

Indian Hotels Company | BUY

Domestic business drives strong quarter

Indian Hotels Company Limited (IHCL) reported a stellar 3QFY24 on a consolidated basis. Revenue increased 16% YoY to INR 14.3bn (1% miss on JMFe) while EBITDA (INR 7.3bn; +23% YoY) was a 1% beat on JMFe. EBITDA margin expanded to 37% (+187bps YoY) vs. our expectation of 36%. Multiple levers fuelled the resilient performance: i) a robust standalone business, ii) new assets (Ginger Mumbai asset already yielding profits), iii) its new business vertical (Ginger, Qmin, TajSATS and others) boasting 33% YoY revenue increase to INR 4.2bn in 3QFY24, and iv) management fee growing 13% YoY to INR 1.3bn during the quarter. The management remains optimistic on achieving double-digit revenue growth in FY25E (on a high base) led by i) a strong development pipeline and ii) growth in new brands and businesses. We maintain a BUY rating and roll forward to a Mar'25 TP of INR 555, valuing it at 25.0x (previously 22.0x) Mar'26 consolidated EBITDA.

- Growth led by standalone business:** IHCL's standalone business continued to perform well as occupancy improved to 77% (+470bps YoY; +90bps QoQ) and ARR increased to INR 18,111 (+17% YoY; +40% QoQ). As a result, standalone EBITDA grew to INR 5.6bn (+27% YoY; +104% QoQ) with margin expanding to 44% (+223bps YoY; +1,293bps QoQ). Enterprise level ARR grew to INR 11,792 (+12% YoY; +34% QoQ). Key subsidiaries experienced similar YoY growth levels (for revenue and EBITDA) except for Oriental Hotels, which presently has one hotel under renovation (Taj Malabar Resort & Spa, Kochi). This growth was spurred by one-time events like the ICC Men's Cricket World Cup, increase in air passenger traffic and a smart recovery in foreign tourist arrivals.
- New assets ramping up quickly; aggressive expansion plans:** In 3QFY24, IHCL opened three owned hotels, i) Ginger Mumbai Airport (371 keys), ii) Ginger Gangtok (89 keys) and iii) Ginger Noida, Sector 133 (111 keys). It also opened three hotels via management contracts (215 keys; two under Taj brand and one under Vivanta). The Ginger Mumbai Airport hotel in its first month of operations has already clocked occupancy of 80% and ARR of INR 6,500+. Going forward, in CY24, the company is likely to open c. 2,700 keys (across 29 hotels) of which 80% will be via the asset light model.
- USA remains a drag on international operations:** International operations, especially in the US and Maldives, remain a drag because of macroeconomic factors. In the US and Maldives, ARR declined by 7% and 15% resulting in a RevPAR contraction of 3% and 9% YoY respectively. This has impacted operations of IHCL's USA subsidiary (UOH) where revenue and EBITDA have declined 2% and 47% YoY respectively. On the other hand, its UK subsidiary, St. James Court Hotels Limited, has performed well (+52% YoY in EBITDA).
- Maintain BUY with a Mar'25 TP of INR 555:** IHCL's unmatched pan-India coverage, comprehensive presence across all customer segments, vastly improved brand architecture and sharper focus on capital allocation is yielding results with a positive flow-through into earnings. We maintain a BUY rating and roll forward to a Mar'25 TP of INR 555; valuing it at 25.0x (previously 22.0x) Mar'26 consolidated EBITDA.



Sumit Kumar
sumit.kumar@jmfl.com | Tel.: (91 22) 66303089

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	555
Upside/(Downside)	11.0%
Previous Price Target	450
Change	23.3%

Key Data – IH IN

Current Market Price	INR500
Market cap (bn)	INR711.7/US\$8.6
Free Float	60%
Shares in issue (mn)	1,420.4
Diluted share (mn)	1,420.4
3-mon avg daily val (mn)	INR1,278.7/US\$15.4
52-week range	519/298
Sensex/Nifty	72,086/21,854
INR/US\$	82.9

