

JM Financial India Xchange takeaways

We recently hosted Mr Akshant Goyal, CFO at Eternal, for a fire-side chat during our flagship annual investor conference. Blinkit (~50% share of B2C NOV) remains the primary growth engine for Eternal, he said, as there is enough scope for shift in consumer purchases from traditional ecommerce and offline commerce to quick commerce across tier 1/2+ cities. In fact, demand remains strong even in a relatively matured city like Delhi (70%+ YoY). It is likely that Blinkit's MTU base eventually could be multi-fold that of Zomato as its use-cases are relatively non-discretionary. He believes Zomato (~40% salience) can deliver NOV CAGR of 20% over the medium term, albeit FY26 growth will be a bit modest at 15%+. He also sees District (~10% of NOV) gaining traction as it introduces services for which demand is more latent than obvious. On profitability in Blinkit, he said that it was just a matter of time, as some markets are already operating at 3%+ Adj. EBITDA margin (as % of NOV) despite high competitive pressures. In fact, he indicated that 5-6% sustainable margin guidance (over the long term) is achievable, as there is significant room for brand and customer monetisation, improvement in through-put per store as well as operating efficiencies. Overall, Mr Goyal emphasised that Eternal will continue to focus on making disciplined growth investments and aim to achieve sustainable profitability.

- **Blinkit is more of a retail business than an internet business:** Mr Goyal explained that in the run-up to the Blinkit M&A the team had realised that quick commerce could not be built only on the principles of a digital-first business. In fact, it helped that the team led by Mr Albinder Dhindsa (CEO, Blinkit) had several years of experience of operating a retail business (Grofers). Therefore, in the initial years, Blinkit focussed a lot on brand partnerships, demand forecasting, disciplined procurement, fixing the supply chain, building own warehousing capabilities and inventory rotation just like any retail business would, rather than generating demand basis heavy discounting and the promise of delivering orders in 10 minutes, unlike the competition. Over a period of time, this helped achieve high order fulfilment rates and customer satisfaction, which, in turn, drives loyalty even though the platform charges service fees on almost all orders.
- **Blinkit's MTUs likely to be multi-fold that of Zomato:** Mr Goyal noted that Eternal across its three B2C platforms (Zomato, Blinkit and District) has 100mn annual transacting consumers. But, the overlap between Zomato and Blinkit is between ~35-40%. Further, as discretionary spends rise and Tier-2/3 markets evolve, the core driver of MTU expansion will be brand accessibility—where Blinkit's deep assortment and instant availability of national brands position it to scale MTUs at a significantly faster clip than food delivery. Consequently, over a period of time, Blinkit's MTUs would be multi-fold that of Zomato.
- **Blinkit's mature business already operating at 3%+ margin, achieving sustainable margins will not be a challenge:** Mr Goyal mentioned that while on a weighted average basis Blinkit is today loss-making (-1.3% as % of NOV as of 2QFY26), the business is already making 3%+ Adj. EBITDA margin in some mature markets despite high competitive pressures. In these matured markets, the company is able to charge the consumers 6-7% as service fees and collect another 4-5% from brands in the form of ad income. Moreover, the daily store throughput in these markets is also significantly above the aggregate average (OPD of 1,470 in 2QFY26). This gives the management the confidence to say that the entire business will eventually turn profitable and also move towards sustainable profitability of 5-6% of NOV once other parts of the business (that are currently in an investment phase) mature. Margin expansion will largely be a function of brand and customer monetisation, improvement in through-put per store as well as operating efficiencies, as NAOVs are unlikely to expand meaningfully hereon.

Swapnil Potdukhe

swapnil.potdukhe@jmfl.com | Tel: (91 22) 62241876

Sachin Dixit

sachin.dixit@jmfl.com | Tel: (91 22) 66303078

Avnish Sharma

avnish.sharma@jmfl.com | Tel: (91 22) 66303054

Atul Borse

atul.borse@jmfl.com | Tel: (91 22) 66303134

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	450
Upside/(Downside)	49.0%
Previous Price Target	450
Change	0.0%

Key Data – ETERNAL IN

Current Market Price	INR302
Market cap (bn)	INR2,913.9/US\$32.6
Free Float	100%
Shares in issue (mn)	9,650.4
Diluted share (mn)	9,650.4
3-mon avg daily val (mn)	INR12,222.3/US\$136.6
52-week range	368/190
Sensex/Nifty	85,232/26,068
INR/US\$	89.5

