

Key operating metrics could improve meaningfully in 2Q

Swiggy will report its first post-IPO results tomorrow and we expect an improving trend in most key operating metrics. In food delivery, the company is likely to deliver 6% QoQ growth, marginally better than 5% delivered by Zomato (BUY, TP INR 300), aided by growing traction for its co-branded credit card with HDFC Bank. Segment profitability too is likely to improve meaningfully to 1.8% (as % of GOV) vs. 0.8% in 1Q, on the back of lower platform discounts and operating leverage benefits. While in Quick Commerce (Instamart) we forecast GOV growth of 15% QoQ vs. 25% delivered by Zomato's Blinkit, losses at contribution margin level could come down to -1.7% vs. -3.2% in 1Q, driven by an uptick in take-rates and dark store and warehousing level operating leverage. At a consol. level, Adj. EBITDA loss could subside to INR 2.7bn vs. INR 3.5bn in 1Q. Overall, we expect investors to focus on the company's relative performance vs. Zomato and management commentary on profitability improvement in food delivery and quick commerce businesses.

- Food delivery GOV can grow 6% QoQ, lower discounting should drive margin expansion:** We forecast sequential GOV growth of ~6% in 2Q on the back of 5% order volume growth. We see MTUs growing to 14.4mn vs. 14mn in 1QFY25, whereas ordering frequency and AOV's could grow c.3%/1% QoQ, respectively. Gross take-rates are likely to be sequentially flat at 25.3% in 2Q. As a result, sequential reported revenue growth would also be in line with GOV growth of c.6%. We expect contribution margin (as % of GOV) to expand to 7.0% from 6.4% in 1Q, mainly on account of lower platform discounts. Further, Adj. EBITDA margin (as % of GOV) can expand 100bps sequentially to 1.8% from 0.8% in 1Q, aided by operating leverage.
- Quick Commerce GOV can grow 15% QoQ, take-rate and operating leverage should drive margin expansion:** We expect sequential GOV growth of 15%, led by 12% increase in order volumes that, in turn, should be driven by MTU increase from 5.2mn to 5.8mn. Gross take-rates can expand to 15.5% vs. 14.8% in 1Q due to improving product commissions and ad income. We see contribution margin losses coming down to -1.7% (as % of GOV) vs. -3.2% in 1Q due to take-rate expansion and dark store and warehousing level operating leverage. Adj. EBITDA margin (as % of GOV) can improve 188bps sequentially to -9.8% due to lower fixed cost.
- Consol. level losses likely to meaningfully come down:** At a consol. level, we expect meaningful reduction in losses on the back of significant improvement in profitability in food delivery and quick commerce businesses. Accordingly, we forecast Adj. EBITDA loss to subside to INR 2.7bn vs. INR 3.5bn in 1Q, whereas reported EBITDA loss can come down to INR 4.6bn from INR 5.4bn. Overall, PAT level losses are also expected to narrow to INR 4.8bn from INR 6bn in 1QFY25.
- Swiggy 2QFY25 earning call details:** Date: December 3, 2024 (Tuesday). Time: 05:00 PM IST. Registration Link: [Click Here](#).

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

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

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

Eksha Modi
eksha.modi@jmfl.com | Tel: (91 22) 66303054

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	470
Upside/(Downside)	0.0%
Previous Price Target	470
Change	0.0%

Key Data – SWIGGY IN

Current Market Price	INR471
Market cap (bn)	INR1,053.8/US\$12.5
Free Float	100%
Shares in issue (mn)	2,329.0
Diluted share (mn)	2,510.0
3-mon avg daily val (mn)	INR0.0/US\$0.0
52-week range	517/391
Sensex/Nifty	79,803/24,131
INR/US\$	84.5

Price Performance

%	1M	6M	12M
Absolute	0.0	0.0	0.0
Relative*	0.0	0.0	0.0

* To the BSE Sensex

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.

Financial Summary					(INR mn)
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	82,646	1,12,474	1,49,611	1,94,309	2,41,545
Sales Growth (%)	44.9	36.1	33.0	29.9	24.3
EBITDA	-42,758	-22,080	-18,974	-6,643	7,165
EBITDA Margin (%)	-51.7	-19.6	-12.7	-3.4	3.0
Adjusted Net Profit	-41,793	-23,502	-19,540	-8,451	5,094
Diluted EPS (INR)	-19.3	-10.7	-7.8	-3.4	2.0
Diluted EPS Growth (%)	-3.8	44.6	27.2	56.7	0.0
ROIC (%)	-285.3	-101.7	-86.0	-45.3	-1.2
ROE (%)	-39.2	-27.9	-20.5	-7.5	4.3
P/E (x)	-24.4	-44.0	-60.5	-139.9	232.1
P/B (x)	11.2	13.3	9.5	9.8	8.9
EV/EBITDA (x)	-26.1	-51.3	-57.9	-165.4	151.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 29/Nov/2024

