

Analyst

Lafitani Sotiriou 613 9235 1668

Authorisation

TS Lim 612 8224 2810

IOOF Holdings (IFL)

Taking the Hits

Recommendation
Sell (unchanged)
Price
\$4.84
Target (12 months)
\$3.94 (previously \$4.13)

GICS Sector
Diversified Financials

Expected Return

Capital growth	-18.6%
Dividend yield	6.2%
Total expected return	-12.4%

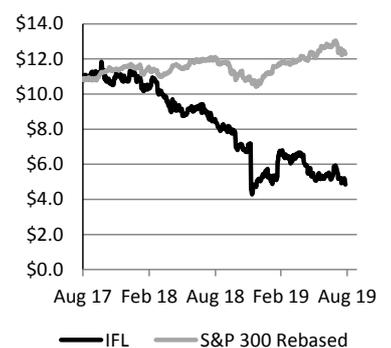
Company Data & Ratios

Enterprise value	\$2.0bn
Market cap	\$1.7bn
Issued capital	351.1m
Free float	91%
Avg. daily val. (52wk)	\$13.1m
12 month price range	\$4.195-\$8.64

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	5.43	5.78	8.44
Absolute (%)	-10.87	-16.26	-42.65
Rel market (%)	-6.71	-15.51	-45.27

Absolute Price



SOURCE: IRESS

In The Thick of It

IFL has bitten the bullet and joined the remainder of its peers with its first serious step at provisioning for client refunds. IFL has only gone back seven years, and used an estimate based on a spot review of files that went back three years. The company noted assumptions were made in determining its current provision figure. We believe it is a reasonable start, but anticipate more to come over the years ahead. Keep in mind some of IFL's peers are refunding up to 10 years, and include advisers which have left, whereas IFL has started with a specific cohort.

Outside of the provisions, IFL hinted at a revamp of its advice business, but wouldn't provide any cost or timing expectations. The problem for us remains the significant earnings gap being left by ANZ Notes winding down and our expectation the remaining P&I transaction won't complete (we have ANZ related revenue and interest falling from ~\$57m in 2H19 to ~\$22m in 1H20). There is also an additional \$10m in compliance costs, a remaining \$8m impact from Stronger Super and \$4m from BT Repricing all to hit FY20, and at some point \$7m from Grandfathering Commission change coming as well (once legislation passes).

FY19 Result Highlights

- Cash NPAT of \$198.0m, vs our \$199.7m estimate. Continuing NPAT of \$184.9m;
- Reported NPAT of \$28.6m, -80.4% below our \$146.1m estimate;
- New client provisions with \$183m for refunds, and ~\$40m for program costs; and
- Final dividend is split between 12cps final and 7cps special vs 20cps estimate.

Earnings Revisions

Following IFL's FY19 update, we have downgraded our underlying EPS by -3.7%, -7.4% and -8.4% for FY20, FY21 and FY22 respectively. The revisions are primarily driven by lower revenue margin assumptions, higher costs and mark-to-markets. Following the changes our revised Price Target is \$3.94 per share (previously \$4.13 per share), with our Sell recommendation remaining unchanged.

Earnings Forecast

Year end June 30	2019	2020e	2021e	2022e
Total revenue (\$m)	586.6	505.8	492.9	498.6
EBITDA (\$m)	278.0	186.4	173.5	175.7
NPAT (underlying) (A\$m)	147.2	99.0	91.4	92.3
NPAT (cash) (A\$m)	184.9	134.9	127.3	128.2
EPS (cash) (cps)	52.7	41.4	43.0	44.0
Cash EPS growth (%)	-10.4%	-21.4%	3.9%	2.4%
Cash PER (x)	9.2	11.7	11.3	11.0
EV/EBITDA (x)	5.3	7.9	8.5	8.4
Price/CF (x)	5.3	11.8	34.7	33.5
Dividend (eps)	44.5	30.0	30.0	30.0
Franking (%)	100.0%	100.0%	100.0%	100.0%
Yield (%)	9.2%	6.2%	6.2%	6.2%
ROE (%)	10.7%	8.7%	8.9%	9.2%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Quarterly FUMA and net-flows

