

# Ahluwalia Contracts | BUY

## Strong quarter; margins to remain strong

Ahluwalia Contracts' (ACIL) reported strong results in 2Q26 as PAT at INR 791mn (up 2.1x YoY) above JMFe of INR 576mn (consensus: INR 561mn) led by higher revenue/margins. EBITDA margin expanded 360bps YoY to 10.9% led by better project mix. Execution of CSMT project will pick up pace as design nears completion while Gems and Jewellery Park project remains delayed as ACIL expects execution to start in 4Q26. ACIL maintained FY26 revenue growth guidance of 15-20% and is confident of 10%+ margins (1H26: 9.8%). Led by strong YTD inflows of INR 44bn, L1 position of INR 16bn and robust bid pipeline of INR 65bn, ACIL targets order inflows of INR 80bn+ for FY26E. We have slightly moderated FY26/27 revenue estimates amid delay in start of few projects leading to EPS cuts of 1%/4% in FY26/27E. We expect robust EPS CAGR of 33% over FY25-28E. We like ACIL given its asset light business, lean balance sheet, consistent FCF generation and strong return ratios despite moderate margins. ACIL is currently trading at 16.6x/14x FY27/28E EPS. Maintain BUY with a revised price target of INR 1230 (19x FY27 EPS).

- **Earnings beat led by higher revenue/margins:** Revenue grew by 16% YoY to INR 11.8bn (JMFe: INR 10.5bn) led by stronger backlog. EBITDA grew sharply by 75% YoY to INR 1.3bn (JMFe: INR 945mn), while EBITDA margin expanded sharply by 360bps YoY to 10.9% (JMFe: 9%) led by better project mix. Interest costs at INR 149mn was above JMFe of INR 125mn due to higher mobilization advances. Adjusted PAT grew sharply by 2.1x YoY to INR 791mn (JMFe: INR 576mn) led by higher revenue/margins.
- **Order backlog strong at INR 181bn; execution for big ticket projects to pick-up in FY27:** With robust inflows of c.INR 44bn in 1H26, ACIL's order backlog strengthened to INR 181bn (4.2x TTM revenues) as of Sept-25. With a strong bid pipeline of c.INR 65bn and L1 position of INR 16bn, ACIL expects inflows of INR 80bn for FY26E. Execution of the CSMT project will pick up pace as design nears completion and ACIL expects c.INR 4bn revenue from it in FY26E. EC for a Gems & Jewellery project has been received and initial ground-work has commenced. ACIL expects to execute 30-35% of this project in FY27E. ACIL does not have any major NWC issues apart from c. INR 700mn stuck in Maharashtra and Assam on account of GST revision which should normalize in 2H26.
- **FY26 guidance maintained on all fronts:** ACIL has maintained its revenue guidance growth of 15-20% for FY26E with further up-tick in execution expected from 3Q26 onwards. It is confident of delivering double digit margins in FY26E (1H26: 9.8%). ACIL plans to incur capex of INR 4bn/INR 3bn for FY26E/FY27E as several big ticket projects are likely to kick off in 2H26/FY27 and it plans to invest in heavy machinery.
- **Maintain BUY with revised price target of INR 1230:** We like ACIL due its asset light business, lean balance sheet, consistent FCF generation over last decade and strong return ratios despite moderate margins. Robust order backlog of INR 181bn (4.2x TTM revenue) provides strong growth visibility over next couple of years. We have slightly moderated FY26/27E revenue estimates amid delay in start of few projects leading to EPS cuts of 1%/4% in FY26/27E. Having said that, we expect robust EPS CAGR of 33% over FY25-28E. We like ACIL given its asset light business, lean balance sheet, consistent FCF generation and strong return ratios despite moderate margins. ACIL is currently trading at 16.6x/14x FY27/28E EPS. Maintain BUY with a revised price target of INR 1230 (19x FY27E EPS).