Exhibit 1. Consol. financial performance

All numbers are in INR mn	2QFY25E	1QFY25A	QoQ
Revenue from Operations	35,623	32,222	10.6%
Food Delivery	16,107	15,153	6.3%
Quick Commerce	4,447	3,740	18.9%
Out-of-home consumption	513	459	12.0%
Supply chain and distribution (B2B)	14,204	12,683	12.0%
Platform Innovations	351	187	87.1%
EBITDA	-4,625	-5,442	15.0%
EBITDA margin	-13.0%	-16.9%	391 bps
EBITDA (ex-ESOPs and rent)	-2,692	-3,478	22.6%
EBITDA margin (ex-ESOPs)	-7.6%	-10.8%	324 bps
PBT before exceptional items	-4,766	-6,110	22.0%
PAT ex-Exceptional and MI	-4,766	-5,979	20.3%
Diluted EPS (INR)	-2.2	-2.7	20.3%

Source: Company, JM Financial

Exhibit 2. Segmental expectations

Segmental Performance	2QFY25E	1QFY25A	QoQ
Food Delivery			
GOV (INR mn)	72,230	68,083	6.1%
Gross Revenue (INR mn)	18,274	17,296	5.7%
Gross Take Rate	25.3%	25.4%	-10bp
Contribution margin (INR mn)	5,059	4,357	16.1%
Contribution margin (as % of GOV)	7.0%	6.4%	60bp
Adj. EBITDA (INR mn)	1,303	578	125.3%
Adj. EBITDA margin (as % of GOV)	1.8%	0.8%	95bp
Quick Commerce			
GOV (INR mn)	31,320	27,240	15.0%
Gross Revenue (INR mn)	4,855	4,034	20.3%
Gross Take Rate	15.5%	14.8%	69bp
Contribution margin (INR mn)	-532	-866	-38.5%
Contribution margin (as % of GOV)	-1.7%	-3.2%	148bp
Adj. EBITDA (INR mn)	-3,069	-3,179	-3.5%
Adj. EBITDA margin (as % of GOV)	-9.8%	-11.7%	187bp
Out-of-home consumption			
GOV (INR mn)	7,032	6,572	7.0%
Reported Revenue (INR mn)	513	459	12.0%
Take Rate	7.3%	7.0%	32bp
Adj. EBITDA (INR mn)	-141	-132	6.9%
Adj. EBITDA margin (as % of GOV)	-2.0%	-2.0%	bp