Figure 1 - Quarterly FUMA and net-flows

	FY18	1Q	2Q	3Q	4Q	FY19	1Qe	2Qe	3Qe	4Qe	FY20e	1Qe	2Qe	3Qe	4Qe	FY21e
	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Jun-21
Platform and Administration																
Now called Portfolio & Estate Administration*																
Quarterly reported net-flows (\$m)																
Flagship	1,691	285	403	183	561	1,432	200	200	140	505	1,044	184	184	129	465	961
Transition	-62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Global One	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total reported net-flows	1,629	285	403	183	561	1,432	200	200	140	505	1,044	184	184	129	465	961
Pension payments	-797	-210	-205	-208	-246	-869	-231	-226	-229	-271	-956	-254	-248	-252	-298	-1,051
Adjusted net-flows	832	75	198	-25	315	563	-32	-26	-89	234	89	-71	-64	-123	167	-91
Opening balance (\$ billion)	37.2	39.8	40.5	39.5	41.8	39.8	43.7	43.6	44.1	44.6	43.7	45.5	46.0	46.5	47.0	45.5
Reported net-flows	1.6	0.3	0.4	0.2	0.6	1.4	0.2	0.2	0.1	0.5	1.0	0.2	0.2	0.1	0.5	1.0
Pension payments*	-0.8	-0.2	-0.2	-0.2	-0.2	-0.9	-0.2	-0.2	-0.2	-0.3	-1.0	-0.3	-0.2	-0.3	-0.3	-1.1
Adjusted net-flows	0.8	0.1	0.2	0.0	0.3	0.6	0.0	0.0	-0.1	0.2	0.1	-0.1	-0.1	-0.1	0.2	-0.1
Market movement and other	1.7	0.6	-1.1	2.3	1.6	3.4	-0.1	0.6	0.6	0.6	1.6	0.6	0.6	0.6	0.6	2.5
Closing balance	39.8	40.5	39.5	41.8	43.7	43.7	43.6	44.1	44.6	45.5	45.5	46.0	46.5	47.0	47.8	47.8
Advice and Distribution																
Now called Financial Advice*																
Quarterly-flows (\$m)*	3,666	-63	-471	48	247	-239	900	-100	-100	-100	600	-104	-11	-11	-11	-137
IFL Advice & Distribution																
Opening balance (\$ billion)	56.8	64.1	64.6	60.4	63.7	64.1	Restated	52.4	53.0	53.6	Restated	54.2	54.9	55.6	56.3	54.2
Net-flows	3.7	-0.1	-0.5	0.0	0.2	-0.2	0.9	-0.1	-0.1	-0.1	0.6	-0.1	0.0	0.0	0.0	-0.1
Market movement	3.7	0.5	-3.7	3.3	2.7	2.8	-0.2	0.7	0.7	0.7	1.9	0.7	0.7	0.7	0.7	2.9
Closing balance	64.1	64.6	60.4	63.7	66.7	Restated	52.4	53.0	53.6	54.2	54.2	54.9	55.6	56.3	57.0	57.0
ANZ Wealth																
Opening balance (\$ billion)			17.3	16.7	16.7											
Net-flows			0.0	-0.1	-1.4											
Market movement			-0.6	0.1	0.8											
Closing balance			16.7	16.7	16.1	16.1										
Total Advice & Distribution FUA (\$ billion)			77.1	80.4	82.8	82.8										
* Quarterly-flows include pension payments from 1Q18																
Investment Management																
Quarterly-flows (\$m)	-178	-134	-186	-129	-181	-630	-100	-100	-100	-100	-400	-100	-100	-100	-100	-400
Opening balance (\$ billion)	20.6	22.0	22.3	21.3	22.3	22.0	22.9	22.7	22.9	23.1	22.9	23.3	23.5	23.7	23.9	23.3
Net-flows	-0.2	-0.1	-0.2	-0.1	-0.2	-0.6	-0.1	-0.1	-0.1	-0.1	-0.4	-0.1	-0.1	-0.1	-0.1	-0.4
Market movement	1.6	0.4	-0.9	1.2	0.8	1.5	-0.1	0.3	0.3	0.3	0.8	0.3	0.3	0.3	0.3	1.2
Closing balance	22.0	22.3	21.3	22.3	22.9	22.9	22.7	22.9	23.1	23.3	23.3	23.5	23.7	23.9	24.2	24.2

