

Tips Music | ADD

Growth softness likely to sustain; downgrade to ADD

We downgrade Tips Music to ADD from BUY as absence of meaningful new music content releases in 3Q and 4QFY26 may keep revenue growth muted in low-to-mid teens. Also, our earlier expectation that it will meaningfully outperform industry growth led by its strategic partnership with Warner Music and aggressive content investments does not seem to be playing out as envisaged. At the industry level too, while OTTs continue to push their consumers towards paid subscriptions, the pace of transition remains slow and insufficient to accelerate revenue growth. Hence, we revise down our revenue estimate by ~10–15% over FY27-28. On the other hand, while EBIT margin may remain high at 70%+ in the near term due to absence of any major content costs, such levels are unsustainable given the nature of the business, which requires constant investment in new content. Amidst these concerns, we downgrade Tips Music with a revised Dec'26 TP of INR 560 (implied NTM PER of 30x).

- **Content gap to weigh on monetisation:** We expect Tips' revenue growth to moderate to ~12–13% YoY in 3QFY26 and 4QFY26, driven by lack of major new music content releases during this period. In the music label business, regularly releasing new content is crucial, as ~70% of annual music consumption is under 18 months old. As Tips Music has no major releases on hand over the next few months, revenue growth is likely to remain muted over the next 2-3 quarters.
- **We revise down our FY27–28 revenue forecasts:** At the time of our initiation ([refer our note](#)), we expected Tips Music to meaningfully outperform industry growth led by its strategic partnership with Warner Music and aggressive content investments. But recent trends suggest the outperformance has not been as much as envisaged owing to some shift in consumption of music from music OTTs to Youtube (where per stream realisation is meaningfully lower) and no big content release indicated by the company in the foreseeable future. So, we build Tips Music to deliver revenue growth of only ~13% over FY27/28, broadly in line with industry growth.
- **Elevated margins not sustainable:** In the absence of limited spends on new music content, we expect Tips Music to report a disproportionately high EBIT margin of 70%+ in 2HFY26 (like it did in 2QFY26). While this margin improvement may provide near-term earnings support, we note that such levels are not sustainable given the nature of the business, which requires constant investment in new content. Accordingly, we build in EBIT margin of 66-67% over FY27/28.
- **Shift to paid subscription still gradual:** Industry consolidation amongst music OTT platforms has accelerated the push towards paid subscriptions, which is structurally positive for content owners over the long term. But the pace of this transition remains measured, and we do not observe any meaningful acceleration in paid music consumption trends at this stage. Hence, the near-term uplift to streaming revenue is unlikely to compensate for the slowdown arising from consumers shifting to alternate streaming avenues like Youtube (where realisation is lower at 2-3paise per stream).
- **Downgrade Tips Music to ADD with a revised TP of INR 560:** We revise down our revenue forecast for Tips Music over FY26-28 by ~5-15% basis our aforementioned concerns on revenue growth. We, however, raise our EBIT margin by 90-520bps for FY26 and FY27 as we factor in slower-than-expected new content releases. Overall, our earnings for FY26/27/28 are adjusted by +1.4%/-9.0%/-14.6%, respectively. While Tips Music continues to benefit from a strong catalogue and longstanding industry relationships, we think lower earnings growth visibility warrants a cautious stance. Accordingly, we downgrade the stock to ADD from BUY with a rolled-forward DCF-based Dec'26 TP of INR 560.



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.	ADD
Previous Reco.	BUY
Current Price Target (12M)	560
Upside/(Downside)	8.1%
Previous Price Target	730
Change	-23.3%

Key Data – TIPSMUSI IN

Current Market Price	INR518
Market cap (bn)	INR66.2/US\$0.7
Free Float	35%
Shares in issue (mn)	127.8
Diluted share (mn)	127.8
3-mon avg daily val (mn)	INR160.9/US\$1.8
52-week range	739/483
Sensex/Nifty	84,181/25,877
INR/US\$	90.0

Price Performance

%	1M	6M	12M
Absolute	0.2	-20.3	-25.6
Relative*	1.3	-20.8	-30.9

* To the BSE Sensex

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.