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	82,646	1,12,474	1,49,611	1,94,309	2,41,545	
Sales Growth	44.9%	36.1%	33.0%	29.9%	24.3%	
Other Operating Income	0	0	0	0	0	
Total Revenue	82,646	1,12,474	1,49,611	1,94,309	2,41,545	
Cost of Goods Sold/Op. Exp	33,809	46,042	56,160	66,675	77,831	
Personnel Cost	21,298	20,122	24,146	24,146	26,561	
Other Expenses	70,297	68,390	88,278	1,10,131	1,29,988	
EBITDA	-42,758	-22,080	-18,974	-6,643	7,165	
EBITDA Margin	-51.7%	-19.6%	-12.7%	-3.4%	3.0%	
EBITDA Growth	-17.1%	48.4%	14.1%	65.0%	0.0%	
Depn. & Amort.	2,858	4,206	5,324	6,415	7,496	
EBIT	-45,616	-26,286	-24,298	-13,058	-331	
Other Income	3,917	3,156	4,758	4,607	5,425	
Finance Cost	0	0	0	0	0	
PBT before Excep. & Forex	-41,699	-23,130	-19,540	-8,451	5,094	
Excep. & Forex Inc./Loss(-)	-93	-306	0	0	0	
PBT	-41,792	-23,436	-19,540	-8,451	5,094	
Taxes	0	0	0	0	0	
Extraordinary Inc./Loss(-)	-93	-306	0	0	0	
Assoc. Profit/Min. Int.(-)	-1	-66	0	0	0	
Reported Net Profit	-41,700	-23,196	-19,540	-8,451	5,094	
Adjusted Net Profit	-41,793	-23,502	-19,540	-8,451	5,094	
Net Margin	-50.6%	-20.9%	-13.1%	-4.3%	2.1%	
Diluted Share Cap. (mn)	2,162.1	2,196.5	2,510.0	2,510.0	2,510.0	
Diluted EPS (INR)	-19.3	-10.7	-7.8	-3.4	2.0	
Diluted EPS Growth	-3.8%	44.6%	27.2%	56.7%	0.0%	
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	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	-41,793	-23,502	-19,540	-8,451	5,094	
Depn. & Amort.	2,858	4,206	5,324	6,415	7,496	
Net Interest Exp. / Inc. (-)	-652	-544	-4,758	-4,607	-5,425	
Inc (-) / Dec in WCap.	-1,139	1,988	-2,745	-3,733	-611	
Others	576	4,687	10,435	7,826	5,869	
Taxes Paid	-449	38	-791	-715	-756	
Operating Cash Flow	-40,599	-13,127	-12,075	-3,266	11,668	
Capex	-1,573	-3,440	-3,308	-3,399	-3,935	
Free Cash Flow	-42,172	-16,567	-15,383	-6,664	7,732	
Inc (-) / Dec in Investments	40,523	17,677	0	0	0	
Others	728	348	5,614	5,549	6,451	
Investing Cash Flow	39,678	14,585	2,307	2,150	2,516	
Inc / Dec (-) in Capital	0	0	44,100	0	0	
Dividend + Tax thereon	0	0	0	0	0	
Inc / Dec (-) in Loans	-1,715	-1,162	750	1,049	731	
Others	0	-66	-857	-942	-1,027	
Financing Cash Flow	-1,715	-1,228	43,993	107	-296	
Inc / Dec (-) in Cash	-2,636	229	34,224	-1,008	13,887	
Opening Cash Balance	10,961	8,462	8,870	43,095	42,086	
Closing Cash Balance	8,325	8,691	43,095	42,086	55,974	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	90,566	77,915	1,12,909	1,12,284	1,23,247	
Share Capital	27	30	30	30	30	
Reserves & Surplus	90,540	77,885	1,12,879	1,12,254	1,23,217	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	0	2,112	2,112	2,112	2,112	
Def. Tax Liab. / Assets (-)	-1,575	-1,603	-2,394	-3,109	-3,865	
Total - Equity & Liab.	88,992	78,423	1,12,627	1,11,287	1,21,494	
Net Fixed Assets	9,593	14,536	14,785	14,261	13,442	
Gross Fixed Assets	7,180	8,077	11,385	14,784	18,719	
Intangible Assets	6,455	10,008	9,244	8,189	6,732	
Less: Depn. & Amort.	4,043	3,549	5,844	8,711	12,009	
Capital WIP	0	0	0	0	0	
Investments	58,411	43,277	43,277	43,277	43,277	
Current Assets	43,229	45,878	85,916	90,393	1,09,219	
Inventories	106	487	744	717	989	
Sundry Debtors	10,623	9,639	12,496	16,251	19,484	
Cash & Bank Balances	8,325	8,871	43,095	42,086	55,974	
Loans & Advances	0	0	0	0	0	
Other Current Assets	24,174	26,883	29,582	31,338	32,773	
Current Liab. & Prov.	22,240	25,268	31,351	36,644	44,443	
Current Liabilities	15,102	15,339	19,255	21,128	25,156	
Provisions & Others	7,138	9,929	12,096	15,516	19,287	
Net Current Assets	20,988	20,611	54,565	53,749	64,776	
Total - Assets	88,992	78,423	1,12,627	1,11,287	1,21,494	

Source: Company, JM Financial

Dupont Analysis		FY23A	FY24A	FY25E	FY26E	FY27E
Y/E March						
Net Margin		-50.6%	-20.9%	-13.1%	-4.3%	2.1%
Asset Turnover (x)		0.7	1.2	1.4	1.6	1.9
Leverage Factor (x)		1.1	1.1	1.1	1.1	1.1
RoE		-39.2%	-27.9%	-20.5%	-7.5%	4.3%

Key Ratios		FY23A	FY24A	FY25E	FY26E	FY27E
Y/E March						
BV/Share (INR)		41.9	35.5	49.7	48.2	52.9
ROIC		-285.3%	-101.7%	-86.0%	-45.3%	-1.2%
ROE		-39.2%	-27.9%	-20.5%	-7.5%	4.3%
Net Debt/Equity (x)		-0.7	-0.6	-0.7	-0.7	-0.8
P/E (x)		NA	NA	NA	NA	232.1
P/B (x)		11.2	13.3	9.5	9.8	8.9
EV/EBITDA (x)		NA	NA	NA	NA	151.4
EV/Sales (x)		13.5	10.1	7.3	5.7	4.5
Debtor days		47	31	30	31	29
Inventory days		0	2	2	1	1
Creditor days		25	24	26	23	25

Source: Company, JM Financial

History of Recommendation and Target Price

Recommendation History

Date	Recommendation	Target Price	% Chg.
13-Nov-24	Buy	470	

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.