EQUITY RESEARCH

RBC Capital Markets

February 3, 2026

# Global Energy Best Ideas List

**Our view:** In January, the RBC Global Energy Best Ideas List was up 10.7% sequentially compared to the iShares S&P Global Energy Sector ETF (IXC), which was up 13% and a hybrid benchmark (75% IXC, 25% JXI – iShares Global Utilities ETF) that was up 10.7% on a sequential basis. This month, there are no additions to or removals from the RBC Global Energy Best Ideas List.

| Total Return Comparison | January | YTD | Inception |
|---|---|---|---|
| iShares S&P Global Energy (IXC) | 13.0% | 13.0% | 58.5% |
| Hybrid Benchmark (75% IXC, 25% JXI) | 10.7% | 10.7% | 81.8% |
| RBC Global Energy Best Ideas | 10.7% | 10.7% | 235.6% |

**January List Changes:**

**Additions: None**

**Removals: None**

RBC GLOBAL ENERGY BEST IDEAS LIST

| | Ticker | Rating[1] | Analyst | Mkt Cap (mn) | Date Added | Add Price | Current Price | Price Target |
|---|---|---|---|---|---|---|---|---|
| **Integrated Energy** | | | | | | | | |
| Suncor Energy | SU-CA | OP | Pardy | C$86,467 | 3-1-23 | C$45.86 | C$71.98 | C$69.00 |
| TotalEnergies | TTE-PAR | OP | Borkhataria | €133,785 | 6-8-25 | €51.94 | €60.63 | €70.00 |
| **Exploration & Production** | | | | | | | | |
| California Resources | CRC-US | OP | Hanold | $4,720 | 9-2-24 | $52.47 | $52.86 | $70.00 |
| Chord Energy Corporation | CHRD-US | OP | Hanold | $5,494 | 5-1-24 | $176.98 | $96.61 | $128.00 |
| ConocoPhillips | COP-US | OP | Hanold | $125,784 | 5-1-24 | $125.62 | $101.79 | $118.00 |
| Permian Resources | PR-US | OP | Hanold | $13,066 | 12-3-25 | $14.74 | $15.74 | $18.00 |
| PrairieSky Royalty | PSK-CA | OP | Harvey | C$6,760 | 12-5-24 | C$29.56 | C$29.05 | C$35.00 |
| Canadian Natural Resources | CNQ-CA | OP | Pardy | C$103,968 | 4-1-22 | C$38.71 | C$49.91 | C$61.00 |
| Ovintiv Inc. | OVV-US | OP | Pardy | $10,758 | 5-1-26 | $38.79 | $42.48 | $55.00 |
| Woodside Energy | WDS-AU | OP | Ramsay | A$47,356 | 7-3-24 | A$28.21 | A$24.91 | A$31.50 |
| **Oilfield Services** | | | | | | | | |
| Enerflex Ltd. | EFXT-US | OP | Mackey | $2,260 | 2-1-24 | $5.16 | $18.60 | $20.00 |
| SLB | SLB-US | OP | Mackey | $71,851 | 1-4-22 | $29.95 | $48.05 | $54.00 |
| **Midstream** | | | | | | | | |
| AltaGas Ltd. | ALA-CA | OP | Choy | C$12,954 | 8-1-23 | C$26.03 | C$41.63 | C$48.00 |
| Pembina Pipeline Corporation | PPL-CA | OP | Choy | C$32,550 | 9-1-22 | C$46.38 | C$56.02 | C$62.00 |
| Cheniere Energy, Inc. | LNG-US | OP | Scotto | $44,717 | 6-2-25 | $236.99 | $207.76 | $271.00 |
| Williams Companies, Inc. | WMB-US | OP | Scotto | $81,016 | 11-3-25 | $57.87 | $66.34 | $75.00 |
| **Utilities, Refiners, Infrastructure & Renewables** | | | | | | | | |
| EDP Renováveis, S.A. | EDPR-LIS | OP | Garcia | €13,411 | 7-2-25 | € 9.48 | €12.76 | €16.00 |
| Northland Power | NPI-CA | OP | Ng | C$4,948 | 12-7-23 | C$22.82 | C$18.92 | C$27.00 |
| Superior Plus | SPB-CA | OP | Ng | C$1,619 | 12-7-22 | C$9.82 | C$7.26 | C$11.00 |

Current price as of market close, February 2, 2026 ET.
1-OP = Outperform.
Performance returns do not take into account relevant costs, including commissions and interest charges or other applicable expenses that may be associated with transactions in this Equity Best Ideas list. Past performance is not, and should not be viewed as, an indicator of future performance.
Source: RBC Capital Markets estimates, FactSet


**RBC Dominion Securities Inc.**
**Research RBCCM Global Energy** (Equity)
(416) 842-7575, rbccmglobalenergy@rbccm.com
**Greg Pardy**, CFA (Head of Global Energy Research)
(416) 842-7848, greg.pardy@rbccm.com
**Michael Harvey**, P.Eng. (Analyst)
(403) 299-6998, michael.harvey@rbccm.com
**Keith Mackey**, CFA (Analyst)
(403) 299-6958, keith.mackey@rbccm.com
**Maurice Choy**, CFA, CA, CPA (Analyst)
(604) 257-7632, maurice.choy@rbccm.com
**Nelson Ng**, CFA (Analyst)
(604) 257-7617, nelson.ng@rbccm.com
**Rob Mann**, CFA (Analyst)
(416) 842-7915, robert.mann@rbccm.com

**RBC Europe Limited**
**Biraj Borkhataria**, CFA (Head of Global Energy Transition Research)
+44 20 7029 7556, biraj.borkhataria@rbccm.com
**Victoria McCulloch**, CA (Analyst)
+44 20 7429 8530, victoria.mcculloch@rbccm.com
**Adnan Dhanani**, CFA (Analyst)
+44 20 7029 7810, adnan.dhanani@rbccm.com
**Fernando Garcia** (Analyst)
+44 20 7029 0267, fernando.garcia@rbccm.com

**RBC Capital Markets, LLC**
**Scott Hanold** (Analyst)
(512) 708-6354, scott.hanold@rbccm.com
**Elvira Scotto**, CFA (Analyst)
(212) 905-5957, elvira.scotto@rbccm.com

**Royal Bank of Canada, Sydney Branch**
**Gordon Ramsay** (Analyst)
+61 3 8688 6578, gordon.ramsay@rbccm.com

# This Month's Additions and Removals from the Global Energy Best Ideas List

## Exhibit 1 - This Month's Additions

- There are no additions this month to the RBC Global Energy Best Ideas List.