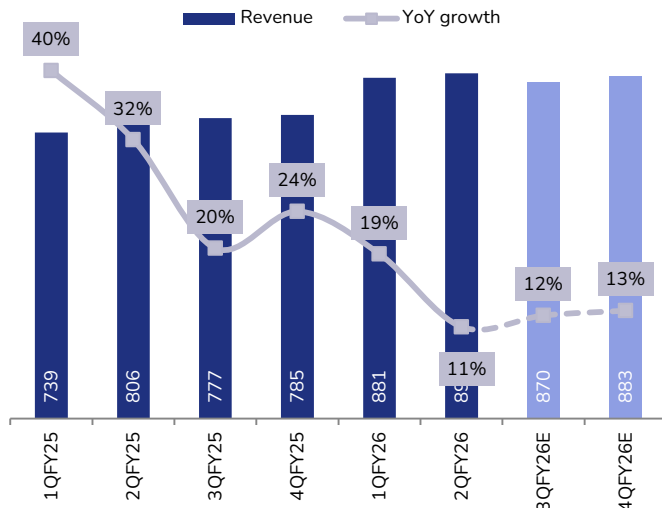
Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,416	3,107	3,526	4,055	4,664
Sales Growth (%)	29.3	28.6	13.5	15.0	15.0
EBITDA	1,585	2,110	2,572	2,758	3,106
EBITDA Margin (%)	65.6	67.9	73.0	68.0	66.6
Adjusted Net Profit	1,272	1,709	2,040	2,196	2,477
Diluted EPS (INR)	9.9	13.4	16.0	17.2	19.4
Diluted EPS Growth (%)	67.6	35.0	19.4	7.6	12.8
ROIC (%)	0.0	0.0	0.0	0.0	0.0
ROE (%)	80.6	87.9	88.7	80.6	77.6
P/E (x)	52.3	38.7	32.5	30.2	26.7
P/B (x)	37.1	31.6	26.5	22.5	19.3
EV/EBITDA (x)	40.0	30.1	24.5	22.6	19.9
Dividend Yield (%)	1.2	1.4	2.5	2.7	3.0

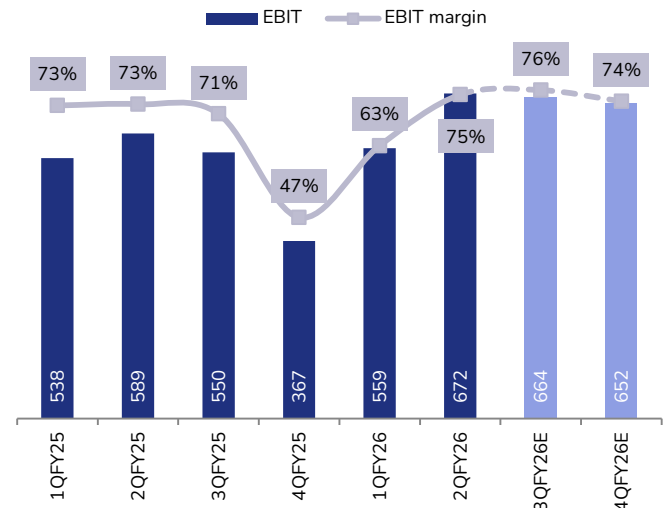
Source: Company data, JM Financial. Note: Valuations as of 08/Jan/2026