Price Performance

%	1M	6M	12M
Absolute	10.8	27.0	57.1
Relative*	10.7	15.8	32.6

* To the BSE Sensex

Financial Summary

	(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	30,562	58,099	68,234	79,777	86,983
Sales Growth (%)	94.0	90.1	17.4	16.9	9.0
EBITDA	4,048	18,046	21,659	26,714	29,888
EBITDA Margin (%)	13.2	31.1	31.7	33.5	34.4
Adjusted Net Profit	-2,633	9,993	12,132	15,207	17,176
Diluted EPS (INR)	-1.9	7.0	8.5	10.7	12.1
Diluted EPS Growth (%)	0.0	0.0	21.4	25.3	12.9
ROIC (%)	0.0	13.5	16.2	21.8	26.4
ROE (%)	-4.9	13.3	14.3	15.7	15.4
P/E (x)	-269.7	71.1	58.5	46.7	41.3
P/B (x)	10.1	8.9	7.9	6.8	5.9
EV/EBITDA (x)	179.8	39.8	32.4	25.6	22.2
Dividend Yield (%)	0.1	0.2	0.2	0.2	0.2

Source: Company data, JM Financial. Note: Valuations as of 02/Feb/2024

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

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

■ Key conference call highlights:

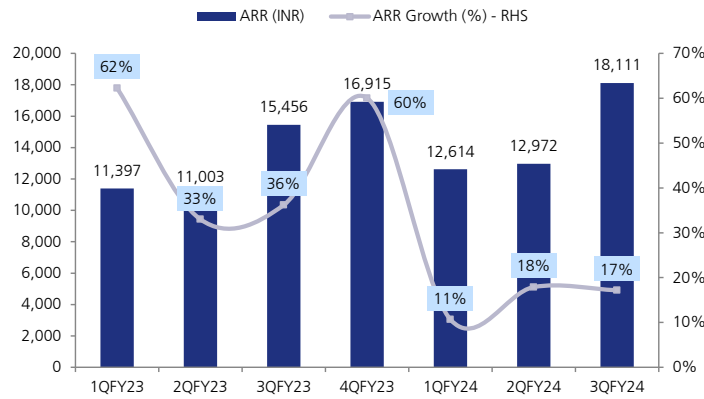
- IHCL expects double-digit revenue growth to continue in FY25E as well, driven by three key factors: i) growth in its portfolio, ii) growth in its new brands and businesses, and iii) growth in its traditional business enabled by effective asset management.
- In 9MFY24, IHCL signed 28 agreements and opened 16 hotels. The company recently opened its 200th operating hotel in Jaisalmer, Rajasthan. IHCL targets to open a minimum of two hotels every month, going forward.
- The Ginger Mumbai Airport hotel, which opened in 3QFY24, has become PBT positive in its first month of operations.
- IHCL is likely to achieve management fees of INR 4.5bn (annualised run rate) in FY24E, which is more than double of FY20.
- The company is working on, and expects to launch two new brands in the next 6 months.
- In the past 6 years, IHCL has invested close to INR 25bn in capital expenditure.
- The company has so far upgraded 24 hotels from the Vivanta to the Taj brand and these have contributed c. INR 12bn of revenue in 9MFY24.
- 45% of revenue is coming from room revenue, and the remaining 55% is coming from F&B and the new businesses.
- Capex for renovations and greenfield projects in FY25E is likely to be ~INR7.5bn-8.5bn.
- IHCL will open a hotel in Ayodhya in less than 12 months. It is a brownfield site where third floor construction has already been completed. It also looking at large home stay opportunities in Ayodhya.

Exhibit 1. Financial snapshot

INR mn	3QFY24	3QFY23	YoY	2QFY24	QoQ	9MFY23	9MFY24	YoY
Revenue from operations	19,638	16,858	16%	14,332	37%	41,845	48,634	16%
Cost of sales	1,532	1,405	9%	1,124	36%	3,474	3,810	10%
Gross margin (%)	92%	92%	53bps	92%	4bps	92%	92%	47bps
Employee expenses	4,686	4,244	10%	4,405	6%	11,604	13,379	15%
Other expenses	6,096	5,237	16%	5,255	16%	14,076	16,472	17%
EBITDA	7,324	5,972	23%	3,548	106%	12,691	14,973	18%
EBITDA margin (%)	37.3%	35.4%	187bps	24.8%	1254bps	30%	31%	46bps
Depreciation	1,143	1,033	11%	1,112	3%	3,085	3,346	8%
Interest costs	532	567	-6%	591	-10%	1,791	1,687	-6%
Other income	398	577	-31%	477	-17%	1,098	1,368	25%
PBT	6,047	4,949	22%	2,322	160%	8,913	11,308	27%
Profit from associates	389	246	58%	191	104%	446	834	87%
Tax	1,667	1,161	44%	723	131%	2,252	3,223	43%
Minority Interest	250	209	20%	121	107%	397	506	28%
Adjusted PAT	4,520	3,826	18%	1,669	171%	6,710	8,413	25%
Extraordinary Income	0	1	NM	0	NM	33	0	NM
PAT	4,520	3,827	18%	1,669	171%	6,743	8,413	25%