## Exhibit 2 - This Month's Removals

- There are no removals this month from the RBC Global Energy Best Ideas List.

RBC Capital Markets

# Investment Highlights

**Below, we provide a summary of our analysts' views on each *Best Idea*.**

## AltaGas Ltd. (ALA)

**Maurice Choy, Analyst**
(604) 257-7632
maurice.choy@rbccm.com
**Rating:** Outperform
**Price target:** CAD 48.00

- **Stronger price valuation should emerge as AltaGas progresses through its derisking initiatives…** These initiatives reflect: (1) a focus by the company to strengthen the base cash flows (i.e., increased contracting); (2) its pursuit of contracted and/or regulated growth on an equity self-financed basis; and (3) a plan to reduce leverage to 4.0x debt/EBITDA (or 4.65x when including 50% of hybrid and preferred capital) and possibly even lower.
- **… and growth projects.** AltaGas possesses a combination of medium-sized growth opportunities (e.g., REEF joint venture, expansion of the Pipestone plant), low capital intensity expansions and optimizations at the existing assets (e.g., near-term expansions of MVP), and opportunities to increase returns at its regulated utilities, all of which should help support an attractive growth profile.
- **Increasingly visible path to reaching its long-term debt/EBITDA target with the potential to go lower.** AltaGas believes that the de-leveraging plan in place, following the decision to retain its 10% stake in the Mountain Valley Pipeline (MVP), will allow for the same net near-term de-leveraging as would have been achieved through a full monetization of MVP; further, we believe the market will positively receive steps the company may take to meaningfully lower debt/EBITDA below its target and build balance sheet room, including to take advantage of future opportunities as they arise.

## California Resources (CRC)

**Scott Hanold, Analyst**
(512) 708-6354
scott.hanold@rbccm.com
**Rating:** Outperform
**Price Target:** USD 70.00

- **We expect CRC shares to outperform the peer group over the next 12 months.** CRC provides investors with a unique opportunity to own responsibly sourced oil & gas where there is now a more visible path to production resiliency along with exposure to an evolving 'clean energy' (CCS) business with significant upside and growth. The much-improved California oil & gas regulatory environment, momentum, and potential for the Carbon Management Business (CMB), and attractive valuation underpin a strong investment case. Our risked NAV is $80-85/ share using a 12% discount rate.
- **Improving outlook for the upstream business.** Established laws are in place providing a runway over the next decade for new oil & gas development. We expect a maintenance to potential modest growth profile comes in 2027/2028 assuming a constructive oil macro outlook. The duration and low subsurface risk nature of CRC's conventional inventory is similar to larger global and/or many Canada (oil sands) E&Ps, with an added benefit of ample capacity and a lower carbon footprint. CRC has a 20+ year drilling inventory of vertical infill development with predictable outcomes with modest declines.
- **Carbon management business just getting started.** CRC's Elk Hills gas plant starts up early 2026 and is California's first $CO_2$ sequestration project. Legislative efforts including $CO_2$ pipeline regulations now open the door to more potential opportunities. CRC remains actively engaged with hyper-scalers/industrial users for a behind-the-meter power solution that has a carbon-free option. The focus is the right deal to maximize the value opportunity as CRC's offering is unique. CRC has over 900 MW of power and uses ~50% for its operations.

RBC Capital Markets

## Canadian Natural Resources (CNQ)

**Greg Pardy, Head of Global Energy Research**
(416) 842-7848
greg.pardy@rbccm.com
**Rating**: Outperform
**Price target:** CAD 61.00

- **Globally distinguished.** We believe Canadian Natural Resources' management committee structure and shareholder alignment are unique factors which distinguish the company globally. CNQ's long-life, low-decline portfolio—anchored by low sustaining capital—affords the company with free cash flow generation throughout the cycle.
- **Strong alignment.** CNQ has no CEO. Instead, the company is stewarded by a management committee. This group meets weekly, and oversees all matters ranging from marketing, finance, sustainability, operations and technology amongst others.
- **Chevron & Shell Deals.** In 2025, Canadian Natural Resources closed its US$6.5 billion (circa $8.8 billion) cash acquisition of Chevron's assets in western Canada—including a 20% wi in the Athabasca Oil Sands Project (AOSP) and 70% operated interest in the Duvernay Shale—which was a strategically sound and accretive deal in our books. It also fits CNQ's now familiar playbook of consolidating attractive energy assets in Canada as the majors and others seek to exit. Please see Chevron Deal—Threading the Needle for more. CNQ also closed its asset swap with Shell, exchanging its 10% working interest in the Scotford Upgrader and Quest Carbon Capture and Storage project for Shell Canada Limited's remaining 10% working interest in the AOSP mines. Please see Shell AOSP Asset Swap—A Solid Piece of Business for more details.
- **Updated Shareholder Returns.** Commensurate with the announcement of the Chevron acquisition, CNQ updated its shareholder returns policy. This included raising its common share dividend 7% to an annualized rate of $2.25 per share. The company also revised its net debt target to $12 billion, up from $10 billion, given the increase in its free cash flow generative power post the deal. CNQ's updated shareholder returns framework (effective upon closing of the transaction) is as follows: 60% of free cash flow (adjusted funds flow less all capital and dividends) allocated to shareholder returns and 40% to the balance sheet until net debt reaches $15 billion; 75% of free cash flow allocated to shareholder returns and 25% to the balance sheet when net debt is between $12 billion and $15 billion; and 100% of free cash flow allocated to shareholder returns when net debt is at or below $12 billion. Importantly, CNQ was largely able to preserve shareholder returns on an absolute basis post-deal, despite the temporarily lower free cash flow payout.

## Cheniere Energy, Inc. (LNG)

**Elvira Scotto, Analyst**
(212) 905-5957
elvira.scotto@rbccm.com
**Rating**: Outperform
**Price target:** USD 271.00

- **Highly contracted nature provides a defensive setup.** We believe LNG's highly contracted nature provides a defensive setup supported by stable cash flows that are underpinned by long-term take or pay contracts with high quality credit counterparties. LNG has minimal open capacity which limits its exposure to global natural gas prices, although lifting margin could benefit from higher Henry Hub prices.
- **Returning significant cash to shareholders.** LNG is returning significant cash to shareholders via dividends and share buybacks. We expect LNG will continue to execute its capital return strategy going forward given its large remaining share repurchase authorization and solid balance sheet that provides financial flexibility.
- **Potential growth with expansion opportunities.** We believe LNG can also drive longer-term growth with its Corpus Christi Stage 3 and potential Sabine Pass expansion projects, and see additional contracts and receipt of permits as positive catalysts for the stock.