Exhibit 1. Revenue quarterly growth trends



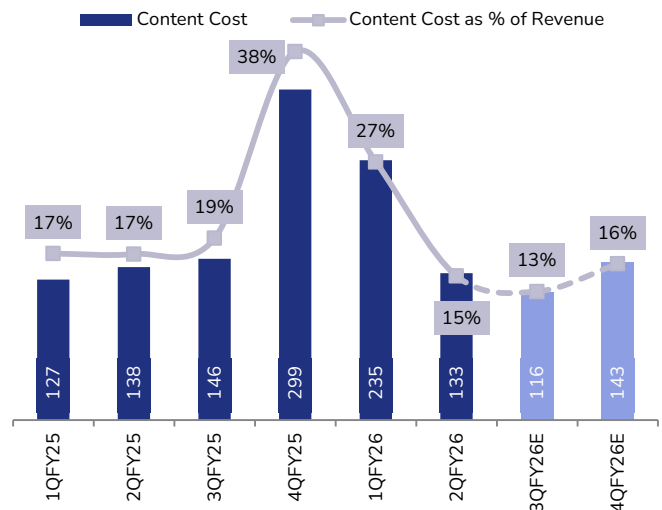
Source: Company, JM Financial

Exhibit 2. EBIT and EBIT margin quarterly trends



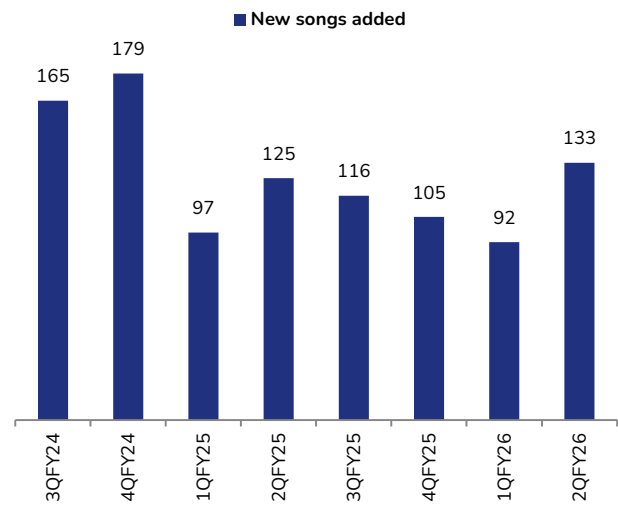
Source: Company, JM Financial

Exhibit 3. Content cost quarterly trends



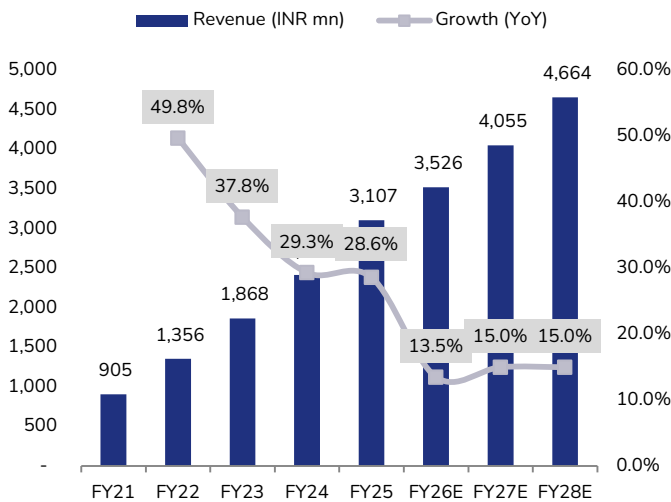
Source: Company, Company, JM Financial

Exhibit 4. New songs added quarterly



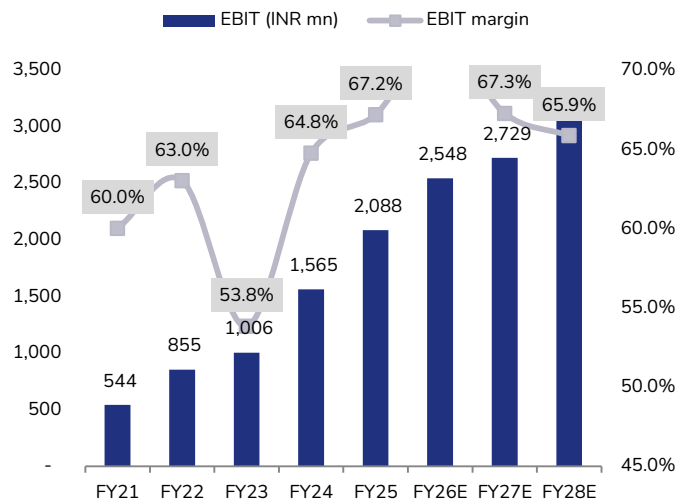
Source: Company, Company, JM Financial

Exhibit 5. Revenue growth trends and expectations



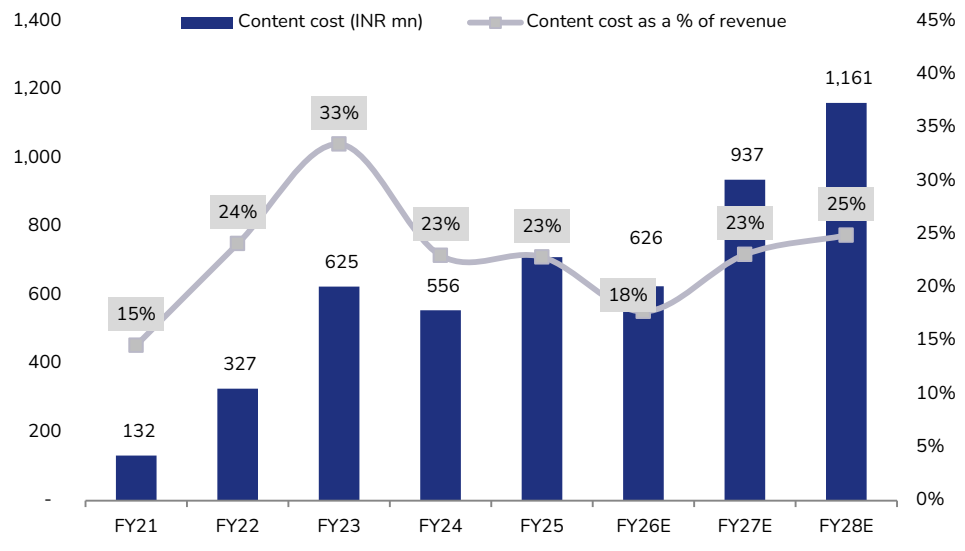
Source: JM Financial, Company

Exhibit 6. EBIT and EBIT margin trends and expectations