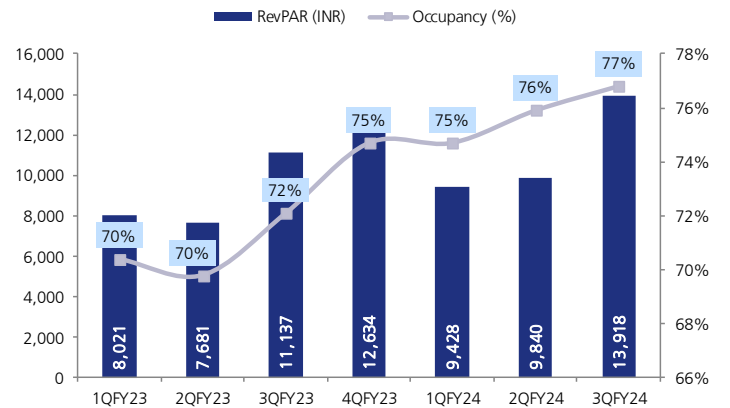
Source: Company, JM Financial

Exhibit 2. Standalone business ARR



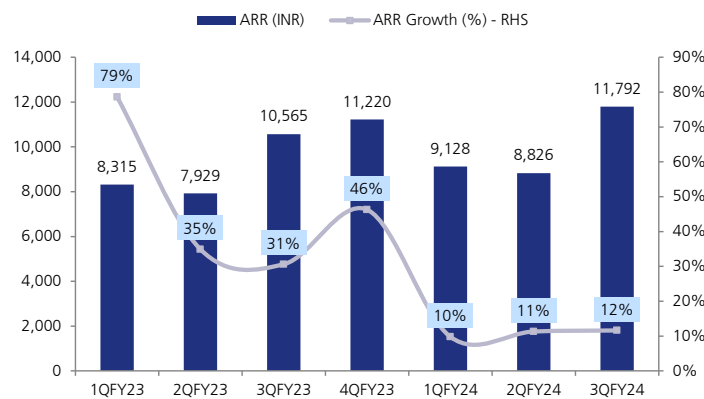
Source: Company, JM Financial

Exhibit 3. Standalone business occupancy and RevPAR



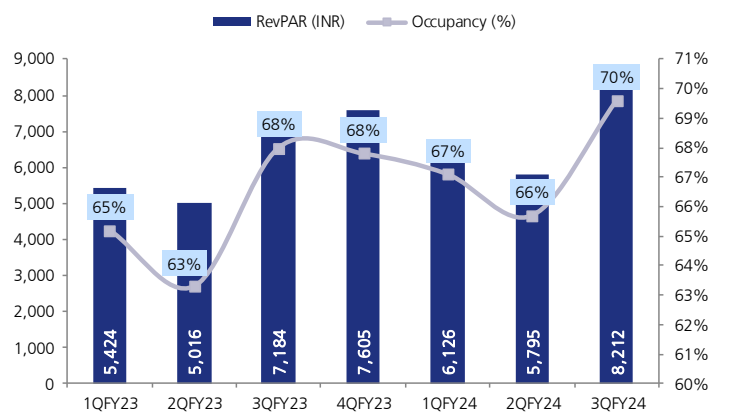
Source: Company, JM Financial

Exhibit 4. Enterprise business ARR



Source: Company, JM Financial

Exhibit 5. Enterprise business occupancy and RevPAR



Source: Company, JM Financial

Exhibit 6. Upcoming hotels in CY24E

Hotel Name	Ownership	Brand	Inventory
Gorbandh Palace, IHCL SeleQtions (Open Now)	Management Contracts	SeleQtions	83
Ginger Durgapur (Open Now)	IHCL & Group	Ginger	55
Bliss Hotel, Tirupati	Management Contracts	SeleQtions	114
Munnar - IHCL SeleQtions	Management Contracts	SeleQtions	55
Ginger Ahmedabad Changodar	IHCL & Group	Ginger	99
Vivanta Jamshedpur	Management Contracts	Vivanta	94
Mahabaleshwar - IHCL SeleQtions	Management Contracts	SeleQtions	73
Ginger Srinagar	Management Contracts	Ginger	62
Ginger Coimbatore	Management Contracts	Ginger	72
Ginger Nagpur 2	IHCL & Group	Ginger	88
Taj Hotel at Patna	Management Contracts	Taj	124
Taj Puri	Management Contracts	Taj	90
IHCL SeleQtions Kumbhalgarh	Management Contracts	SeleQtions	176
Rajkot - IHCL SeleQtions	Management Contracts	SeleQtions	120
Taj Paro, Bhutan	Management Contracts	Taj	45
Taj Phobjika , Bhutan	Management Contracts	Taj	34
Ginger Ramdaspath, Nagpur	IHCL & Group	Ginger	87
Ginger Udaipur	IHCL & Group	Ginger	96
Taj Cochin Airport	IHCL & Group	Taj	112