## Chord Energy Corporation (CHRD)

**Scott Hanold, Analyst**
(512) 708-6354
scott.hanold@rbccm.com
**Rating**: Outperform
**Price target:** USD 128.00

- We believe CHRD shares should outperform the peer group over the next 12 months.
- We forecast a peer-leading 10+% FCF yield that has sustainability given its 10+ years of economic inventory. The announced ERF merger provides better visibility for that runway. With minimal debt, CHRD has a robust shareholder return that currently supports its minimum 75% return.
- We believe CHRD's focus on longer-lateral development across its entire acreage has the potential to deliver additional upside economics and value.

## ConocoPhillips (COP)

**Scott Hanold, Analyst**
(512) 708-6354
scott.hanold@rbccm.com
**Rating**: Outperform
**Price target:** USD 118.00

- We believe COP shares should outperform the peer group over the next 12 months.
- The depth, quality, and diversity of the company's global inventory is unmatched to its E&P peers in our view.
- The company's strong balance sheet provides a strategic advantage to increase shareholder value through commodity price cycles.
- COP has a low break-even point where it can fund its production maintenance capital and dividend at below $40/bbl WTI prices. This defensive posture positions the company favorably should commodity prices take a downturn.

## EDP Renováveis, S.A. (EDPR)

**Fernando Garcia, Analyst**
+44 20 7029 0267
fernando.garcia@rbccm.com
**Rating**: Outperform
**Price target:** EUR 16.00

- **Trading at discount to invested capital.** EDPR is trading at a discount on invested capital in our estimates on US renewable regulation (~50% of EDPR's business), but the current framework appears reasonably supportive for the company. EDPR is developing 1.5GW in the US in 2026-27 through safe harbour, of which 0.3GW with PPAs, and in our view it should achieve significantly higher merchant/PPAs prices for the remaining 1.2GW. The value of the existing installed capacity should increase on higher power prices due to the end of renewable deployment in the US while electricity demand is increasing.
- **Underlying earnings improving.** We expect recurring earnings growth (ex-asset rotation) of 20% in 2025, following periods with low load factors (the renewables index was 2% and 6% below average in 2024 and 2023, respectively), lower average selling prices and non-recurring impacts such as Romanian clawbacks and Colombia project delays.
- **Buybacks possible.** EDPR's message in terms of the commitment to reducing leverage looks reassuring with the company saying it has "2026 and 2027 growth optionality under a disciplined return/risk criteria." We believe this could result in net debt falling not only in 2025 but 2026 too. We believe share buybacks could be one of the options when the balance sheet is repaired by the end of the year, if the share price continues to be depressed.

## Enerflex Ltd. (EFXT)

**Keith Mackey, Analyst**
(403) 299-6958
keith.mackey@rbccm.com
**Rating**: Outperform
**Price target:** USD 20.00

- **Exposure to growth trends.** Enerflex stands out as the only stock in our energy services coverage group with positive Street earnings revisions for 2025 and 2026. We expect double-digit percentage EBITDA growth 2025, and a measured pace of growth from 2025-2027. Key growth drivers include investments in expanding its US contract compression fleet and steady expansion of its after-market service business. We expect Engineered Systems to be supported by its $1.1Bn backlog.
- **Improving free cash flow driven by margin expansion.** We expect improvement in free cash flow to be driven by margin expansion alongside stable capital investment. At our numbers, EBITDA margins should increase by over 350bps from 2023 to 2026, reaching 20%.
- **Capital allocation strategy broadening to include shareholder returns.** We expect Enerflex to begin to allocate meaningful FCF to shareholders, versus a minimal amount in 2021-2024. To that end, the company recently increased its dividend and implemented a share buyback program.
- **Discounted valuation provides return opportunity in our view.** We believe a sum-of-the-parts valuation opportunity is moving closer to reality. Enerflex trades at a 2026E EV/EBITDA multiple of 5.3x, however, there is a clear peer valuation marker for the US contract compression part of its business. We believe continued operational performance and judicious capital allocation should close the gap to peers.

- See our latest EFX note here.

## Northland Power (NPI)

**Nelson Ng, Analyst**
(604) 257-7617
nelson.ng@rbccm.com
**Rating**: Outperform
**Price target:** CAD 27.00

- **Projects under construction should de-risk in 2026.** We believe sentiment and the share price should improve as the company de-risks its major projects under construction in 2026. The offshore wind projects in Poland and Taiwan remain on time and on budget, with the Polish project scheduled to be completed by late 2026, while we expect the Taiwan project to be mechanically completed by October 2026, and fully commissioned in early 2027. We expect these projects to generate ~$550 million of EBITDA and ~$180 million of free cash flow annually upon completion, representing ~45% and ~55% of 2025 guidance, respectively. With most construction costs locked in, fixed interest rates, we believe the projects are significantly de-risked, and the market should begin to reflect more value as key milestones are achieved.
- **More clarity in Taiwan in 2026.** We expect to get better colour on the Taiwan offshore wind project with respect to the pace of commissioning and size of a capital injection in 2026. The current base case is a $150 million capital injection due to the slower-than-expected pace of commissioning activities.
- **Shares trade at an attractive valuation.** We believe NPI shares are attractively valued, trading at a significant discount to the value of its high-quality operating assets and fully funded projects under construction. Following a ~35% decline in the share price after the company announced a 40% dividend cut and released 2030 guidance in November 2025, the market appears to overlook the strong cash flow visibility provided by the company's highly contracted and regulated portfolio. We estimate that the value of the company's operating assets and projects under construction should have a value of at least $23/share.