Price Performance

%	1M	6M	12M
Absolute	-10.7	31.3	13.2
Relative*	-11.5	25.7	2.4

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,56,049	11,08,237	15,37,166
Sales Growth (%)	71.1	67.1	174.7	99.3	38.7
EBITDA	430	6,370	11,429	52,403	89,366
EBITDA Margin (%)	0.4	3.1	2.1	4.7	5.8
Adjusted Net Profit	3,520	5,270	4,142	39,716	68,188
Diluted EPS (INR)	0.4	0.6	0.4	4.1	7.1
Diluted EPS Growth (%)	0.0	41.9	-25.2	858.8	71.7
ROIC (%)	-7.3	-1.7	-1.9	18.5	30.9
ROE (%)	1.8	2.1	1.3	11.7	17.1
P/E (x)	746.9	526.4	703.5	73.4	42.7
P/B (x)	12.9	9.0	9.3	8.1	6.7
EV/EBITDA (x)	6,492.6	427.9	240.0	52.3	30.0
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 21/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.

- **Good execution in Blinkit key to driving growth:** Mr Goyal highlighted that as a retail business, Blinkit faces several execution challenges when adding new categories and building supply chain (warehouses and dark stores) for newer cities. For example, Blinkit was forced to add its own temperature-controlled warehouses as dedicated warehousing companies were not able to keep pace with its growth. In hindsight these investments have been beneficial as the cost of operating own warehouses is nearly half of what they used to shell out earlier. The company also engineered differentiated storage and handling models for fast-moving and long-tail SKUs. In smaller cities, Blinkit is seeing strong adoption not merely because of 10-minute delivery but because the platform solves a fundamental supply gap by providing access to branded goods that local offline stores often cannot stock. While recent growth trends have been strong (NOV grew 120%+ in each of the last 3 quarters), sustaining those levels will need very strong execution from the team.
- **Category expansion anchored to consumer behaviour:** On assortment strategy, Mr Goyal believes consumers are currently comfortable making impulse-driven or convenience-driven purchases from low-touch categories. While Blinkit has been experimenting selling televisions, air conditioners, mobile phones or fashion, customers seem to prefer such purchases through offline channels. Similarly, while the company had piloted alcohol delivery during Covid, it was deprioritised due to limited optics and significant regulatory friction across states. Medicines continue to be offered cautiously under tight compliance frameworks. The approach is to ensure that Blinkit's assortment is aligned with real consumer behaviour rather than stretching the model for the sake of expansion.
- **Quick commerce's large TAM will continue to attract competition:** Mr Goyal believes the underlying TAM for quick commerce is huge as it is essentially a retail business, which means the channel can aspire to solve for all low-touch purchases. The channel also benefits from the fact that the broader retail market is fragmented and there are several operating inefficiencies in general trade/offline retail. As a result, the channel will always attract new competition as capturing even a small share of the market could be attractive to many, which is the reason why there are at least seven well-capitalised players offering quick commerce services today.
- **Current levels of cash burn by the competition in quick commerce are unsustainable:** As per Mr Goyal, the annualised quick commerce market size on NOV basis stood at INR 1,100bn as of 2QFY26. While Blinkit contributes ~INR 500bn to the market, its annualised losses stood at ~INR 6bn. On the other hand, as per his assessment/channel checks, the rest of the competition combined is losing INR 220bn to drive INR 600bn worth of sales. He, therefore, believes raising capital will hereon become difficult as investors are unlikely to support inefficient operators for a long period of time. This, in turn, should eventually drive consolidation in the market, just like in the case of online food delivery.
- **Food delivery: A steady engine in mature growth phase:** On the food delivery business, Mr Goyal reiterated Eternal's medium-term guidance of ~20% CAGR, with individual year prints influenced by macroeconomic variability. FY26 growth may be softer but is still expected to remain above 15%. Consumer behaviour shows a clear bifurcation between essentials, which are stable and discretionary segments, which are showing signs of early recovery. Relative to quick commerce, food delivery is now a predictable, steady-state engine with well-understood demand drivers and a proven margin structure. Mr Goyal also emphasised that no business model is permanent; food delivery too could evolve into a new avatar over the long term, and the company is actively challenging itself to identify what that next phase of efficiency and consumer value creation looks like. As macro conditions improve and penetration deepens across Tier 2 and Tier 3 markets, Zomato is well-positioned to further consolidate share in the structurally expanding food delivery category.
- **Bistro – early-stage experiment focused on validating value & economics:** Bistro remains in a purposeful experimentation phase, with Eternal prioritising proof of customer value before any scale-up decisions are made. Mr Goyal emphasised that the model must first demonstrate sustainable unit economics—especially in low-AOV categories (sub-INR 200), where competition-driven participation should not be mistaken for viable economics. Only after validating both consumer relevance and profitability will the company consider accelerating expansion. The approach is intentionally conservative, reflecting Eternal's view that new discretionary formats need strong product-market fit before capital deployment.
- **District – Premium experiential bet riding India's discretionary consumption curve:** District, Eternal's premium experiential vertical, has already surpassed INR 100bn in GOV while sustaining ~30% YoY growth. Mr Goyal framed this business as a structural bet on India's rising per-capita consumption and the transition of experiential spending from aspirational to mainstream. District is designed to scale alongside urbanisation, rising affluence, and the shift toward organised, experience-led discretionary categories. The vertical reflects Eternal's thesis that as incomes expand, premium lifestyle services will see disproportionate adoption and create long-run margin accretion opportunities.