**Vaibhav Shah**

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

**Priyanka Biswas**

priyanka.biswas@jmfl.com | Tel: (91 22) 69703622

**Parth Thakkar**

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

### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,230
Upside/(Downside)	25.3%
Previous Price Target	1,175
Change	4.7%

### Key Data – AHLU IN

Current Market Price	INR982
Market cap (bn)	INR65.8/US\$0.7
Free Float	45%
Shares in issue (mn)	67.0
Diluted share (mn)	67.0
3-mon avg daily val (mn)	INR42.0/US\$0.5
52-week range	1,175/620
Sensex/Nifty	84,951/26,013
INR/US\$	88.6

### Price Performance

%	1M	6M	12M
Absolute	4.2	5.6	-1.6
Relative*	3.0	2.3	-10.1

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	38,553	40,986	48,364	59,004	70,805
Sales Growth (%)	35.8	6.3	18.0	22.0	20.0
EBITDA	3,885	3,418	5,011	6,316	7,582
EBITDA Margin (%)	10.1	8.3	10.4	10.7	10.7
Adjusted Net Profit	2,296	2,015	3,179	3,968	4,703
Diluted EPS (INR)	34.3	30.1	47.5	59.2	70.2
Diluted EPS Growth (%)	18.3	-12.3	57.8	24.8	18.5
ROIC (%)	22.5	17.0	21.2	22.0	22.5
ROE (%)	16.2	11.8	16.3	17.2	17.2
P/E (x)	21.9	35.8	20.7	16.6	14.0
P/B (x)	3.1	4.0	3.1	2.6	2.2
EV/EBITDA (x)	11.0	18.3	11.2	8.7	7.0
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1

Source: Company data, JM Financial. Note: Valuations as of 17/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.

**Exhibit 1. Standalone quarterly results**

Particulars (INR mn)	2QFY25	3QFY25	4QFY25	FY25	1QFY26	2QFY26	2QFY26E	Variance	FY26E	FY27E	FY28E
Net Sales	10,115	9,520	12,158	40,986	10,049	11,773	10,500	12.1%	48,364	59,004	70,805
EBIDTA	734	844	1,236	3,418	863	1,286	945	36.1%	5,011	6,316	7,582
EBIDTA margin (%)	7.3	8.9	10.2	8.3	8.6	10.9	9.0		10.4	10.7	10.7
Other income	117	149	180	554	159	150	160	-6.3%	687	798	807
Depreciation	166	180	171	666	207	223	210	6.2%	916	1,236	1,464
Interest	160	145	128	581	119	149	125	19.0%	534	575	640
PBT	525	667	1,117	2,724	695	1,064	770	38.2%	4,248	5,303	6,285
Tax	141	173	286	709	184	273	194	41.0%	1,069	1,335	1,582
Effective tax rate (%)	26.9	25.9	25.6	26.0	26.4	25.7	25.2		25.2	25.2	25.2
PAT	384	494	832	2,015	511	791	576	37.3%	3,179	3,968	4,703
Extra-ordinary items	-	-	-	-	-	-	-		-	-	-
Reported PAT	384	494	832	2,015	511	791	576	37.3%	3,179	3,968	4,703
<b>YoY Growth (%)</b>											
Net sales	12.2	(7.3)	4.5	6.3	9.3	16.4			18.0	22.0	20.0
EBITDA	(18.3)	(24.6)	18.6	(12.0)	42.7	75.2			46.6	26.0	20.0
Other income	38.4	64.7	46.0	51.1	47.1	28.0			24.0	16.2	1.2
Interest	39.4	18.7	(5.3)	20.8	(19.1)	(7.1)			(8.1)	7.6	11.4
Depreciation	31.9	32.5	(41.0)	(0.3)	38.2	34.6			37.4	35.0	18.4
PBT	(29.2)	(29.8)	50.7	(12.2)	67.5	102.6			56.0	24.8	18.5
Adjusted PAT	(30.6)	(30.1)	54.1	(12.3)	67.0	106.1			57.8	24.8	18.5
Reported PAT	(30.6)	(30.1)	(58.4)	(46.3)	67.0	106.1			57.8	24.8	18.5

Source: Company, JM Financial

**Exhibit 2. Change in estimates**

INR mn	FY26E			FY27E			FY28E		
	New	Old	YoY (%)	New	Old	YoY (%)	New	Old	YoY (%)
Net Sales	48,364	49,183	(1.7)	59,004	61,479	(4.0)	70,805	70,701	0.1
EBITDA	5,011	5,007	0.1	6,316	6,604	(4.4)	7,582	7,595	(0.2)
EBITDA margin %	10.4	10.2		10.7	10.7		10.7	10.7	
Adj. PAT	3,179	3,213	(1.1)	3,968	4,142	(4.2)	4,703	4,767	(1.3)
Diluted EPS	47.5	48.0	(1.1)	59.2	61.8	(4.2)	70.2	71.2	(1.3)