## Ovintiv Inc (OVV)

**Greg Pardy, Head of Global Energy Research**
(416) 842-7848
greg.pardy@rbccm.com
**Rating**: Outperform
**Price target:** USD 55.00

- **Streamlined Portfolio.** Ovintiv's $2.7 billion acquisition of NuVista provides inventory depth in the oil-rich window of the Alberta Montney directly adjacent to its operations, which should boost the company's oil & condensate production in the play to about 85,000 bbl/d pro-forma. Additionally, the company's announced intentions to dispose of its Anadarko Basin assets (targeted for completion by year-end 2026) and direct proceeds toward net debt reduction will accelerate Ovintiv's deleveraging progress toward its long-term net debt target of $4 billion, as we explored in Upgrading to Outperform. Aside from some staggering, these two announced deals mirror Ovintiv's announced $2.4 billion cash acquisition of Montney assets from Paramount Resources in November 2024 that was largely funded by its coinciding $2.0 billion Uinta disposition. All said, the transactions serve to complete the company's portfolio streamlining process into two high-quality basins—the Permian and Montney.
- **Enhanced Shareholder Returns.** Prior to the announcement of the NuVista deal which will see Ovintiv pause share buyback activity for two quarters (4Q25-1Q26), the company was returning 50% of free cash flow (post dividends) to shareholders. Upon completion of the Anadarko disposition process and subsequent achievement of its $4 billion net debt target, the company plans to update its free cash flow (post dividends) allocation framework to direct a greater portion toward shareholder returns. Under our base outlook, we have factored in the company's free cash flow payout ratio rising from 50% to 75% in the fourth-quarter of 2026.
- **Montney & Permian Inventory Depth.** Pro-forma the NuVista acquisition, Ovintiv highlighted 15-20 years of premium inventory (>35% IRR at $55/bbl WTI & $2.75/mmBtu NYMEX) in the Montney. The company also has 12-15 years of inventory in the Permian that it would deem as premium, and completed circa $250 million in bolt-on acquisitions which closed in early October.

***RBC Capital Markets is acting as financial advisor to NuVista Energy Ltd. in connection with its announced agreement to be acquired by Ovintiv Inc. and Ovintiv Canada ULC as press released on November 04, 2025.***

## Pembina Pipeline Corporation (PPL)

**Maurice Choy, Analyst**
(604) 257-7632
maurice.choy@rbccm.com
**Rating**: Outperform
**Price target:** CAD 62.00

- **Well-positioned to benefit from higher WCSB production.** Whether it be uncontracted capacity or within its contract structures that blend minimum take-or-pay levels with fee-for-service upside as volumes grow, we expect Pembina to benefit from growing gas and liquids volumes in the Western Canada Sedimentary Basin (WCSB). Further, growing volumes could result in contract extensions and/or incremental new contracts that support Pembina's base business and/or underpin new expansion projects.
- **Strong free cash flow generation offers a range of capital allocation opportunities.** We believe Pembina's tried and tested financial guardrails offer the company an effective risk framework to execute a low-risk strategy that ultimately delivers sustainable organic growth and attractive dividends to shareholders on a self-funded basis. Over the 2024-2026 period, the company expects to generate largely neutral to slightly positive free cash flow after dividends and all capex, which we view as attractive particularly given elevated capex levels associated with its announced growth projects, including Cedar LNG.
- **Solid base of business with a commodity kicker.** Pembina's guardrails target over 80% of EBITDA coming from fee-based revenues, primarily underpinned by take-or-pay or cost-of-service contracts, which underpin the dividend. As upside optionality, Pembina's Marketing division can benefit from leveraging its asset base to take advantage of various commodity spreads.

## Permian Resources (PR)

**Scott Hanold, Analyst**
(512) 708-6354
scott.hanold@rbccm.com
**Rating**: Outperform
**Price target:** USD 18.00

- **Highly competitive Delaware position.** The company has large, contiguous acreage positions in the core of the southern and northern Delaware Permian with a 12-15 year inventory alongside a sizable position in the southern Midland Permian. Consolidation remains a consideration but PR's 12+ year drilling inventory supporting maintenance production provides the flexibility to be patient and opportunistic.
- **Operational performance driving 2026.** Management appears confident in the ability to hold capital flat at these levels while generating strong FCF with the dividend covered down to $40/bbl (WTI). Operationally, PR remains solid demonstrated by a strong step-up in organic production while spending relatively unchanged. We think PR can maintain the higher production base on a similar capital spend YoY due to operational and financial efficiencies.
- **Shareholder return strategy remains strong.** Management prioritizes a strong, growing fixed dividend along with stock buybacks. The fixed dividend (4.5% yield), likely gets a boost in early 2026 and stock buybacks are more opportunistic. Remaining FCF further enhances an already strong balance sheet (0.8x leverage ratios). Excess shareholder returns could be allocated to M&A, but PR is focusing on ground game-transactions in the near term. The opportunity set appears more on smaller transactions with commodity macro volatility hindering larger deals.

## PrairieSky Royalty (PSK)

**Michael Harvey, Analyst**
(403) 299-6998
michael.harvey@rbccm.com
**Rating**: Outperform
**Price target:** CAD 35.00

- **Largest royalty owner in WCSB – Diversified.** PrairieSky's 2026E/27E production profile is 64%/64% liquids-weighted with royalty revenue driven by liquids at 87%/85%. PrairieSky is the largest royalty landowner in the WCSB (18.5 million acres; 9.8/8.7 million acres Fee/GORR lands) and is supported by some of the top operators. The company has significant lands in all key plays throughout the WCSB. We expect 2026E/27E corporate production to increase by 3%/4% with the Mannville Heavy, Clearwater and Duvernay plays leading the pack in activity. The royalty business model is also insulated from industry cost inflation, providing margin stability. See our recent quarterly note here and PSK's Investor Day highlights here.
- **Multi-lateral tailwind – Ample inventory for growth.** PrairieSky has the largest Clearwater royalty acreage position with over 1.4 million acres namely with its key operating partner, Spur Petroleum. PSK's current Clearwater royalty volumes map towards ~2,400 bbl/d with play activity effectively doubling over the prior three years PSK has also seen the implementation of modern drilling techniques into established fields, most notably in the Mannville Heavy Oil stack, which accounts for 14% of the company's FPV (future potential value) and 2,590 future locations. The company owns ~1.3 million acres of royalty land within the play, namely with its key counterparties (Canadian Natural Resources Ltd., Caltex Trilogy, and others) where total royalty volumes are in the range of 800 bbl/d. Activity levels in the stack and low supply costs suggest to us that PSK is well positioned to benefit, where we forecast 15-20% YoY growth within the play assuming crude prices remain at current levels. Multi-lateral prospects now constitute roughly one-third of drilling activity and 15–20% of corporate royalty volumes, suggesting that overall share of volumes will increase.
- **FCF allocation – Focus on the buyback, sustainable dividend.** During 2025, PSK reinitiated their buyback program after being dormant since 2021. At its recent Investor Day, the PSK team noted a preference for buybacks over dividends, though this is largely a function of stock valuation and positioning in the market cycle. On strip, we estimate a 63%/65% effective payout ratio in 2026/27.