*Segment name changes took place from 2Q19

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Valuation and earnings revisions

Sum-of-parts and DCF Methodology

Following IFL's quarterly update our revised Price Target is \$3.94 per share (previously \$4.13 per share) based on our sum-of-the-parts and DCF valuation methodology as detailed in the Figure below.

Figure 2 - Valuation

	FY20e Cash NPAT	Multiple	Valuation (\$m)
Platforms and administration	83.9	10.0	839
Advice and distribution	54.0	8.0	432
Investment manager	37.0	12.0	444
Perennial Value Stake (at 42%)			10
Group office	-28.4	10.0	-284
ANZ Note			800
ANZ AD&G			-250
Client refund provisions			-223
net-debt			-329
			S.O.P. Value (\$m) 1,440
			Share count (m) 351
			S.O.P. per share (\$) 4.10
			DCF value per share (\$) 3.77
			Simple Average (\$m) 3.94

SOURCE: BELL POTTER SECURITIES ESTIMATES

Earnings Revisions

Following IFL's FY19 update, we have downgraded our underlying EPS by -3.7%, -7.4% and -8.4% for FY20, FY21 and FY22 respectively. The revisions are primarily driven by lower revenue margin assumptions, and a higher ongoing cost base in the previous ANZ Advice business. Further, we included some negative mark-to-markets. Following the changes our revised Price Target is \$3.94 per share (previously \$4.13 per share), with our Sell recommendation remaining unchanged.

Figure 3 - Earnings revisions

Earnings Revisions	FY20e (new)	FY20e (previous)	Change	FY21e (new)	FY21e (previous)	Change	FY22e (new)	FY22e (previous)	Change
EPS (Cash) (cps)	41.4	43.0	-3.7%	43.0	46.4	-7.4%	44.0	48.1	-8.4%
Dividend (¢ps)	30.0	38.0	-21.1%	30.0	36.0	-16.7%	30.0	36.0	-16.7%

SOURCE: BELL POTTER SECURITIES ESTIMATES

IOOF overview

Company description

IFL is the combination of IOOF, Australian Wealth (previously AWM) and Skandia (the Australian Operations). The three businesses were combined in 2009. In late 2011 IOOF continued industry consolidation with the acquisition of the listed entities DKN, PLB and later SFG. The merged group is involved in activity throughout the financial services and wealth management value chain, with the company categorised in three groups:

- Platforms and administration;
- Distribution, which includes advice and trustee services; and
- Investment management, which includes Perennial Value stake.

Investment strategy

We see risk around the fully-integrated model and the changing regulatory environment.

Risks

Key risks for the stock include:

- **Key people risk** – Similar to other wealth management businesses, the loss of any key investment personnel may result in the loss of investment mandates, which is particularly relevant for Perennial;
- **Performance risk** – Investors are wary of investment managers that charge active management fees and that have underperformed the index over a prolonged period of time. It is important for Perennial to maintain reputable performance metrics across its product offering;
- **Financial Advice risk** – On the back of Storm Financial, Managed Investment Schemes and other well-known collapses in the industry, there is an added focus on any unsavoury practices and IFL will do well to steer clear of any negative headlines;
- **Regulatory risk** - IFL is regulated by multiple agencies and any changes in the regulatory regimes under which it operates may affect the financial performance and capital requirements of the group; and
- **Market risk** – A prolonged recession, economic crisis/shock, or other factors that may lead to a sustained weak market environment have the ability to adversely affect the earnings potential of the company.
- **Acquisition risk** – The acquisition of other assets can divert management effort from the current focus of the business, and there is a risk forecast numbers relating to the target business is not fulfilled.