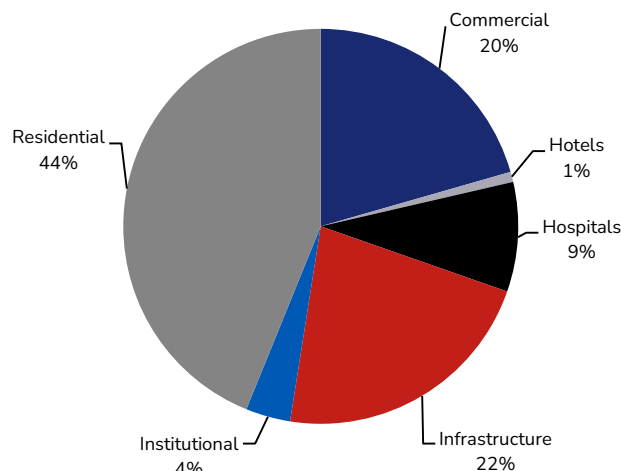
Source: Company, JM Financial

**Exhibit 3. Key assumptions**

INR mn	FY24	FY25	FY26E	FY27E	FY28E
Order inflows	65,368	84,370	80,000	90,000	1,00,000
EBITDA Margins (%)	10.1	8.3	10.4	10.7	10.7
Effective tax rate (%)	26.0	26.0	25.2	25.2	25.2
Net WC days*	70	50	60	60	60
Capex (INR mn)	1,072	1,815	3,750	3,000	3,500

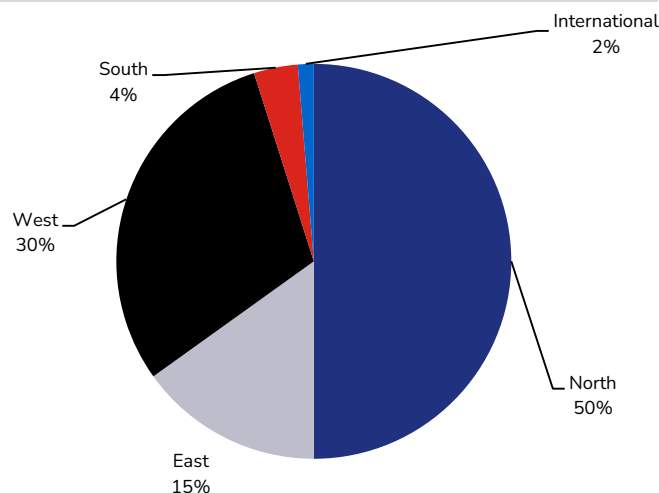
Source: Company, JM Financial

Exhibit 4. Segmental mix of order backlog (INR 181bn – Sept'25)



Source: Company, JM Financial

Exhibit 5. Geographical mix of order backlog



Source: Company, JM Financial

Exhibit 6. Price target of INR 1,230

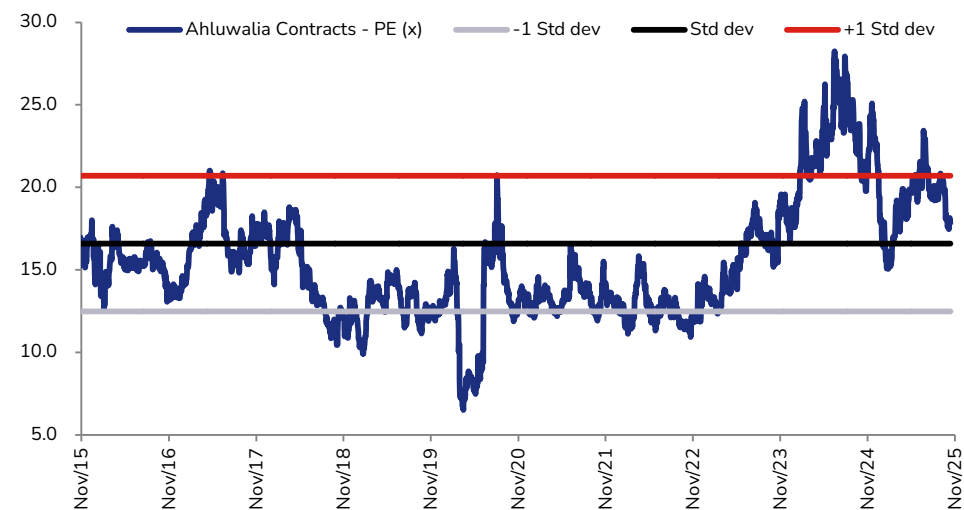
INR mn	Rationale	PAT	Multiple (x)	Value	Value per share
EPC business	PEX Sept-27E PAT	4,336	19	82,378	1,230
<b>Target price</b>					<b>1,230</b>