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,21,150	2,02,430	5,56,049	11,08,237	15,37,166
Sales Growth	71.1%	67.1%	174.7%	99.3%	38.7%
Other Operating Income	0	0	0	0	0
Total Revenue	1,21,150	2,02,430	5,56,049	11,08,237	15,37,166
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	28,820	55,650	2,97,593	7,32,714	10,34,743
Other Expenses	91,900	1,40,410	2,47,027	3,23,119	4,13,057
EBITDA	430	6,370	11,429	52,403	89,366
EBITDA Margin	0.4%	3.1%	2.1%	4.7%	5.8%
EBITDA Growth	0.0%	1,381.4%	79.4%	358.5%	70.5%
Depn. & Amort.	5,260	8,630	15,601	19,038	21,448
EBIT	-4,830	-2,260	-4,172	33,365	67,918
Other Income	7,750	9,230	11,076	9,805	7,847
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	2,920	6,970	6,904	43,170	75,765
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	2,920	6,970	6,904	43,170	75,765
Taxes	-600	1,700	2,762	3,454	7,576
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	3,520	5,270	4,142	39,716	68,188
Adjusted Net Profit	3,520	5,270	4,142	39,716	68,188
Net Margin	2.9%	2.6%	0.7%	3.6%	4.4%
Diluted Share Cap. (mn)	8,705.8	9,186.6	9,650.4	9,650.4	9,650.4
Diluted EPS (INR)	0.4	0.6	0.4	4.1	7.1
Diluted EPS Growth	0.0%	41.9%	-25.2%	858.8%	71.7%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	2,20,434	2,73,178	6,904	43,170	75,765
Depn. & Amort.	30,035	32,566	15,601	19,038	21,448
Net Interest Exp. / Inc. (-)	-5,790	-6,470	-11,076	-9,805	-7,847
Inc (-) / Dec in WCap.	1,180	-10,930	-38,090	-60,019	-43,070
Others	-2,38,348	-2,84,084	7,501	7,126	7,126
Taxes Paid	-1,050	-1,180	-4,808	-6,767	-10,150
Operating Cash Flow	6,460	3,080	-23,968	-7,256	43,272
Capex	-2,020	-9,310	-12,466	-15,715	-16,535
Free Cash Flow	4,440	-6,230	-36,435	-22,971	26,737
Inc (-) / Dec in Investments	-7,630	-58,760	20,000	0	0
Others	6,180	-11,860	14,585	14,684	14,921
Investing Cash Flow	-3,470	-79,930	22,118	-1,031	-1,614
Inc / Dec (-) in Capital	220	84,470	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-1,690	-2,580	8,523	14,336	22,223
Others	-600	-1,470	-3,509	-4,879	-7,075
Financing Cash Flow	-2,070	80,420	5,014	9,457	15,149
Inc / Dec (-) in Cash	920	3,570	3,164	1,169	56,807
Opening Cash Balance	2,170	3,090	6,660	9,824	10,994
Closing Cash Balance	3,090	6,660	9,824	10,994	67,801

