Hotels

Strong show continues

Sumit Kumar
sumit.kumar@jmfl.com | Tel.: (91 22) 66303089
Sourabh Gilda
sourabh.gilda@jmfl.com | Tel: (91 22) 66303114
Tushar Wankhede
tushar.wankhede@jmfl.com | Tel: (91 22) 62241795

The hotel industry continued its strong performance in Jan'25 with pan-India RevPAR growing c.14% to INR 6,160 with both occupancy and ARR rising on a YoY basis (Source: HVS Anarock). Among key markets, Mumbai continues to outperform (with highest occupancy and ARR) on all parameters followed by Delhi and Bengaluru. In-line with the industry trends, our coverage universe reported an encouraging performance in 3QFY25 with Revenue/EBITDA/PAT YoY growth of 24%/27%/61% respectively. Going forward, our room rate tracker and channel checks are indicating that demand momentum has continued in 4QFY25 as well. We remain constructive on the sector and expect demand to grow at 8-10% over medium term. We build in high single digit ARR growth (7-8%) and c.100bps improvement in occupancy each year over FY25-27E for our coverage companies. Re-iterate BUY on Chalet, Lemon Tree, Samhi and Juniper Hotels. Any moderation in ARR growth and unexpected sharp slowdown in the broader economy remain key risks to our call.

- **RevPAR growth sustains in Jan'25:** According to HVS Anarock, the pan-India occupancy rates increased by 2-4pps in Jan'25 to come in at 66%-68%. Average Room Rates (ARR) maintained their upward momentum and grew 10-12% on a YoY basis, led by Mumbai with YoY growth of 21%-23%, while Kolkata and Bengaluru also recorded ARR growth of 18%-20%. Aided by favourable seasonality, the industry has clocked double digit RevPAR growth for the 3rd consecutive month. Domestic air traffic also grew 11% YoY in Jan'25 to 14.6mn passengers (2% decline MoM).

- **Trends across key Indian markets:** Mumbai continued to record the highest occupancy at 82-84%, while New Delhi and Bengaluru led the YoY growth with an impressive increase of 6-8pps. On the other hand, Chandigarh and Hyderabad were the only markets that saw marginal year-on-year declines in occupancy rates in the range of 2-5pps. Mumbai recorded highest average rate in the country (above INR 14,000) while also delivering highest growth of c.22% which can be partly attributed to the sharp spike in room rates during the Coldplay concert. Bengaluru and Kolkata also reported robust growth of 18%-20% in ARR.