Interim earnings

Figure 4 - Interim earnings

INCOME STATEMENT											
Y/e June 30 (\$m)	2017	2018	1H19	2H19	2019	1H20e	2H20e	2020e	1H21e	2H21e	2021e
Underlying sales revenue	566.5	580.2	290.8	295.8	586.6	259.1	246.7	505.8	246.3	246.6	492.9
EBITDA	248.5	271.7	140.8	137.2	278.0	97.7	88.8	186.4	86.1	87.5	173.5
D&A inc. employee grant amort.	49.2	50.2	28.9	22.0	50.9	24.2	24.2	48.3	24.3	24.3	48.6
EBIT	199.3	221.5	111.9	115.2	227.1	73.5	64.6	138.1	61.8	63.2	124.9
Net Interest	-2.5	7.3	-0.9	-7.5	-8.4	-2.4	2.3	-0.1	1.4	1.0	2.5
Associates (e.g. Perennial Value)	3.5	2.5	0.4	0.5	0.9	0.4	0.5	0.9	0.4	0.5	0.9
Pre-tax profit	200.4	231.2	111.4	108.3	219.7	71.6	67.4	139.0	63.6	64.7	128.3
Tax	65.7	73.8	42.0	30.6	72.6	20.6	19.4	40.0	18.3	18.6	36.9
Operating Profit	134.7	157.4	69.4	77.7	147.1	50.9	48.0	98.9	45.3	46.1	91.3
Minorities (e.g. Perennial G, FI etc)	-3.9	-5.3	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Underlying profit	130.8	152.0	69.5	77.7	147.2	51.0	48.0	99.0	45.3	46.1	91.4
One-off items	-16.9	-63.7	7.0	-125.6	-118.6	73.5	-7.0	66.5	-7.0	-7.0	-14.0
Reported net profit	116.5	88.3	76.5	-47.9	28.6	124.5	41.0	165.5	38.3	39.1	77.4
Cash net profit	169.4	191.4	89.2	95.7	184.9	68.9	66.0	134.9	63.3	64.1	127.3
SEGMENTALS											
Y/e June 30	2017	2018	1H19	2H19	2019	1H20e	2H20e	2020e	1H21e	2H21e	2021e
Platform and administration											
Gross margin and other revenue (\$m)	212.5	210.1	120.4	113.6	234.0	115.3	113.1	228.4	113.2	113.8	226.9
Costs (\$m)	95.9	89.5	56.6	52.3	108.9	55.4	53.2	108.5	54.3	53.5	107.8
EBITA (\$m)	116.6	120.6	63.8	61.3	125.1	60.0	59.9	119.9	58.9	60.3	119.1
Closing FUM (\$ billion)	37.2	39.8	39.5	43.7	43.7	44.1	45.5	45.5	45.5	47.0	47.0
Average FUM (\$ billion)	35.9	38.3	39.6	41.8	41.3	43.9	44.8	44.4	45.5	46.2	45.8
Revenue Margin (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advice and distribution											
Gross margin and other revenue (\$m)	224.7	227.2	97.7	90.8	188.5	87.0	84.5	171.5	83.7	83.0	166.8
Costs (\$m)	148.8	149.5	55.6	52.6	108.2	49.8	48.4	98.3	49.3	48.9	98.2
EBITA (\$m)	116.1	122.2	46.4	41.3	87.7	39.2	38.0	77.2	36.4	36.2	72.6
Closing FUM (\$ billion) (Ex. ANZ)	56.8	64.1	60.4	66.7	66.7	53.0	54.2	54.2	55.6	57.0	57.0
Average FUM (\$ billion) (Ex. ANZ)	53.5	59.5	54.0	50.3	52.1	52.7	53.6	53.2	54.9	56.3	55.6
Revenue Margin (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment management*											
Gross margin and other revenue (\$m)	57.5	61.9	32.7	30.4	63.1	32.1	32.4	64.4	32.6	32.9	65.6
Costs (\$m)	14.3	11.4	5.2	5.5	10.7	5.8	5.8	11.6	6.0	6.1	12.1
EBITA (\$m)	43.2	50.5	27.5	24.9	52.4	26.3	26.5	52.8	26.6	26.8	53.4
Closing FUM (\$ billion)	20.6	22.0	21.3	22.9	22.9	22.9	23.3	23.3	23.3	23.7	23.7
Average FUM (\$ billion)	20.0	21.2	21.6	22.2	22.0	22.9	23.1	23.0	23.3	23.5	23.4
Revenue Margin (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trustee Services											
Gross margin and other revenue (\$m)	28.5	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Costs (\$m)	18.3	20.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITA (\$m)	10.2	13.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing FUM (\$ billion)	30.7	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average FUM (\$ billion)	30.2	33.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Services*											
Costs (\$m)	-37.6	-35.0	-18.3	-18.3	-36.6	-20.3	-20.3	-40.5	-21.3	-21.3	-42.7
Perennial Value and other income*											
Associate contribution (\$m)	3.5	2.5	0.4	0.5	0.9	0.4	0.5	0.9	0.4	0.5	0.9
ANZ Aligned Dealer Groups											
EBITDA (\$m)			21.4	28.0	49.4	-7.5	-15.5	-23.0	-14.5	-14.5	-29.0