Tadoba, IHCL SeleQtions	Management Contracts	SeleQtions	35
IHCL SeleQtions Naukuchiatal	Management Contracts	SeleQtions	88
IHCL SeleQtions Candolim	Management Contracts	SeleQtions	122
Vivanta New Gurugram	Management Contracts	Vivanta	160
IHCL SeleQtions Bandra (West)	Management Contracts	SeleQtions	43
Vivanta Manipal	Management Contracts	Vivanta	100
Taj Resort & Spa, Dehradun, Uttarakhand	Management Contracts	Taj	88
SeleQtions hotels in Bekal	Management Contracts	SeleQtions	152
Vivanta Thane	Management Contracts	Vivanta	99
Vivanta Dharamshala	Management Contracts	Vivanta	100
Total inventory			2,666

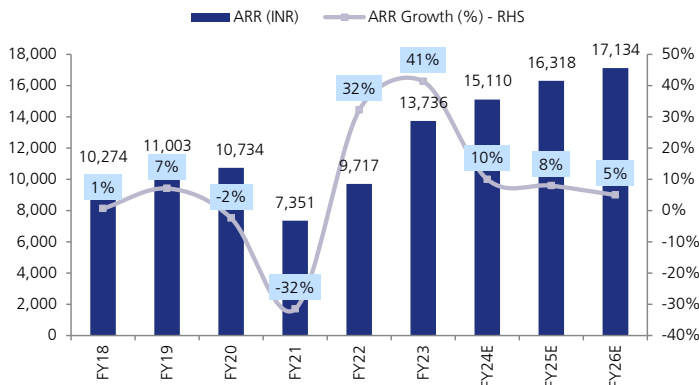
Source: Company, JM Financial

Exhibit 7. EBITDA to grow at a CAGR of 18% over FY23-FY26E

Consolidated financials (INR mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E	CAGR FY23-26E (%)
Room Revenue	19,699	21,765	21,263	6,864	13,953	27,435	34,078	39,316	42,809	16%
F&B Revenue	16,118	17,808	17,397	5,616	11,416	22,447	23,821	27,494	29,756	10%
Management Fees	2,043	2,132	2,127	1,365	2,312	3,986	4,872	6,737	7,723	25%
Other Revenue	3,176	3,415	3,844	1,908	2,882	4,231	5,463	6,229	6,696	17%
Revenue from Operations	41,036	45,120	44,631	15,752	30,562	58,099	68,234	79,777	86,983	14%
YoY Growth (%) -RHS	2%	10%	-1%	-65%	94%	90%	17%	17%	9%	
EBITDA	6,704	8,297	9,675	-3,618	4,048	18,046	21,659	26,714	29,888	18%
EBITDA Margin (%) - RHS	16%	18%	22%	-23%	13%	31%	32%	33%	34%	
YoY Growth (%) -RHS	10%	24%	17%	-137%	-212%	346%	20%	23%	12%	