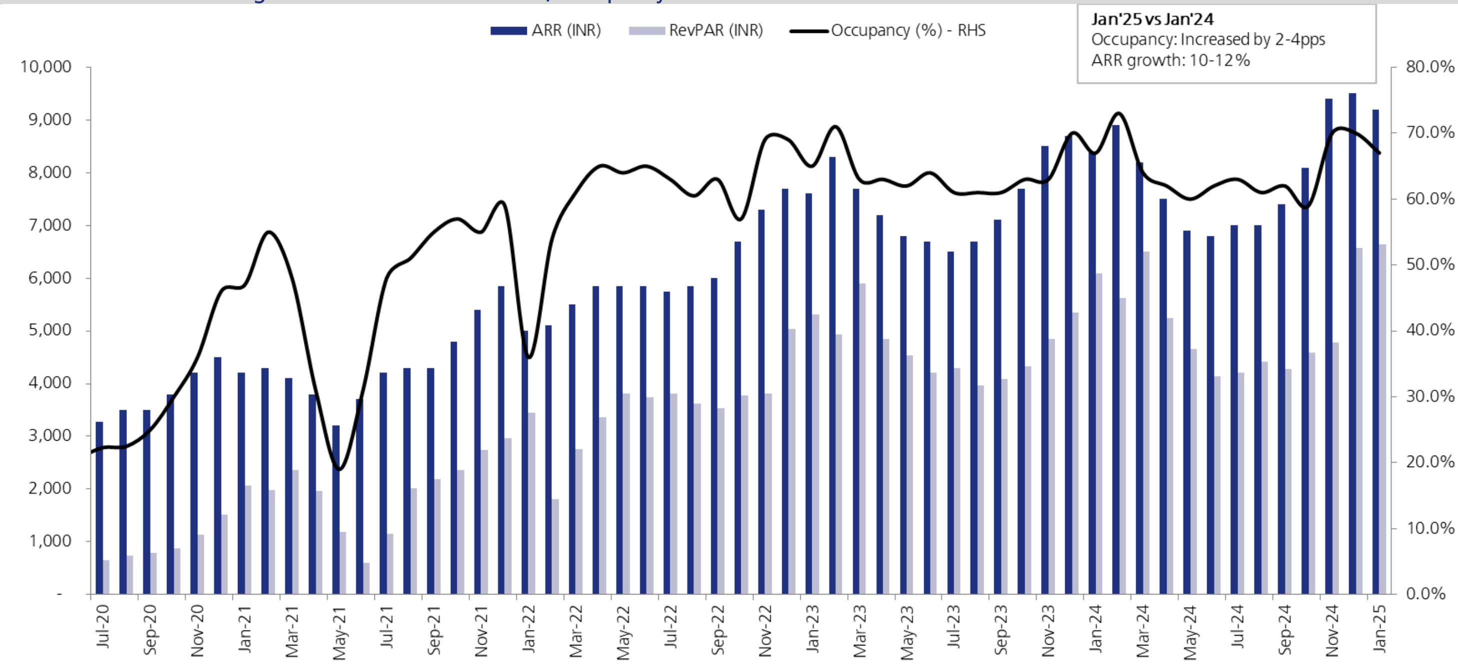
- **Healthy show in 3QFY25:** Our coverage universe reported an encouraging performance in 3QFY25 backed by a strong wedding and holiday season. The coverage universe has delivered a Revenue/EBITDA/PAT growth of 24%/27%/61% YoY respectively. Among all the companies, IHCL has witnessed earnings upgrade from the street given the consistent performance of core portfolio and rapid growth in new business verticals (Ginger, Ama and SATS). Estimates for Chalet and Lemon tree are largely maintained while there were earnings cut (3-5%) in Juniper (due to rationalisation of margins) and SAMHI (delayed ramp-up in ACIC portfolio).

- **Maintain a constructive view on the sector:** The Indian hospitality sector continues to witness strong demand trends and is expected to grow at 9-11% over medium term driven by the general economic growth, strong propensity for travel and potential recovery in FTA. While we have seen some increased activity in new signings (2x jump since CY22), the planned supply should take anywhere between 3-4 years to be commissioned. As per Hotelivate, the total room addition is estimated to be ~52k rooms over FY24-29E, which implies a 5-year CAGR of 6%. We expect the upcoming supply to be absorbed with minimal impact in occupancies.

- **Sector looks attractive after the recent correction**: We build in high single digit ARR growth (7-8%) and 100bps improvement in occupancy each year over FY25-27E for our coverage companies. Aided by growth in room inventory, robust MICE revenues and growth in fee business (for owner-operators), we are building 12-15% growth in revenue over FY25-FY27E and 18-22% EBITDA growth, as margins should improve led by increasing contribution of higher margin/asset light business and positive operating leverage. Re-iterate BUY on Chalet, Lemon Tree, Samhi and Juniper Hotels.

