b>	<b>2,32,415</b>	<b>2,69,171</b>	<b>2,67,082</b>	<b>2,67,826</b>
Cost of Goods Sold/Op. Exp	62,282	63,380	79,549	84,056	86,783
Personnel Cost	31,376	36,806	42,426	45,968	47,336
Other Expenses	48,783	63,278	75,572	76,176	77,579
<b>EBITDA</b>	<b>53,033</b>	<b>68,951</b>	<b>71,623</b>	<b>60,882</b>	<b>56,128</b>
EBITDA Margin	27.1%	29.7%	26.6%	22.8%	21.0%
EBITDA Growth	48.3%	30.0%	3.9%	-15.0%	-7.8%
Depn. & Amort.	7,641	9,158	12,173	12,871	13,569
EBIT	45,392	59,793	59,451	48,011	42,560
Other Income	3,651	4,329	11,623	8,824	10,506
Finance Cost	812	1,659	3,952	3,216	3,194
PBT before Excep. & Forex	48,231	62,463	67,122	53,619	49,872
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	48,231	62,463	67,122	53,619	49,872
Taxes	9,775	14,119	16,780	13,405	12,468
Extraordinary Inc./Loss(-)	1,184	578	867	997	1,147
Assoc. Profit/Min. Int.(-)	1,133	1,471	-400	-400	-400
Reported Net Profit	38,507	47,451	51,608	41,611	38,951
<b>Adjusted Net Profit</b>	<b>38,507</b>	<b>47,451</b>	<b>51,608</b>	<b>41,611</b>	<b>38,951</b>
Net Margin	19.7%	20.4%	19.2%	15.6%	14.5%
Diluted Share Cap. (mn)	1,006.0	1,006.0	1,006.0	1,006.0	1,006.0
<b>Diluted EPS (INR)</b>	<b>38.3</b>	<b>47.2</b>	<b>51.3</b>	<b>41.4</b>	<b>38.7</b>
Diluted EPS Growth	50.8%	23.2%	8.8%	-19.4%	-6.4%
Total Dividend + Tax	6,210	3,025	5,533	5,533	5,533
Dividend Per Share (INR)	6.2	3.0	5.5	5.5	5.5

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	48,231	62,463	67,122	53,619	49,872
Depn. & Amort.	7,641	9,158	12,173	12,871	13,569
Net Interest Exp. / Inc. (-)	-812	-1,659	-3,952	-3,216	-3,194
Inc (-) / Dec in WCap.	-8,711	15,315	-8,335	1,142	464
Others	-1,212	509	4,587	1,417	-306
Taxes Paid	-12,858	-18,019	-16,780	-13,405	-12,468
<b>Operating Cash Flow</b>	<b>32,279</b>	<b>67,767</b>	<b>54,813</b>	<b>52,428</b>	<b>47,937</b>
Capex	-9,066	-17,126	-9,500	-9,500	-9,500
Free Cash Flow	23,213	50,641	45,313	42,928	38,437
Inc (-) / Dec in Investments	-8,268	-2,855	0	0	0
Others	2,582	-63,742	2,373	4,774	6,456
<b>Investing Cash Flow</b>	<b>-14,752</b>	<b>-83,723</b>	<b>-7,127</b>	<b>-4,726</b>	<b>-3,044</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-6,210	-3,025	-5,533	-5,533	-5,533
Inc / Dec (-) in Loans	-3,915	24,062	-811	0	-500
Others	-7,979	-895	-2,826	-2,790	-2,768
<b>Financing Cash Flow</b>	<b>-18,104</b>	<b>20,142</b>	<b>-9,170</b>	<b>-8,323</b>	<b>-8,801</b>
<b>Inc / Dec (-) in Cash</b>	<b>-577</b>	<b>4,186</b>	<b>38,516</b>	<b>39,379</b>	<b>36,092</b>
Opening Cash Balance	4,878	4,130	8,268	46,784	86,162
Closing Cash Balance	4,130	8,268	46,784	86,162	1,22,255