## SLB (SLB)

**Keith Mackey, Analyst**
(403) 299-6958
keith.mackey@rbccm.com
**Rating**: Outperform
**Price target:** USD 54.00

- **Leading size, scale, geographic reach.** SLB's size, scale, and geographic diversification leave it favorably positioned under prevailing industry trends, in our view. We believe SLB is well-positioned to benefit from the next leg of growth in International markets. Over the long term, we believe International short and longer cycle investment should increase, led by Latin America, the Middle East, and key offshore basins.
- **Digital evolution to drive financial results.** Growing contribution from the Digital business should drive margin accretion over time. Integrated digital platform adoption also improves revenue stability and provides a competitive advantage as the E&P industry increasingly embraces efficiencies. Over time, we believe the reduced capital intensity should drive improvement in the company's financial metrics. We believe the increased disclosure should provide more visibility on the digital growth. Notably, SLB expects its digital business to outpace its core business by double digits.
- **CHX acquisition adds future upside potential.** The acquisition of CHX enhances SLB's exposure to future growth markets and strengthens its position as a leader in the production space and provides margin upside as the company expects to realize $400MM of annual synergies within the first three years, with 70%-80% of the synergies realized in the first 24 months.
- **Attractive valuation.** SLB is trading at a 2026E EV/EBITDA multiple of 9.1x, versus its long-term average of approximately 10.4x. We ultimately believe SLB is attractively valued given its leading margins, strong FCF generation, and a peer leading 6% 2026E TSR yield. See our latest SLB note here.

## Suncor Energy Inc. (SU)

**Greg Pardy, Head of Global Energy Research**
(416) 842-7848
greg.pardy@rbccm.com
**Rating**: Outperform
**Price target:** CAD 69.00

- **Leadership Making an Impact.** President & CEO Rich Kruger wasted no time making his presence felt within the company and market following his appointment in April 2023. What's clear to us is that the emphasis on high-performance and accountability has been well-received throughout the organization. A continual focus on the identification and elimination of constraints or limiting factors company-wide that can be modified or changed to increase capacity and/or improve utilization rates appears at the root of Suncor's strong operating performance in 2025.
- **Shareholder Returns.** Suncor announced the early achievement of its $8.0 billion net debt target alongside its 2024 third-quarter results, which unlocked the allocation of at/near 100% of excess funds flow towards share repurchases on an annual basis, up from 75% previously. More recently, alongside the company's third-quarter 2025 results, Suncor raised its common dividend by 5% to an annualized rate of $2.40 per share.
- **Business Update.** Suncor's 2024 Business Update (2024-26) emphasized the power of its integrated model and big opportunity to capture low-hanging fruit across its portfolio. Recently, the company highlighted that it has achieved its targeted three-year corporate goals released at its 2024 Business Update one year ahead of its plan. These included a US$10/bbl reduction in its WTI corporate breakeven and an incremental 100,000 bbl/d of production over the 2023-26 timeframe, alongside an increase in normalized free funds flow of $3.3 billion.
- **Long-Term Bitumen Supply Options.** We anticipate that Suncor's long-term production visibility (and indirectly its reserve-life index) to offset Base Mine depletion in the 2030+ timeframe may be framed at its investor open house on March 31, 2026, providing a 10-20 year bitumen supply plan. We suspect this event could serve at a positive catalyst for the company and a key ingredient in building a premium relative valuation.

## Superior Plus (SPB)

**Nelson Ng, Analyst**
(604) 257-7617
nelson.ng@rbccm.com
**Rating**: Outperform
**Price target:** CAD 11.00

- **Robust share buyback program.** The company has outlined a balanced capital allocation strategy for the next three years, allocating 50% of capital to share buybacks (~C$140 million/ year, ~8% of market cap) and debt reduction, with the remaining 40% and 10% directed towards capex and dividends, respectively. We view this favourably, as the plan supports share repurchases of ~C$400 million while enabling deleveraging to 3x Debt/EBITDA by 2027E (from 4x in 2024).
- **Management focused on driving upside in the propane business.** Superior Plus operates an attractive propane distribution business, targeting US$75 million of incremental EBITDA growth (+15%) by 2027 through its "Superior Delivers" initiatives. These efforts aim to lower costs-to-serve, enhance the customer value proposition, and increase customer density to drive predictable cash flows (weather-dependent). As the largest propane distributor in Canada (35% market share) and fourth largest in the U.S. (4%), the company has shifted from a roll-up strategy to organic growth.
- **Trades at deep discount to closest peer.** We view Superior Plus shares as attractively valued, trading at a deep discount to its closest propane distribution peer. The stock appears to imply limited value for the Certarus business, despite Certarus generating US$147 million of EBITDA over the last four quarters (~30% of the company's total) and holding a leading ~30% market share in compressed natural gas distribution. While margin pressure in this division has weakened sentiment, management has adopted a more disciplined capital approach, with the aim of stabilizing margins.

## TotalEnergies (TTE)

**Biraj Borkhataria, Global Head of Energy Transition Research**
(+44) 20-7029-7556
biraj.borkhataria@rbccm.com
**Rating**: Outperform
**Price target:** EUR 70.00

- **Track record of defensiveness.** Amid broader market turmoil, we believe a key positive attribute of the TTE investment case is its defensiveness, on show through the worst of the pandemic when it was the only European major to not cut the dividend. The management team has navigated the company well through various downturns over the past decade while also showcasing strength in executing counter-cyclical activity.
- **Differentiated growth potential.** Amid evolving views on the energy transition, we think focus is likely to shift to who can grow underlying cash flow medium term without support from the macro. In recent years, TTE has portrayed itself as the 'growthy' European major, with less emphasis on winding down its oil and gas business to build its new transition engine(s) than peers. TTE offers a more balanced approach to EPS and FCF/share growth than many of its peers, with growing headline volumes across liquids and gas into the 2030 time period, a strengthening LNG portfolio and diversified growth in its power segment.