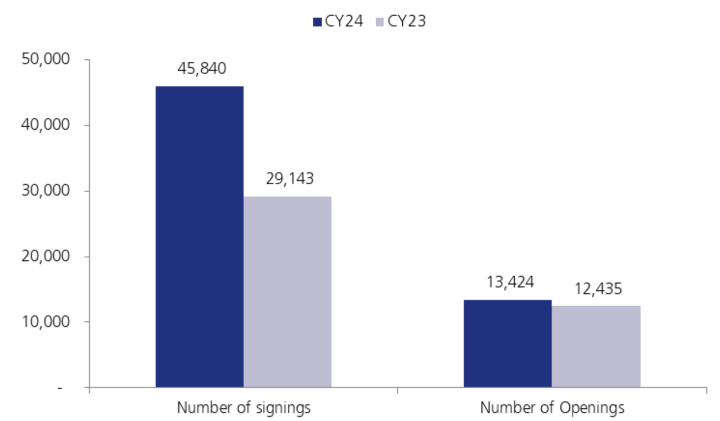
Industry data

Exhibit 1. Pan-India ARR grew 10-12% YoY in Jan'25, occupancy increased to 67%



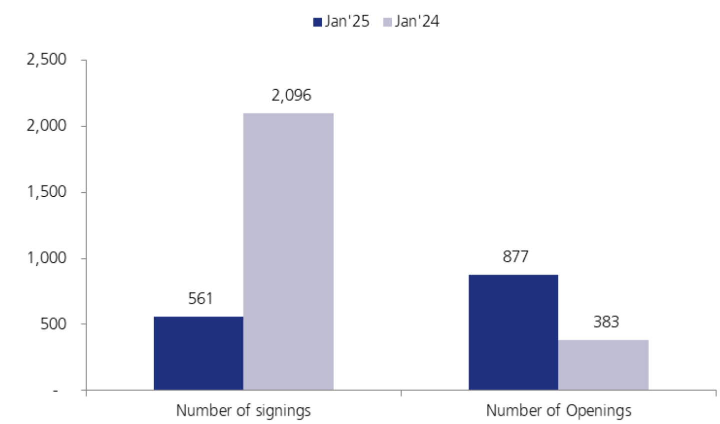
Source: HVS Anarock, JM Financial

Exhibit 2. Branded hotel market signings and openings for CY24



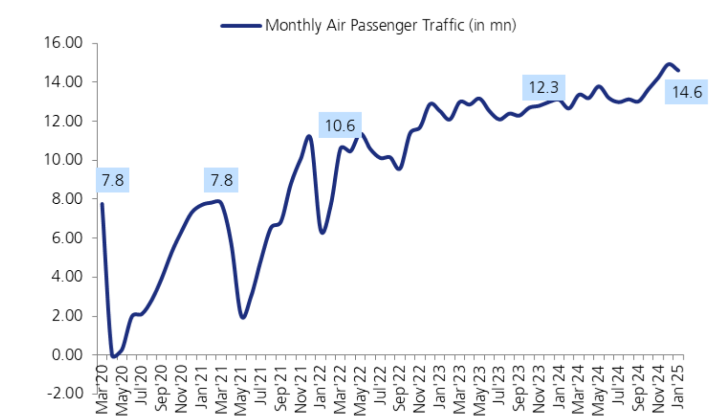
Source: HVS Anarock, JM Financial

Exhibit 3. Branded hotel market signings and openings for Jan'25



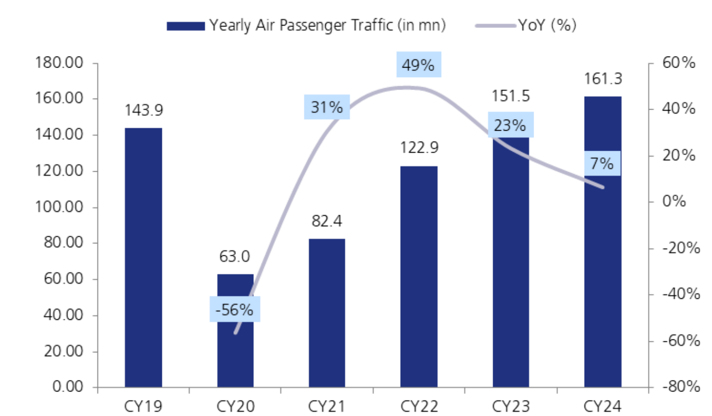
Source: HVS Anarock, JM Financial

Exhibit 1. Domestic passenger traffic grows 11% YoY in Jan'25



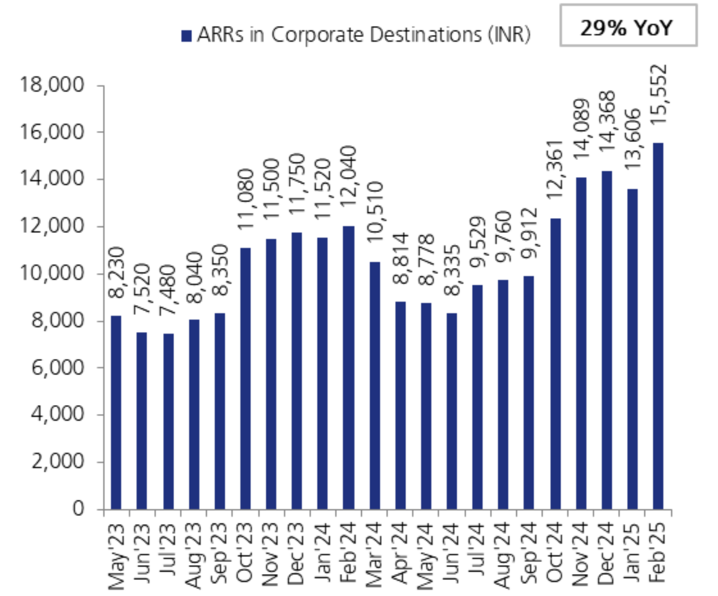
Source: DGCA, JM Financial