Source: Company, JM Financial

## Key conference call takeaways

- **FY26 guidance:** Revenue growth: 15-20% YoY growth; EBITDA margins: double digits (1H26: 9.8%); Order inflows: INR 80bn (YTD: INR 44bn + L1 of INR 16bn); Capex: INR 3.5-4bn.
- **Projects update:** CSMT execution to pick up pace as design is coming to close and targets revenue of c.INR 4bn in FY26; Environment clearance for Gems & Jewellery project has been received and initial work on the ground has started. ACIL expects 30-35% execution of the project in FY27.
- **ACIL plans to handover** the Varanasi airport project by July-27 and Darbhanga airport project by Oct-26. ACIL is not facing any payment related issues in these projects.
- **Bid pipeline robust** at INR 65bn, strong from both private and public sector.
- **NWC largely in place:** c.INR 700mn has been stuck in Maharashtra and Assam on account of GST revision which should be realised in 2H26.

Exhibit 7. 1 year forward P/E chart



Source: Bloomberg

## Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	38,553	40,986	48,364	59,004	70,805
Sales Growth	35.8%	6.3%	18.0%	22.0%	20.0%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>38,553</b>	<b>40,986</b>	<b>48,364</b>	<b>59,004</b>	<b>70,805</b>
Cost of Goods Sold/Op. Exp	31,236	33,199	38,360	47,079	56,714
Personnel Cost	2,824	3,516	4,026	4,428	5,092
Other Expenses	608	853	967	1,180	1,416
<b>EBITDA</b>	<b>3,885</b>	<b>3,418</b>	<b>5,011</b>	<b>6,316</b>	<b>7,582</b>
EBITDA Margin	10.1%	8.3%	10.4%	10.7%	10.7%
EBITDA Growth	27.7%	-12.0%	46.6%	26.0%	20.0%
Depn. & Amort.	669	666	916	1,236	1,464
EBIT	3,217	2,752	4,096	5,080	6,118
Other Income	366	554	687	798	807
Finance Cost	481	581	534	575	640
PBT before Excep. & Forex	3,102	2,724	4,248	5,303	6,285
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	3,102	2,724	4,248	5,303	6,285
Taxes	806	709	1,069	1,335	1,582
Extraordinary Inc./Loss(-)	-1,459	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	838	2,015	3,179	3,968	4,703
<b>Adjusted Net Profit</b>	<b>2,296</b>	<b>2,015</b>	<b>3,179</b>	<b>3,968</b>	<b>4,703</b>
Net Margin	6.0%	4.9%	6.6%	6.7%	6.6%
Diluted Share Cap. (mn)	67.0	67.0	67.0	67.0	67.0
<b>Diluted EPS (INR)</b>	<b>34.3</b>	<b>30.1</b>	<b>47.5</b>	<b>59.2</b>	<b>70.2</b>
Diluted EPS Growth	18.3%	-12.3%	57.8%	24.8%	18.5%
Total Dividend + Tax	33	40	63	79	94
Dividend Per Share (INR)	0.5	0.6	0.9	1.2	1.4

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,102	2,724	4,248	5,303	6,285
Depn. & Amort.	669	666	916	1,236	1,464
Net Interest Exp. / Inc. (-)	481	581	534	575	640
Inc (-) / Dec in WCap.	-1,667	1,434	-200	-826	-997
Others	1,459	0	0	0	0
Taxes Paid	-862	-734	-1,069	-1,335	-1,582
<b>Operating Cash Flow</b>	<b>3,182</b>	<b>4,671</b>	<b>4,428</b>	<b>4,953</b>	<b>5,810</b>
Capex	-1,137	-1,858	-3,750	-3,000	-3,500
<b>Free Cash Flow</b>	<b>2,046</b>	<b>2,813</b>	<b>678</b>	<b>1,953</b>	<b>2,310</b>
Inc (-) / Dec in Investments	0	0	0	0	0
Others	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>-1,137</b>	<b>-1,858</b>	<b>-3,750</b>	<b>-3,000</b>	<b>-3,500</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-33	-40	-63	-79	-94
Inc / Dec (-) in Loans	423	-310	-140	0	0
Others	-512	-625	-534	-575	-640
<b>Financing Cash Flow</b>	<b>-123</b>	<b>-975</b>	<b>-737</b>	<b>-654</b>	<b>-734</b>
<b>Inc / Dec (-) in Cash</b>	<b>1,923</b>	<b>1,838</b>	<b>-59</b>	<b>1,299</b>	<b>1,575</b>
Opening Cash Balance	5,880	7,803	9,641	9,582	10,881
Closing Cash Balance	7,803	9,641	9,582	10,881	12,457