## Williams Companies, Inc. (WMB)

**Elvira Scotto, Analyst**
(212) 905-5957
elvira.scotto@rbccm.com
**Rating**: Outperform
**Price target:** USD 75.00

- **We think WMB is well positioned to benefit from growing power and natural gas demand.** We expect WMB will be among the biggest beneficiaries of growing power and natural gas demand given its existing asset footprint and attractive opportunity set that can drive growth through 2030 and beyond. WMB's transmission projects, anchored around Transco expansions, should meaningfully grow capacity and visible cash flows over time. WMB is evaluating additional high-return, fast-to-market Power Innovation projects with hyper-scalers that can drive meaningful EBITDA growth with no commodity/power price risk.
- **Strong balance sheet can support growth.** WMB's balance sheet strength provides the financial flexibility to pursue incremental growth and remain within its targeted leverage range of 3.5-4.0x, in our view. While leverage may move slightly higher in the short term, we believe the low build multiples and relatively fast in-service timelines would drive it lower at an accelerated pace as projects are placed into service.
- **Potential for growth beyond our estimates.** Our estimates could prove conservative as we do not include any transmission projects that have not already been announced. WMB has a large backlog of identified potential transmission projects that could come online from 2027-2033 and would drive incremental growth at attractive build multiples.

## Woodside Energy (WDS)

**Gordon Ramsay, Analyst**
+61 3 8688 6578
gordon.ramsay@rbccm.co
**Rating**: Outperform
**Price target:** AUD 31.50

- **Production to grow by more than 50% to over 300 mmboe** by the early 2030s, mainly from a mixture of world-class Australian and international LNG and high margin oil projects. We see Woodside doubling its global LNG portfolio to ~24 Mtpa by the early 2030s.
- **Net operating cash flow to grow at a CAGR of more than 6%** through to 2032 (Mid-Case) to ~US$9bn after Woodside's next generation cash-generative assets come online.
- **Scarborough (WDS 75% and operator)** in Western Australia was 91% complete at 30 Sept and is on track for first LNG from 2H 2026. Long-term cash flows from the Scarborough gas field expand Pluto LNG life (new Pluto LNG T-2 development) and also extend the life of the Woodside operated North West Shelf LNG project (Environmental approval to 2070).
- **Louisiana LNG (WDS 90% HoldCo, 54% InfraCo)** US Gulf Coast three train 16.5 Mtpa foundation project was 19% complete at 30 Sept and is expected on stream by 2029. **Stonepeak Partners** acquired 40% of InfraCo in exchange for contributing US$5.7bn to project capex in 2025 and 2026. **Williams** has outlayed US$378m to acquire 10% in HoldCo (6% of InfraCo), and 80% in Driftwood Pipeline LLC, plus LNG offtake. We expect Woodside to make further HoldCo equity sales that include LNG offtake. The uncommitted T-4 and T-5 11 Mtpa project expansion is now included in Woodside’s Mid-Case scenario.
- **Sangomar (WDS 82% and Operator)** Phase 1 offshore Senegal, West Africa, started up in June 2024 and has outperformed by delivering exceptional S500 reservoir oil production performance and operating reliability. We remain optimistic with respect to a potential Phase 2 future development based on the S400 upper sandstone reservoir.
- **Trion (WDS 60% and operator)** in the offshore Mexican side of the Gulf was 43% complete at 30 Sept with first oil of 120,000 bopd (gross) targeted in 2028. We see asset upside from an increased recovery factor, northern field area development, and potential tie backs.
- **Capital allocation framework** supported by a dividend payout ratio based on 50%-80% of underlying NPAT, with payments at the 80% level for more than a decade. After completion of the Scarborough investment phase, gearing is projected to peak at ~20% (within target range of 10-20%) and Net Debt of <US$10bn.

# Portfolio tracking

The RBC Capital Markets Global Energy Best Ideas List highlights our Research Analysts' highest conviction names across the global energy sector at the time of their addition into the list. Our objective is to highlight individual stocks that are expected to outperform the iShares Global Energy ETF (IXC) and a hybrid benchmark with a weighting towards the iShares Global Utilities ETF (JXI).

A long-only portfolio, the RBC Capital Markets Global Energy Best Ideas List is set up as follows:

- There is no limit to the number of names included in the RBC Capital Markets Global Energy Best Ideas List.
- Individual holdings are deemed to be weighted equally, with weights reset every month or any time that there is a change to the list.
- Names added to the list will remain on the list for at least one full month, i.e., there will be no mid-month additions/deletions. If we discontinue research coverage of a company included on the RBC Global Energy Best Ideas List, the stock will be removed from the list as of the next monthly publication.
- The RBC Global Energy Best Ideas has a mandatory stop loss mechanism as follows: a stock will be removed from the list if it is down 20% in the current year or down 20% since being added to the list.
- We will use the most recent closing price prior to the list being published, unless noted otherwise, as the price used for performance calculations. Therefore, any additions to or deletions from the list are recorded as have being made at their most recent closing price.
- Dividends will be added to returns from stock price movements on the day that stocks go ex. dividend.
- We will provide a monthly update on the constituent names of the list as well as past performance on or around the start of each month.
- We will include only stocks on which we have research coverage.
- We do not make provisions for taxes and/or trading commissions when adding or removing stocks from the portfolio.

**Note:** Total return data for the list as well as relevant indices are from Bloomberg and FactSet.

# Global Energy Research Team


## RBC Dominion Securities Inc.

### Integrated Oil, Senior E&P, and Oil Sands

| | | |
|---|---|---|
| **Greg Pardy, CFA (Head of Global Energy Research)** | **(416) 842-7848** | **greg.pardy@rbccm.com** |
| **Rob Mann, CFA (Analyst)** | **(416) 842-7915** | **robert.mann@rbccm.com** |
| Chris Neibert (Associate) | (416) 842-7635 | chris.neibert@rbccm.com |

### Junior & Intermediate E&P

| | | |
|---|---|---|
| **Michael Harvey, P.Eng. (Analyst)** | **(403) 299-6998** | **michael.harvey@rbccm.com** |
| Braeden Hay (Senior Associate) | (403) 476-7422 | braeden.hay@rbccm.com |

### US & Canadian Oil Field Services

| | | |
|---|---|---|
| **Keith Mackey, CFA (Analyst)** | **(403) 299-6958** | **keith.mackey@rbccm.com** |