Exhibit 2. Domestic airline traffic grows 7% YoY in CY24



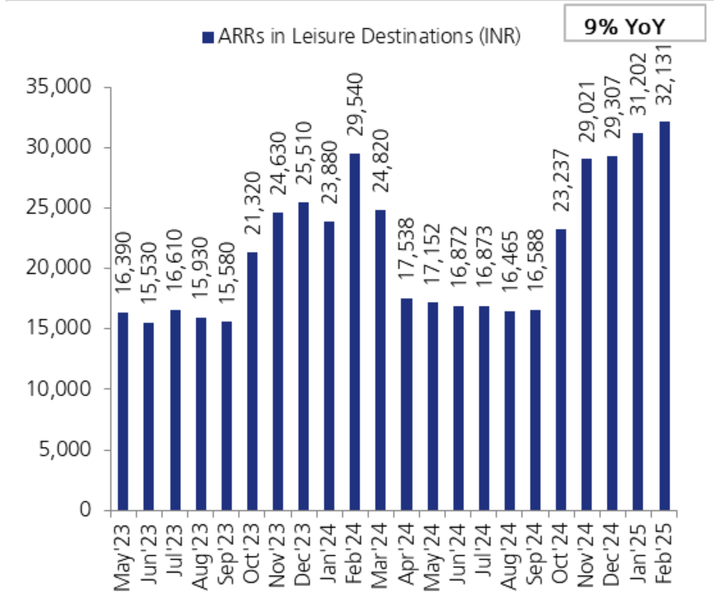
Source: DGCA, JM Financial

Exhibit 3. Room rates have risen sharply in metro cities…



Source: Booking.com, JM Financial
Note: Data is for a cohort of top 4 metro cities; These rates are taken from online travel portals for a room with double occupancy and if booked one month in advance

Exhibit 4. ..but not so much for leisure locations



Source: Booking.com, JM Financial
Note: Data is for a cohort of 5 leisure destination (Agra, Jaipur, Jodhpur, Udaipur and Goa); These rates are taken from online travel portals for a room with double occupancy and if booked one month in advance