Source: JM Financial, Company

Exhibit 7. Content cost trends and expectations



Source: Company, JM Financial

Downgrade to ADD; TP revised down to INR 560

Exhibit 8. What has changed in our forecasts?

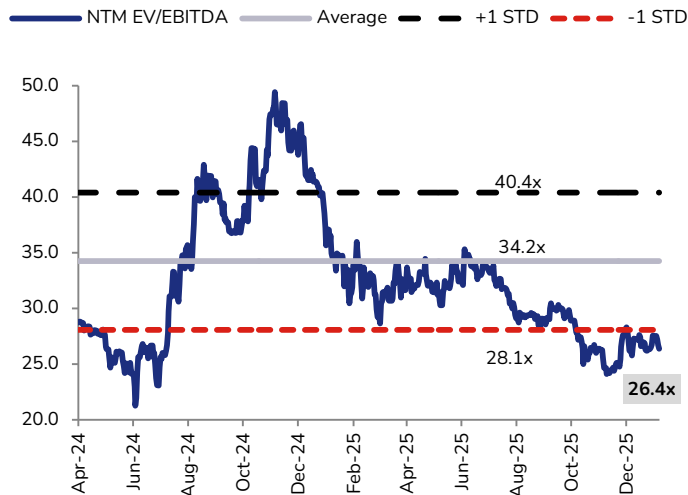
All numbers are in INR mn	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	3,728	4,511	5,459	3,526	4,055	4,664	-5.4%	-10.1%	-14.6%
EBIT	2,500	2,995	3,597	2,548	2,729	3,073	1.9%	-8.9%	-14.6%
EBIT margin	67.0%	66.4%	65.9%	72.2%	67.3%	65.9%	520bp	90bp	0bp
PAT	2,012	2,413	2,899	2,040	2,196	2,477	1.4%	-9.0%	-14.6%
Diluted EPS (INR)	15.74	18.87	22.68	15.96	17.18	19.37	1.4%	-9.0%	-14.6%