### Canadian Power, Utilities, Pipelines and Midstream

| | | |
|---|---|---|
| **Robert Kwan, CFA (Head of Global Power, Utilities & Infrastructure Research)** | **(604) 257-7611** | **robert.kwan@rbccm.com** |
| **Maurice Choy, CFA, CA, CPA (Analyst)** | **(604) 257-7632** | **maurice.choy@rbccm.com** |
| **Nelson Ng, CFA (Analyst)** | **(604) 257-7617** | **nelson.ng@rbccm.com** |
| Trevor Bryan, CFA (AVP) | (604) 257-7383 | trevor.bryan@rbccm.com |
| Greg Andrais, CFA (Senior Associate) | (604) 257-7556 | greg.andrais@rbccm.com |

## RBC Capital Markets, LLC

### US E&P

| | | |
|---|---|---|
| **Scott Hanold (Analyst)** | **(512) 708-6354** | **scott.hanold@rbccm.com** |
| Samuel Cox (Senior Associate) | (512) 708-6309 | samuel.cox@rbccm.com |
| Octavian Jordan (AVP) | (212) 618-3012 | octavian.jordan@rbccm.com |

### Clean Energy

| | | |
|---|---|---|
| **Christopher Dendrinos, CFA (Analyst)** | **(212) 428-6522** | **christopher.dendrinos@rbccm.com** |
| Laura Deng (Senior Associate) | (212) 618-7527 | laura.deng@rbccm.com |

## RBC Capital Markets, LLC

### MLPs, Midstream

| | | |
|---|---|---|
| **Elvira Scotto, CFA (Analyst)** | **(212) 905-5957** | **elvira.scotto@rbccm.com** |
| Chris Goehring (AVP) | (512) 708-6384 | chris.goehring@rbccm.com |

## RBC Europe Limited

### Integrated Oil & Gas

| | | |
|---|---|---|
| **Biraj Borkhataria, CFA (Head of Global Energy Transition Research)** | **+44 20 7029 7556** | **biraj.borkhataria@rbccm.com** |
| **Adnan Dhanani, CFA (Analyst)** | **+44 20 7029 7810** | **adnan.dhanani@rbccm.com** |
| Matthew Russell (Associate) | +44 20 4557 7244 | matthew.russell@rbccm.com |

### Oil & Gas Equipment and Services

| | | |
|---|---|---|
| **Victoria McCulloch, CA (Analyst)** | **+44 20 7429 8530** | **victoria.mcculloch@rbccm.com** |

### European Utilities

| | | |
|---|---|---|
| **Fernando Garcia (Analyst)** | **+44 20 7029 0267** | **fernando.garcia@rbccm.com** |
| **Joseph Pepper (Analyst)** | **+44 20 4557 7410** | **joseph.pepper@rbccm.com** |
| **Alexander Wheeler (Analyst)** | **+44 20 7653 4481** | **alexander.wheeler@rbccm.com** |
| **Charlotte Mettyear (Analyst)** | **+44 20 4557 7210** | **charlotte.mettyear@rbccm.com** |
| Ziyad Jasimuddin (Senior Associate) | +44 20 7653 4757 | ziyad.jasimuddin@rbccm.com |

## Royal Bank of Canada, Sydney Branch

### Australian E&P

| | | |
|---|---|---|
| **Gordon Ramsay (Analyst)** | **+61 3 8688 6578** | **gordon.ramsay@rbccm.com** |
| **Alistair Rankin (Analyst)** | **+61 4 3907 7496** | **alistair.rankin@rbccm.com** |

# Required disclosures

## Non-U.S. analyst disclosure

One or more research analysts involved in the preparation of this report (i) may not be registered/qualified as research analysts with the NYSE and/or FINRA and (ii) may not be associated persons of the RBC Capital Markets, LLC and therefore may not be subject to FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

## Conflicts disclosures

This product constitutes a compendium report (covers six or more subject companies). As such, RBC Capital Markets chooses to provide specific disclosures for the subject companies by reference. To access conflict of interest and other disclosures for the subject companies, clients should refer to https://www.rbccm.com/GLDisclosure/PublicWeb/DisclosureLookup.aspx?entityId=1. These disclosures are also available by sending a written request to RBC Capital Markets Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7 or an email to rbcinsight@rbccm.com.

The analyst(s) responsible for preparing this research report received compensation that is based upon various factors, including total revenues of the member companies of RBC Capital Markets and its affiliates, a portion of which are or have been generated by investment banking activities of the member companies of RBC Capital Markets and its affiliates.
With regard to the MAR investment recommendation requirements in relation to relevant securities, a member company of Royal Bank of Canada, together with its affiliates, may have a net long or short financial interest in excess of 0.5% of the total issued share capital of the entities mentioned in the investment recommendation. Information relating to this is available upon request from your RBC investment advisor or institutional salesperson.

## Explanation of RBC Capital Markets Equity rating system

An analyst's 'sector' is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector average.
**Ratings**
**Outperform (O):** Expected to materially outperform sector average over 12 months.
**Sector Perform (SP):** Returns expected to be in line with sector average over 12 months.
**Underperform (U):** Returns expected to be materially below sector average over 12 months.
**Restricted (R):** RBC policy precludes certain types of communications, including an investment recommendation, when RBC is acting as an advisor in certain merger or other strategic transactions and in certain other circumstances.
**Not Rated (NR):** The rating, price targets and estimates have been removed due to applicable legal, regulatory or policy constraints which may include when RBC Capital Markets is acting in an advisory capacity involving the company.
**Risk Rating**
The **Speculative** risk rating reflects a security's lower level of financial or operating predictability, illiquid share trading volumes, high balance sheet leverage, or limited operating history that result in a higher expectation of financial and/or stock price volatility.

## Distribution of ratings

For the purpose of ratings distributions, regulatory rules require member firms to assign ratings to one of three rating categories - Buy, Hold/Neutral, or Sell - regardless of a firm's own rating categories. Although RBC Capital Markets' ratings of Outperform (O), Sector Perform (SP), and Underperform (U) most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis.

**Distribution of ratings**
**RBC Capital Markets, Equity Research**
**As of 31-Dec-2025**

| | | | Investment Banking Serv./Past 12 Mos. | |
|---|---|---|---|---|
| **Rating** | **Count** | **Percent** | **Count** | **Percent** |
| **BUY [Outperform]** | **884** | **58.31** | **282** | **31.90** |
| **HOLD [Sector Perform]** | **586** | **38.65** | **160** | **27.30** |
| **SELL [Underperform]** | **46** | **3.03** | **3** | **6.52** |

## Conflicts policy

RBC Capital Markets Policy for Managing Conflicts of Interest in Relation to Investment Research is available from us on request. To access our current policy, clients should refer to
https://www.rbccm.com/global/file-414164.pdf
or send a request to RBC Capital Markets Research Publishing, P.O. Box 50, 200 Bay Street, Royal Bank Plaza, 29th Floor, South Tower, Toronto, Ontario M5J 2W7. We reserve the right to amend or supplement this policy at any time.