Exhibit 5. Quarterly performance trend

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY	QoQ
Reported revenue (INR mn)	18,797	18,516	25,784	26,147	21,898	23,634	31,303	31,754	24,291	27,531	38,943	24%	41%
Chalet	2,530	2,478	2,897	3,379	3,108	3,145	3,737	4,183	3,610	3,771	4,578	23%	21%
SAMHI	1,686	1,745	1,907	2,048	1,904	2,200	2,678	2,792	2,499	2,655	2,958	10%	11%
IHCL	12,661	12,326	16,858	16,254	14,664	14,332	19,638	19,053	15,502	18,261	25,331	29%	39%
Lemon Tree	1,920	1,967	2,335	2,527	2,223	2,272	2,887	3,273	2,680	2,844	3,552	23%	25%
Juniper Hotels	0	0	1,786	1,940	0	1,685	2,363	2,453	1,997	2,145	2,525	7%	18%
Reported EBITDA (INR mn)	6,200	5,257	9,710	9,843	6,698	6,936	12,197	11,907	8,497	9,381	15,537	27%	66%
Chalet	1,019	851	1,135	1,524	1,098	1,260	1,660	1,829	1,402	1,495	2,047	23%	37%
SAMHI	527	530	621	699	453	508	850	854	821	922	1,103	30%	20%
IHCL	3,779	2,940	5,972	5,355	4,102	3,548	7,324	6,598	4,496	5,013	9,617	31%	92%
Lemon Tree	876	936	1,265	1,399	1,045	1,019	1,397	1,715	1,151	1,307	1,842	32%	41%
Juniper Hotels	0	0	717	866	0	602	966	911	627	644	928	-4%	44%
EBITDA margin (%)	33%	28%	38%	38%	31%	29%	39%	37%	35%	34%	40%	93bps	582bps
Chalet	40%	34%	39%	45%	35%	40%	44%	44%	39%	40%	45%	29bps	506bps
SAMHI	31%	30%	33%	34%	24%	23%	32%	31%	33%	35%	37%	557bps	257bps
IHCL	30%	24%	35%	33%	28%	25%	37%	35%	29%	27%	38%	67bps	1052bps
Lemon Tree	46%	48%	54%	55%	47%	45%	48%	52%	43%	46%	52%	346bps	589bps
Juniper Hotels	NA	NA	40%	45%	NA	36%	41%	37%	31%	30%	37%	-413bps	674bps
PAT	1,051	651	4,540	4,150	2,531	1,124	4,955	6,175	3,448	4,305	7,966	61%	85%
Chalet	286	157	1,024	392	887	364	706	824	606	-1,385	965	37%	-170%
SAMHI	-1,031	-920	-812	0	-851	-1,018	-744	113	44	126	228	-131%	81%
IHCL	1,660	1,220	3,830	3,020	2,220	1,670	4,520	3,930	2,480	5,546	5,823	29%	5%
Lemon Tree	136	194	486	590	275	264	438	840	201	296	625	43%	111%
Juniper Hotels	0	0	12	148	0	-156	35	468	117	-278	325	817%	-217%

Source: Company, JM Financial

Exhibit 6. 3QFY25 earnings print was overall above expectations for our coverage companies

Company	Revenue			EBITDA			PAT		
	3QFY25A	3QFY25E	Var (%)	3QFY25A	3QFY25E	Var (%)	3QFY25A	3QFY25E	Var (%)
IHCL	25,331	24,954	1.5%	9,617	9,358	2.8%	5,823	5,739	1.5%
Lemon Tree	3,552	3,471	2.3%	1,842	1,709	7.8%	625	663	-5.8%
Juniper Hotels	2,525	2,640	-4.4%	928	1,038	-10.5%	325	420	-22.7%
Samhi Hotels	2,958	2,945	0.4%	1,103	1,059	4.1%	228	199	14.6%
Chalet Hotels	4,578	4,550	0.6%	2,047	2,007	2.0%	965	1,119	-13.7%