Source: Company, JM Financial

Key Risks

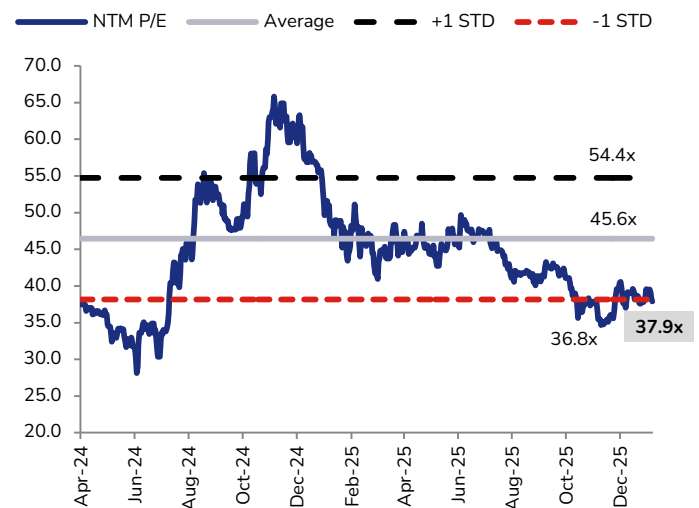
- **Key upside risk:** 1) Faster-than-expected audio OTT subscriptions growth. 2) Maturity of short format video apps leading variable licensing deals for music labels.
- **Key downside risk:** 1) Hiccups in distribution partnership with Warner 2) Irrational rise in competitive intensity inflates new content cost 3) Presence of several local as well as international players 4) Slower-than-expected uptake in paid subscriptions 5) Revenue losses to piracy.
-

Exhibit 9. NTM EV/EBIDTA Chart



Source: Company, JM Financial

Exhibit 10. NTM PER Chart



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,416	3,107	3,526	4,055	4,664
Sales Growth	29.3%	28.6%	13.5%	15.0%	15.0%
Other Operating Income	0	0	0	0	0
Total Revenue	2,416	3,107	3,526	4,055	4,664
Cost of Goods Sold/Op. Exp	0	0	0	0	0
Personnel Cost	109	132	130	142	154
Other Expenses	722	865	823	1,156	1,404
EBITDA	1,585	2,110	2,572	2,758	3,106
EBITDA Margin	65.6%	67.9%	73.0%	68.0%	66.6%
EBITDA Growth	55.5%	33.2%	21.9%	7.2%	12.6%
Depn. & Amort.	20	22	25	29	33
EBIT	1,565	2,088	2,548	2,729	3,073
Other Income	144	190	183	211	243
Finance Cost	3	3	3	4	5
PBT before Excep. & Forex	1,705	2,275	2,727	2,936	3,311
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	1,705	2,275	2,727	2,936	3,311
Taxes	434	566	687	740	834
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,272	1,709	2,040	2,196	2,477
Adjusted Net Profit	1,272	1,709	2,040	2,196	2,477
Net Margin	52.6%	55.0%	57.9%	54.2%	53.1%
Diluted Share Cap. (mn)	128.4	127.8	127.8	127.8	127.8
Diluted EPS (INR)	9.9	13.4	16.0	17.2	19.4
Diluted EPS Growth	67.6%	35.0%	19.4%	7.6%	12.8%
Total Dividend + Tax	771	895	1,632	1,757	1,981
Dividend Per Share (INR)	6.0	7.0	12.8	13.7	15.5