## Dissemination of research

RBC Capital Markets endeavors to make all reasonable efforts to provide research content simultaneously to all eligible clients, having regard to local time zones in overseas jurisdictions. RBC Capital Markets provides eligible clients with access to Research Reports on the Firm's proprietary INSIGHT website, via email and via third-party vendors. Please contact your investment advisor or institutional salesperson for more information regarding RBC Capital Markets' research.
For a list of all recommendations on the company that were disseminated during the prior 12-month period, please click on the following link: https://rbcnew.bluematrix.com/sellside/MAR.action
The 12 month history of Quick Takes can be viewed at RBC Insight.

## Analyst certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report.

## Third-party disclaimers

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by RBC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

RBC Capital Markets disclaims all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any statements made to the media or via social media that are in turn quoted in this report, or otherwise reproduced graphically for informational purposes.

## Disclaimer

RBC Capital Markets is the business name used by certain branches and subsidiaries of the Royal Bank of Canada, including RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, RBC Capital Markets (Europe) GmbH, Royal Bank of Canada, Hong Kong Branch, Royal Bank of Canada, Singapore Branch and Royal Bank of Canada, Sydney Branch. The information contained in this report has been compiled by RBC Capital Markets from sources believed to be reliable, but no representation or warranty, express or implied, is made by Royal Bank of Canada, RBC Capital Markets, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates contained in this report constitute RBC Capital Markets'' judgement as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Nothing in this report constitutes legal, accounting or tax advice or individually tailored investment advice. This material is prepared for general circulation to clients and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The investments or services contained in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about the suitability of such investments or services. This report is not an offer to sell or a solicitation of an offer to buy any securities. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur. RBC Capital Markets research analyst compensation is based in part on the overall profitability of RBC Capital Markets, which includes profits attributable to investment banking revenues. Every province in Canada, state in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, the securities discussed in this report may not be eligible for sale in some jurisdictions. RBC Capital Markets may be restricted from publishing research reports, from time to time, due to regulatory restrictions and/ or internal compliance policies. If this is the case, the latest published research reports available to clients may not reflect recent material changes in the applicable industry and/or applicable subject companies. RBC Capital Markets research reports are current only as of the date set forth on the research reports. This report is not, and under no circumstances should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. To the full extent permitted by law neither RBC Capital Markets nor any of its affiliates, nor any other person, accepts any liability whatsoever for any direct, indirect or consequential loss arising from, or in connection with, any use of this report or the information contained herein. No matter contained in this document may be reproduced or copied by any means without the prior written consent of RBC Capital Markets in each instance.

Additional information is available on request.

**To U.S. Residents:**

This publication has been approved by RBC Capital Markets, LLC (member FINRA, NYSE, SIPC), which is a U.S. registered broker-dealer and which accepts responsibility for this report and its dissemination in the United States. Any U.S. recipient of this report that is not a registered broker-dealer or a bank acting in a broker or dealer capacity and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, should contact and place orders with RBC Capital Markets, LLC.

**To Canadian Residents:**

This publication has been approved by RBC Dominion Securities Inc.(member CIRO). Any Canadian recipient of this report that is not a Designated Institution in Ontario, an Accredited Investor in British Columbia or Alberta or a Sophisticated Purchaser in Quebec (or similar permitted purchaser in any other province) and that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report should contact and place orders with RBC Dominion Securities Inc., which, without in any way limiting the foregoing, accepts responsibility for this report and its dissemination in Canada.

**To U.K. Residents:**

This publication has been approved by RBC Europe Limited ('RBCEL') which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority ('FCA') and the Prudential Regulation Authority, in connection with its distribution in the United Kingdom. This material is not for general distribution in the United Kingdom to retail clients, as defined under the rules of the FCA. RBCEL accepts responsibility for this report and its dissemination in the United Kingdom.

**To EEA Residents:**

This material is distributed in the EU by either RBCEL on an authorised cross-border basis, or by RBC Capital Markets (Europe) GmbH (RBC EG) which is authorised and regulated in Germany by the Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) (BaFin).

**To Persons Receiving This Advice in Australia:**

This material has been distributed in Australia by Royal Bank of Canada, Sydney Branch (ABN 86 076 940 880, AFSL No. 246521). This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider the appropriateness of this material having regard to their objectives, financial situation and needs. If this material relates to the acquisition or possible acquisition of a particular financial product, a recipient in Australia should obtain any relevant disclosure document prepared in respect of that product and consider that document before making any decision about whether to acquire the product. This research report is not for retail investors as defined in section 761G of the Corporations Act.

**To persons receiving this from Royal Bank of Canada, Hong Kong Branch:**

This document is distributed in Hong Kong by Royal Bank of Canada, Hong Kong Branch which is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission. This document is not for distribution in Hong Kong, to investors who are not “professional investors”, as defined in the Securities and Futures Ordinance (Cap. 571 of Hong Kong) and any rules made under that Ordinance. This document has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. Past performance is not indicative of future performance. WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. Investors are advised to exercise caution in relation to the investment. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

**To persons receiving this from Royal Bank of Canada, Singapore Branch:**

This publication is distributed in Singapore by the Royal Bank of Canada, Singapore Branch, a registered entity licensed by the Monetary Authority of Singapore. This publication is not for distribution in Singapore, to investors who are not “accredited investors” and “institutional investors”, as defined in the Securities and Futures Act 2001 of Singapore. This publication has been prepared for general circulation and does not take into account the objectives, financial situation, or needs of any recipient. You are advised to seek independent advice from a financial adviser before purchasing any product. If you do not obtain independent advice, you should consider whether the product is suitable for you. Past performance is not indicative of future performance. If you have any questions related to this publication, please contact the Royal Bank of Canada, Singapore Branch.

**To Japanese Residents:**

Unless otherwise exempted by Japanese law, this publication is distributed in Japan by or through RBC Capital Markets (Japan) Ltd. which is a Financial Instruments Firm registered with the Kanto Local Financial Bureau (Registered number 203) and a member of the Japan Securities Dealers Association (JSDA) and the Financial Futures Association of Japan (FFAJ).