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,98,295	2,39,531	2,84,739	3,19,821	3,52,092
Share Capital	1,006	1,006	1,006	1,006	1,006
Reserves & Surplus	1,97,289	2,38,525	2,83,733	3,18,815	3,51,086
Preference Share Capital	0	0	0	0	0
Minority Interest	22,721	24,053	23,653	23,253	22,853
Total Loans	7,791	31,811	31,000	31,000	30,500
Def. Tax Liab. / Assets (-)	4,465	5,126	5,126	5,126	5,126
<b>Total - Equity &amp; Liab.</b>	<b>2,33,272</b>	<b>3,00,521</b>	<b>3,44,518</b>	<b>3,79,200</b>	<b>4,10,571</b>
Net Fixed Assets	1,47,918	1,58,256	1,55,583	1,52,213	1,48,144
Gross Fixed Assets	1,09,568	1,19,866	1,28,366	1,36,866	1,45,366
Intangible Assets	97,310	1,04,744	1,05,744	1,06,744	1,07,744
Less: Depn. & Amort.	70,075	79,532	91,705	1,04,576	1,18,144
Capital WIP	11,115	13,179	13,179	13,179	13,179
Investments	19,126	70,999	70,999	70,999	70,999
Current Assets	1,25,764	1,42,762	1,93,880	2,32,543	2,68,890
Inventories	34,419	39,440	45,677	45,323	45,449
Sundry Debtors	52,202	40,247	46,612	46,250	46,379
Cash & Bank Balances	4,130	22,647	61,163	1,00,541	1,36,634
Loans & Advances	15	771	771	771	771
Other Current Assets	34,998	39,657	39,657	39,657	39,657
Current Liab. & Prov.	59,536	71,496	75,944	76,555	77,463
Current Liabilities	35,175	35,949	39,777	39,754	40,016
Provisions & Others	24,361	35,547	36,168	36,801	37,446
Net Current Assets	66,228	71,266	1,17,936	1,55,988	1,91,427
<b>Total - Assets</b>	<b>2,33,272</b>	<b>3,00,521</b>	<b>3,44,518</b>	<b>3,79,200</b>	<b>4,10,571</b>

Source: Company, JM Financial

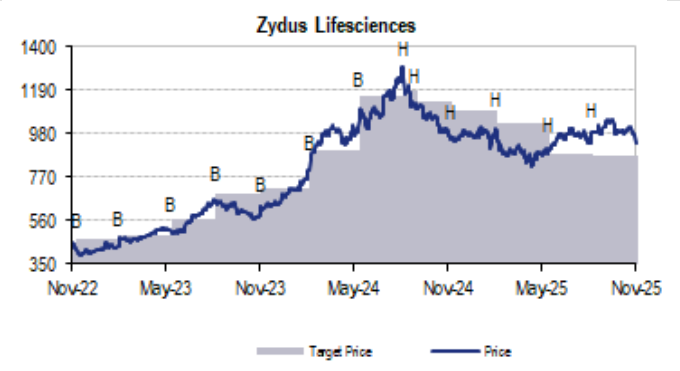
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	19.7%	20.4%	19.2%	15.6%	14.5%
Asset Turnover (x)	0.8	0.8	0.8	0.7	0.7
Leverage Factor (x)	1.2	1.3	1.3	1.2	1.2
RoE	20.6%	21.7%	19.7%	13.8%	11.6%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	197.1	238.1	283.0	317.9	350.0
ROIC	18.4%	22.7%	21.8%	17.6%	15.9%
ROE	20.6%	21.7%	19.7%	13.8%	11.6%
Net Debt/Equity (x)	0.0	-0.2	-0.3	-0.4	-0.5
P/E (x)	24.5	19.9	18.3	22.7	24.2
P/B (x)	4.8	3.9	3.3	2.9	2.7
EV/EBITDA (x)	18.1	13.3	12.3	13.8	14.3
EV/Sales (x)	4.9	4.0	3.3	3.1	3.0
Debtor days	97	63	63	63	63
Inventory days	64	62	62	62	62
Creditor days	54	51	49	47	46

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
10-Aug-22	Buy	430	
14-Nov-22	Buy	470	9.3
4-Feb-23	Buy	485	3.2
18-May-23	Buy	570	17.5
13-Aug-23	Buy	690	21.1
7-Nov-23	Buy	720	4.3
11-Feb-24	Buy	900	25.0
18-May-24	Buy	1,165	29.4
12-Aug-24	Hold	1,190	2.1
4-Sep-24	Hold	1,135	-4.6
12-Nov-24	Hold	1,090	-4.0
6-Feb-25	Hold	1,030	-5.5
21-May-25	Hold	884	-14.2
12-Aug-25	Hold	872	-1.4

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, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfirancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

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

New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: 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. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

**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.