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,705	2,232	2,727	2,936	3,311
Depn. & Amort.	20	22	25	29	33
Net Interest Exp. / Inc. (-)	-80	-183	-180	-207	-238
Inc (-) / Dec in WCap.	1,126	-306	35	125	68
Others	-2	30	0	0	0
Taxes Paid	-439	-592	-687	-740	-834
Operating Cash Flow	2,330	1,202	1,920	2,143	2,340
Capex	-27	-15	-6	-24	-27
Free Cash Flow	2,303	1,187	1,914	2,119	2,313
Inc (-) / Dec in Investments	0	0	0	0	0
Others	-1,084	121	183	211	243
Investing Cash Flow	-1,110	106	177	187	215
Inc / Dec (-) in Capital	0	-472	0	0	0
Dividend + Tax thereon	-835	-895	-1,632	-1,757	-1,981
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-13	-18	-3	-4	-5
Financing Cash Flow	-848	-1,385	-1,636	-1,761	-1,986
Inc / Dec (-) in Cash	371	-77	462	569	569
Opening Cash Balance	114	485	408	870	1,439
Closing Cash Balance	485	408	870	1,439	2,009

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,795	2,095	2,503	2,943	3,438
Share Capital	128	128	128	128	128
Reserves & Surplus	1,667	1,968	2,376	2,815	3,310
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-6	-46	-46	-46	-46
Total - Equity & Liab.	1,789	2,049	2,457	2,896	3,392
Net Fixed Assets	79	72	54	49	44
Gross Fixed Assets	173	153	159	182	210
Intangible Assets	0	2	2	2	2
Less: Depn. & Amort.	94	83	108	136	169
Capital WIP	0	0	0	0	0
Investments	2,276	2,340	2,339	2,339	2,339
Current Assets	1,028	936	1,481	2,134	2,815
Inventories	0	0	0	0	0
Sundry Debtors	263	275	324	365	427
Cash & Bank Balances	485	408	870	1,439	2,009
Loans & Advances	28	1	1	1	1
Other Current Assets	252	252	286	329	379
Current Liab. & Prov.	1,594	1,299	1,417	1,626	1,806
Current Liabilities	863	373	372	430	438
Provisions & Others	730	926	1,045	1,195	1,368
Net Current Assets	-565	-363	64	508	1,009
Total - Assets	1,789	2,049	2,457	2,896	3,392

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	52.6%	55.0%	57.9%	54.2%	53.1%
Asset Turnover (x)	1.2	1.3	1.4	1.4	1.4
Leverage Factor (x)	1.2	1.2	1.1	1.1	1.1
RoE	80.6%	87.9%	88.7%	80.6%	77.6%

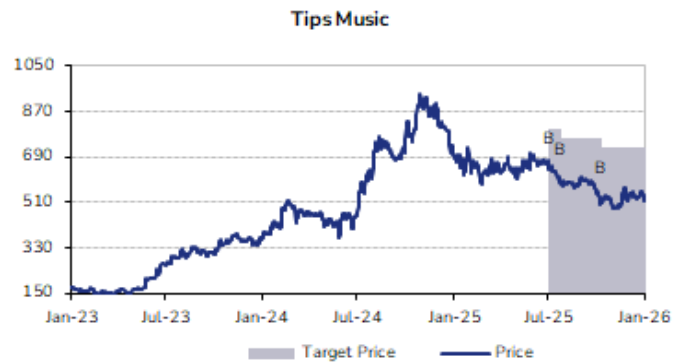
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	14.0	16.4	19.6	23.0	26.9
ROIC	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	80.6%	87.9%	88.7%	80.6%	77.6%
Net Debt/Equity (x)	-1.5	-1.3	-1.3	-1.3	-1.3
P/E (x)	52.3	38.7	32.5	30.2	26.7
P/B (x)	37.1	31.6	26.5	22.5	19.3
EV/EBITDA (x)	40.0	30.1	24.5	22.6	19.9
EV/Sales (x)	26.3	20.4	17.9	15.4	13.3
Debtor days	40	32	34	33	33
Inventory days	0	0	0	0	0
Creditor days	64	71	74	71	61

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
9-Jul-25	Buy	800	
30-Jul-25	Buy	765	-4.4
16-Oct-25	Buy	730	-4.6

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: 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 1177 Avenue of the Americas, 5th Floor, Offices 5045 and 5046, New York, New York 10036. Telephone +1 (332) 900 4956 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.