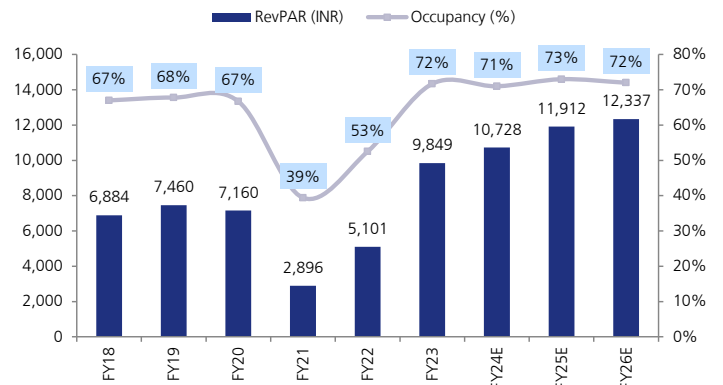
Source: Company, JM Financial

Exhibit 8. ARR growth for IHCL standalone



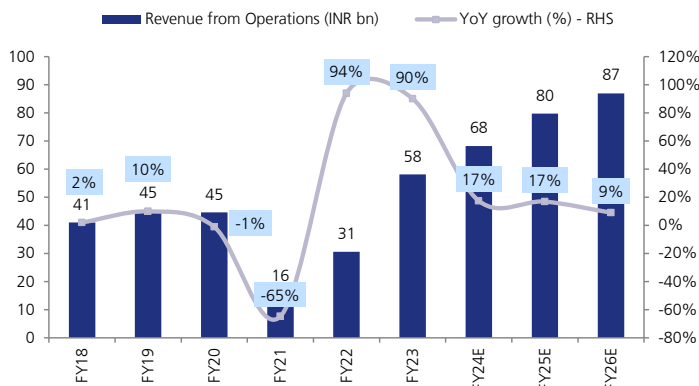
Source: Company, JM Financial

Exhibit 9. RevPAR and Occupancy for IHCL standalone



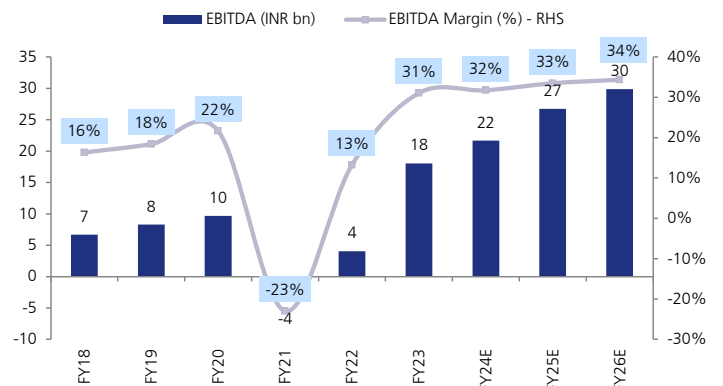
Source: Company, JM Financial

Exhibit 10. IHCL consolidated revenue



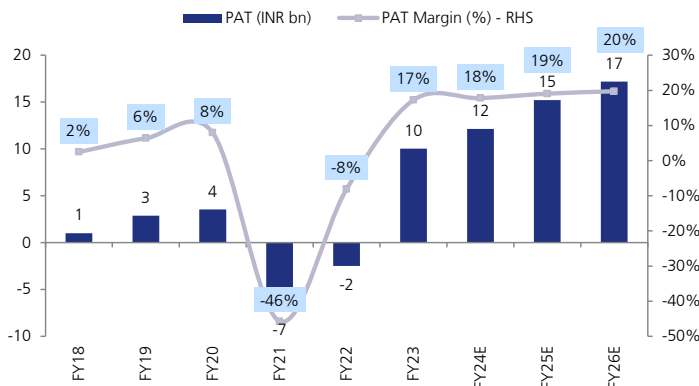
Source: Company, JM Financial

Exhibit 11. IHCL consolidated EBITDA



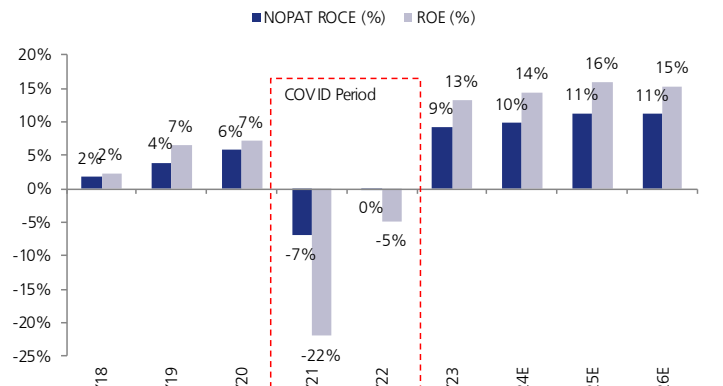
Source: Company, JM Financial

Exhibit 12. Profitability improves due to operating leverage



Source: Company, JM Financial

Exhibit 13. Return ratios on an upward trajectory



Source: Company, JM Financial

Exhibit 14. Mar'25 TP of INR 555

(INR mn), unless specified	EBITDA		Value
	Mar-26	Multiple	
IHCL - ex JV			
Consolidated Enterprise Value	29,826	25x	745,648
Less: Minority Interests			-5,519
Add: Net Cash			42,825
Sub-Total			782,953
Adj: Investments in JVs and Associates			12,535
IH - Total Equity Value			795,488
Target Price (INR)			555.0
CMP (INR)			500.0
Upside (%)			11.0%

Financial Tables (Consolidated)

Income Statement		(INR mn)			
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	30,562	58,099	68,234	79,777	86,983