Source: Company, JM Financial

Exhibit 7. 3QFY25 earnings performance for our coverage companies

Company	Revenue			EBITDA			PAT		
	3QFY25A	3QFY24A	Var (%)	3QFY25A	3QFY24A	Var (%)	3QFY25A	3QFY24A	Var (%)
IHCL	25,331	19,638	29.0%	9,617	7,324	31.3%	5,823	4,520	28.8%
Lemon Tree	3,552	2,887	23.0%	1,842	1,397	31.8%	625	354	76.5%
Juniper Hotels	2,525	2,363	6.9%	928	966	-3.9%	325	35	816.6%
Samhi Hotels	2,958	2,678	10.4%	1,103	850	29.8%	228	-744	NA
Chalet Hotels	4,578	3,737	22.5%	2,047	1,660	23.3%	965	706	36.7%

Source: Company, JM Financial

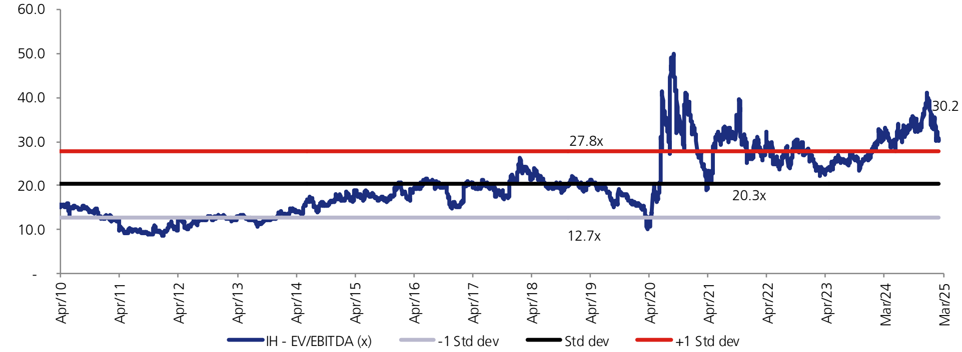
Exhibit 8. Street has marginally reduced its estimates post 3QFY25 results

Company	Revenue			EBITDA			PAT		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
IHCL	1.1%	2.3%	1.1%	2.0%	3.8%	8.4%	0.8%	4.2%	4.0%
Lemon Tree	-0.4%	-0.1%	1.1%	1.1%	1.5%	1.7%	-2.0%	-2.5%	4.0%
Juniper Hotels	-0.9%	-1.1%	-0.8%	-6.2%	-3.5%	-2.9%	-21.0%	-6.7%	-4.0%
Samhi Hotels	-1.3%	-1.7%	-3.0%	-3.3%	-3.8%	-4.7%	-15.0%	-10.2%	-10.1%
Chalet Hotels	-1.2%	3.3%	1.5%	-5.2%	-0.2%	-2.3%	-15.7%	-7.3%	-9.2%