Source: Company, JM Financial

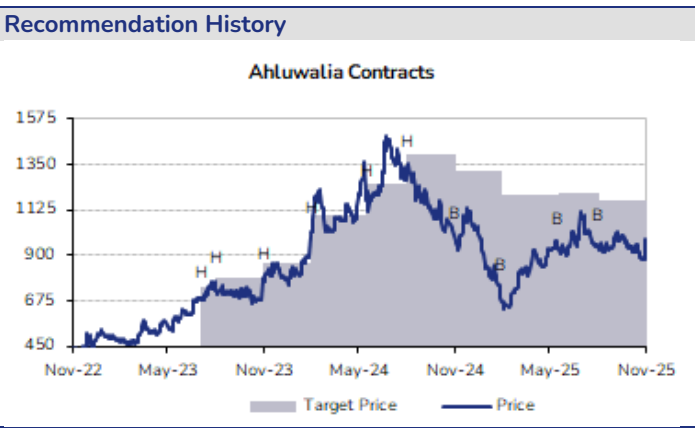
Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	16,021	18,001	21,116	25,005	29,615
Share Capital	134	134	134	134	134
Reserves & Surplus	15,887	17,867	20,982	24,871	29,481
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	450	140	0	0	0
Def. Tax Liab. / Assets (-)	-325	-352	-352	-352	-352
<b>Total - Equity &amp; Liab.</b>	<b>16,146</b>	<b>17,789</b>	<b>20,765</b>	<b>24,654</b>	<b>29,263</b>
Net Fixed Assets	3,385	4,624	7,459	9,222	11,259
Gross Fixed Assets	5,947	7,762	11,512	14,512	18,012
Intangible Assets	0	47	47	47	47
Less: Depn. & Amort.	2,635	3,254	4,170	5,406	6,870
Capital WIP	73	69	69	69	69
Investments	63	63	63	63	63
Current Assets	28,190	32,033	34,338	40,464	48,170
Inventories	3,158	3,392	3,678	4,514	5,438
Sundry Debtors	7,811	8,130	7,288	8,891	10,669
Cash & Bank Balances	7,803	9,641	9,582	10,881	12,457
Loans & Advances	7	8	9	11	14
Other Current Assets	9,411	10,862	13,780	16,165	19,592
Current Liab. & Prov.	15,493	18,931	21,095	25,095	30,229
Current Liabilities	7,000	8,472	8,408	9,932	12,741
Provisions & Others	8,492	10,459	12,687	15,163	17,488
Net Current Assets	12,697	13,102	13,243	15,369	17,941
<b>Total - Assets</b>	<b>16,146</b>	<b>17,789</b>	<b>20,765</b>	<b>24,654</b>	<b>29,263</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.0%	4.9%	6.6%	6.7%	6.6%
Asset Turnover (x)	2.7	2.4	2.5	2.6	2.6
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	16.2%	11.8%	16.3%	17.2%	17.2%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	239.2	268.7	315.2	373.3	442.1
ROIC	22.5%	17.0%	21.2%	22.0%	22.5%
ROE	16.2%	11.8%	16.3%	17.2%	17.2%
Net Debt/Equity (x)	-0.5	-0.5	-0.5	-0.4	-0.4
P/E (x)	21.9	35.8	20.7	16.6	14.0
P/B (x)	3.1	4.0	3.1	2.6	2.2
EV/EBITDA (x)	11.0	18.3	11.2	8.7	7.0
EV/Sales (x)	1.1	1.5	1.2	0.9	0.8
Debtor days	74	72	55	55	55
Inventory days	30	30	28	28	28
Creditor days	74	82	71	69	74

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
20-Jul-23	Hold	745	
17-Aug-23	Hold	790	6.2
17-Nov-23	Hold	865	9.5
15-Feb-24	Hold	1,100	27.1
1-Jun-24	Hold	1,250	13.6
16-Aug-24	Hold	1,400	12.0
18-Nov-24	Buy	1,315	-6.1
12-Feb-25	Buy	1,200	-8.7
3-Jun-25	Buy	1,210	0.8
18-Aug-25	Buy	1,175	-2.9



## 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.