Sales Growth	94.0%	90.1%	17.4%	16.9%	9.0%
Other Operating Income	0	0	0	0	0
Total Revenue	30,562	58,099	68,234	79,777	86,983
Cost of Goods Sold/Op. Exp	2,572	4,729	5,479	6,324	6,844
Personnel Cost	11,502	15,823	19,105	23,933	28,704
Other Expenses	12,440	19,502	21,990	22,805	21,547
EBITDA	4,048	18,046	21,659	26,714	29,888
EBITDA Margin	13.2%	31.1%	31.7%	33.5%	34.4%
EBITDA Growth	0.0%	345.8%	20.0%	23.3%	11.9%
Depn. & Amort.	4,061	4,161	4,776	5,584	6,089
EBIT	-13	13,885	16,883	21,130	23,799
Other Income	1,552	1,389	2,124	2,167	2,210
Finance Cost	4,277	2,361	2,143	2,063	1,986
PBT before Excep. & Forex	-2,738	12,914	16,864	21,234	24,022
Excep. & Forex Inc./Loss(-)	156	33	0	0	0
PBT	-2,582	12,946	16,864	21,234	24,022
Taxes	-358	3,232	5,059	6,370	7,207
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-598	1,316	1,382	1,451	1,524
Reported Net Profit	-2,477	10,026	12,132	15,207	17,176
Adjusted Net Profit	-2,633	9,993	12,132	15,207	17,176
Net Margin	-8.6%	17.2%	17.8%	19.1%	19.7%
Diluted Share Cap. (mn)	1,420.4	1,420.4	1,420.4	1,420.4	1,420.4
Diluted EPS (INR)	-1.9	7.0	8.5	10.7	12.1
Diluted EPS Growth	0.0%	0.0%	21.4%	25.3%	12.9%
Total Dividend + Tax	866	1,733	1,633	1,633	1,633
Dividend Per Share (INR)	0.5	1.0	1.0	1.0	1.0