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	2,04,130	3,03,170	3,14,814	3,61,656	4,36,971
Share Capital	8,680	9,070	9,070	9,070	9,070
Reserves & Surplus	1,95,450	2,94,100	3,05,744	3,52,586	4,27,901
Preference Share Capital	0	0	0	0	0
Minority Interest	-70	-70	-70	-70	-70
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-2,210	-1,290	-3,336	-6,649	-9,223
Total - Equity & Liab.	2,01,850	3,01,810	3,11,407	3,54,937	4,27,678
Net Fixed Assets	57,760	76,650	82,234	90,681	99,304
Gross Fixed Assets	5,290	13,450	25,916	41,632	58,167
Intangible Assets	54,710	66,490	63,190	60,219	57,249
Less: Depn. & Amort.	2,420	3,800	7,382	11,679	16,622
Capital WIP	180	510	510	510	510
Investments	1,19,320	1,81,760	1,61,760	1,61,760	1,61,760
Current Assets	54,270	96,530	1,67,081	2,59,623	3,80,633
Inventories	880	1,760	30,869	58,521	82,799
Sundry Debtors	7,940	19,460	41,477	79,974	88,483
Cash & Bank Balances	3,090	6,660	9,824	10,994	67,801
Loans & Advances	0	0	0	0	0
Other Current Assets	42,360	68,650	84,910	1,10,135	1,41,550
Current Liab. & Prov.	29,500	53,130	99,668	1,57,127	2,14,019
Current Liabilities	18,260	37,940	83,022	1,23,951	1,68,002
Provisions & Others	11,240	15,190	16,646	33,176	46,017
Net Current Assets	24,770	43,400	67,413	1,02,495	1,66,614
Total - Assets	2,01,850	3,01,810	3,11,407	3,54,937	4,27,678

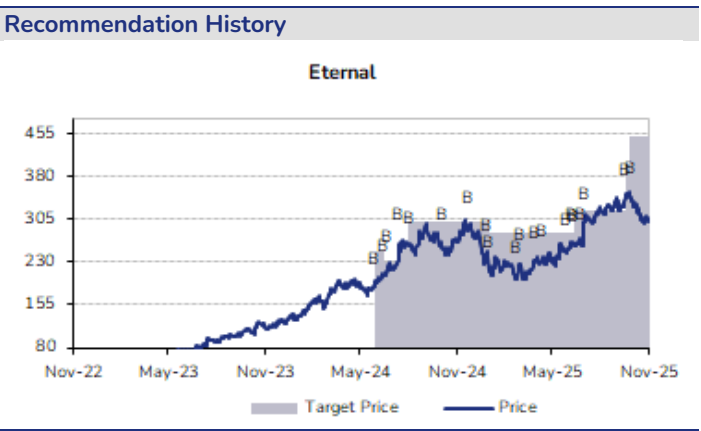
Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.9%	2.6%	0.7%	3.6%	4.4%
Asset Turnover (x)	0.6	0.8	1.7	2.9	3.4
Leverage Factor (x)	1.0	1.1	1.1	1.1	1.1
RoE	1.8%	2.1%	1.3%	11.7%	17.1%

Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	23.4	33.4	32.6	37.5	45.3
ROIC	-7.3%	-1.7%	-1.9%	18.5%	30.9%
ROE	1.8%	2.1%	1.3%	11.7%	17.1%
Net Debt/Equity (x)	-0.6	-0.6	-0.5	-0.5	-0.5
P/E (x)	746.9	526.4	703.5	73.4	42.7
P/B (x)	12.9	9.0	9.3	8.1	6.7
EV/EBITDA (x)	6,492.6	427.9	240.0	52.3	30.0
EV/Sales (x)	23.0	13.5	4.9	2.5	1.7
Debtor days	24	35	27	26	21
Inventory days	3	3	20	19	20
Creditor days	27	29	35	27	25

Source: Company, JM Financial

History of Recommendation and Target Price			
Date	Recommendation	Target Price	% Chg.
17-Jun-24	Buy	250	
3-Jul-24	Buy	230	-8.0
12-Jul-24	Buy	230	0.0
2-Aug-24	Buy	260	13.0
22-Aug-24	Buy	300	15.4
23-Oct-24	Buy	300	0.0
11-Dec-24	Buy	300	0.0
16-Jan-25	Buy	300	0.0
21-Jan-25	Buy	280	-6.7
12-Mar-25	Buy	280	0.0
21-Mar-25	Buy	280	0.0
18-Apr-25	Buy	280	0.0
2-May-25	Buy	280	0.0
16-Jun-25	Buy	280	0.0
27-Jun-25	Buy	280	0.0
2-Jul-25	Buy	320	14.3
13-Jul-25	Buy	320	0.0
22-Jul-25	Buy	320	0.0
8-Oct-25	Buy	400	25.0
17-Oct-25	Buy	450	12.5



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.