Source: Bloomberg, JM Financial

EV/EBITDA charts

Exhibit 9. Indian Hotels EV/EBITDA chart



Source: Bloomberg, JM Financial

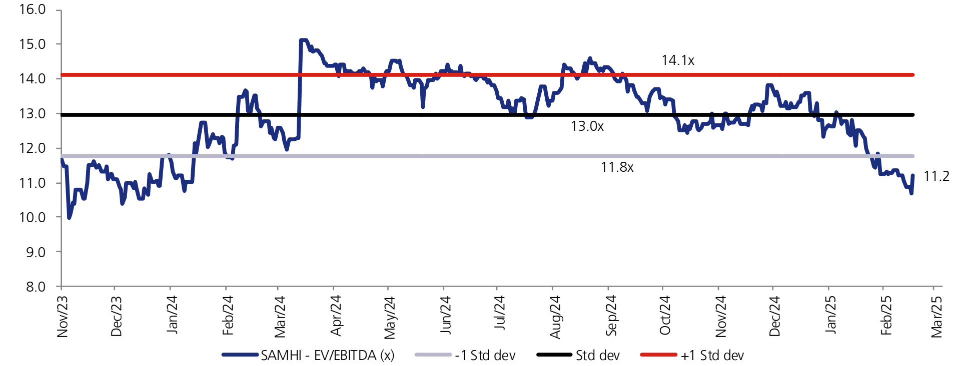
Exhibit 10. Chalet EV/EBITDA chart

Source: Bloomberg, JM Financial

Exhibit 11. Lemon Tree EV/EBITDA chart

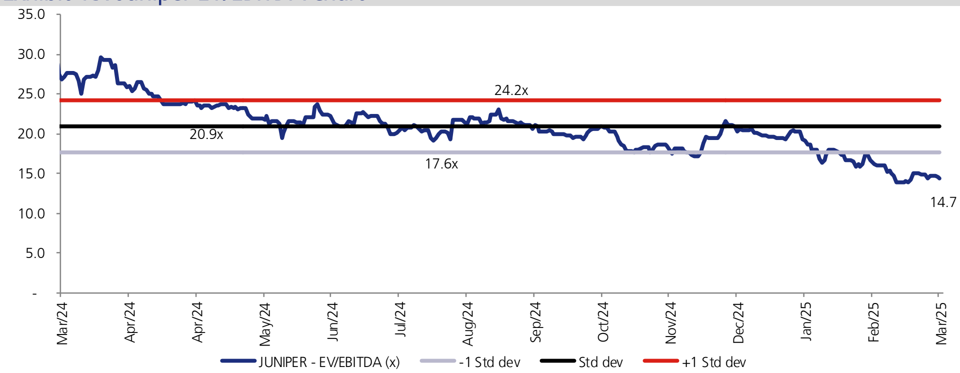
Source: Bloomberg, JM Financial

Exhibit 12. SAMHI EV/EBITDA chart



Source: Bloomberg, JM Financial

Exhibit 13. Juniper EV/EBITDA chart



Source: Bloomberg, JM Financial

Valuation Comps

Exhibit 14. Hotel sector valuation comps

Company	CMP	Shares o/s (mn)	Mcap (INR bn)	TP (INR/sh)	Upside	Reco	FY24-FY27E CAGR Sales	EBITDA	PAT
Asset Owners									
Chalet	769	218	168	960	25%	BUY	20%	26%	29%
SAMHI	150	218	33	245	63%	BUY	15%	25%	NM
Juniper Hotels	270	223	60	410	52%	BUY	16%	20%	141%
Asset/Brand Owners									
Indian Hotels	757	1,423	1,078	760	0%	HOLD	17%	20%	17%
Lemon Tree	129	792	102	170	32%	BUY	15%	17%	29%

Company	EV/Sales			EV/EBITDA			P/E		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Asset Owners									
Chalet	11.2x	9.5x	7.8x	25.6x	20.9x	16.0x	60.5x	41.3x	28.4x
SAMHI	4.5x	4.0x	3.7x	13.0x	11.5x	10.1x	37.3x	22.9x	15.5x
Juniper Hotels	7.2x	6.0x	5.3x	20.4x	15.1x	12.5x	95.7x	26.6x	18.3x
Asset/Brand Owners									
Indian Hotels	12.0x	10.2x	9.4x	36.5x	29.8x	27.6x	67.0x	56.9x	53.6x
Lemon Tree	9.0x	7.8x	7.2x	18.7x	15.5x	14.2x	56.0x	38.2x	32.1x

Company	Sales (INR mn)			EBITDA (INR mn)			PAT (INR mn)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Asset Owners									
Chalet	16,773	19,784	24,211	7,350	9,009	11,745	2,777	4,071	5,924
SAMHI	11,732	13,125	14,525	4,074	4,602	5,232	887	1,447	2,134
Juniper Hotels	9,307	11,126	12,670	3,260	4,415	5,334	627	2,258	3,283
Asset/Brand Owners									
Indian Hotels	86,302	1,01,350	1,09,364	28,294	34,668	37,431	16,100	18,938	20,131
Lemon Tree	13,123	15,168	16,356	6,271	7,587	8,286	1,817	2,666	3,168

Source: Company, JM Financial

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.