Source: Company, JM Financial

Cash Flow Statement		(INR mn)			
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Profit before Tax	-2,582	12,946	16,864	21,234	24,022
Depn. & Amort.	4,061	4,161	4,776	5,584	6,089
Net Interest Exp. / Inc. (-)	3,542	1,910	2,143	2,063	1,986
Inc (-) / Dec in WCap.	1,212	241	5,357	2,887	3,520
Others	-67	-563	327	344	361
Taxes Paid	551	-2,504	-5,059	-6,370	-7,207
Operating Cash Flow	6,716	16,190	24,409	25,741	28,771
Capex	-2,851	-4,276	-5,439	-4,986	-5,536
Free Cash Flow	3,866	11,914	18,969	20,755	23,236
Inc (-) / Dec in Investments	-4,463	1,809	-806	-854	-904
Others	-9,097	1,084	0	0	0
Investing Cash Flow	-16,412	-1,383	-6,245	-5,840	-6,440
Inc / Dec (-) in Capital	39,820	13	0	0	0
Dividend + Tax thereon	-524	-644	-1,633	-1,633	-1,633
Inc / Dec (-) in Loans	-16,558	-11,937	-1,500	-1,500	-1,500
Others	-6,150	-2,711	-1,461	-1,346	-1,234
Financing Cash Flow	16,588	-15,279	-4,594	-4,480	-4,368
Inc / Dec (-) in Cash	6,893	-471	13,569	15,421	17,964
Opening Cash Balance	943	7,835	7,364	20,933	36,354
Closing Cash Balance	7,835	7,364	20,933	36,354	54,318

Source: Company, JM Financial

Balance Sheet		(INR mn)			
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Shareholders' Fund	70,623	79,820	90,318	103,892	119,435
Share Capital	1,420	1,420	1,420	1,420	1,420
Reserves & Surplus	69,202	78,399	88,898	102,472	118,015
Preference Share Capital	0	0	0	0	0
Minority Interest	5,930	6,601	6,073	5,519	4,938
Total Loans	19,848	8,183	6,683	5,183	3,683
Def. Tax Liab. / Assets (-)	-704	-15	64	140	211
Total - Equity & Liab.	95,696	94,588	103,139	114,734	128,266
Net Fixed Assets	86,089	91,506	92,169	91,571	91,018
Gross Fixed Assets	78,082	81,495	87,495	90,495	92,995
Intangible Assets	26,896	30,901	31,840	32,826	33,862
Less: Depn. & Amort.	20,822	24,131	28,907	34,492	40,581
Capital WIP	1,933	3,242	1,742	2,742	4,742
Investments	10,643	11,370	11,938	12,535	13,162
Current Assets	32,584	32,230	47,427	65,722	85,671
Inventories	1,008	1,092	2,047	2,393	2,609
Sundry Debtors	2,553	4,465	5,459	6,382	6,959
Cash & Bank Balances	7,835	7,364	20,933	36,354	54,318
Loans & Advances	865	844	886	930	977
Other Current Assets	20,322	18,466	18,102	19,662	20,808
Current Liab. & Prov.	33,620	40,517	48,395	55,094	61,584
Current Liabilities	22,874	27,896	30,427	32,680	34,604
Provisions & Others	10,747	12,622	17,968	22,414	26,980
Net Current Assets	-1,036	-8,287	-968	10,628	24,087
Total - Assets	95,696	94,588	103,139	114,734	128,266

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Margin	-8.6%	17.2%	17.8%	19.1%	19.7%
Asset Turnover (x)	0.3	0.5	0.5	0.6	0.6
Leverage Factor (x)	1.9	1.6	1.5	1.4	1.3
RoE	-4.9%	13.3%	14.3%	15.7%	15.4%

Key Ratios					
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
BV/Share (INR)	49.7	56.2	63.6	73.1	84.1
ROIC	0.0%	13.5%	16.2%	21.8%	26.4%
ROE	-4.9%	13.3%	14.3%	15.7%	15.4%
Net Debt/Equity (x)	0.2	0.0	-0.2	-0.3	-0.4
P/E (x)	-269.7	71.1	58.5	46.7	41.3
P/B (x)	10.1	8.9	7.9	6.8	5.9
EV/EBITDA (x)	179.8	39.8	32.4	25.6	22.2
EV/Sales (x)	23.8	12.3	10.3	8.6	7.6
Debtor days	30	28	29	29	29
Inventory days	12	7	11	11	11
Creditor days	53	43	48	49	50

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
16-Aug-23	Buy	450	
30-Oct-23	Buy	450	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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

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

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

Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com

Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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

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

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

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

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

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

Important Disclosures

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

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

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

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

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

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

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

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

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

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

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

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

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

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

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

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

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