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Table 1 - Financial summary

IIOF (IFL)						Target Price (A\$)						
						3.94						
						Recommendation:	Sell					
							Share Price (A\$)					
							4.84					
							Market Cap (A\$m)					
							1,699					
INCOME STATEMENT												
Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	
Underlying sales revenue	580	587	506	493	499	Cash net profit (\$m)	191	185	135	127	128	
EBITDA	272	278	186	174	176	Cash EPS (c)	58.8	52.7	41.4	43.0	44.0	
D&A inc. employee grant amort.	50	51	48	49	49	Cash P/E (x)	8.2	9.2	11.7	11.3	11.0	
EBIT	221	227	138	125	127	Cash EPS growth (%)	4.2%	-10.4%	-21.4%	3.9%	2.4%	
Net Interest	7	-8	0	2	1	Net profit adj (\$m)	152	147	99	91	92	
Associates (PV and small other)	3	1	1	1	1	Adjusted EPS (c)	45	42	30	31	32	
Pre-tax profit	231	220	139	128	129	EPS growth (%)	1%	-7%	-28%	3%	2%	
Tax	74	73	40	37	37	P/E ratio (x)	10.8	11.5	15.9	15.5	15.3	
Operating Profit	157	147	99	91	92	CFPS (c)	78	91	41	14	14	
Minorities (Perennial G, FI)	-5	0	0	0	0	Price/CF (x)	6.2	5.3	11.8	34.7	33.5	
Underlying profit	152	147	99	91	92	DPS inc special(c)	54	45	30	30	30	
One-off items	-64	-119	67	-14	0	Yield inc. special (%)	11.2%	9.2%	6.2%	6.2%	6.2%	
Reported net profit	88	29	166	77	92	Franking (%)	100%	100%	100%	100%	100%	
Cash net profit	191	185	135	127	128	EV/EBITDA (x)	5.4	5.3	7.9	8.5	8.4	
						Price/book (x)	0.9	1.0	1.1	1.0	1.0	
						NTA (\$)	1.43	1.01	0.59	0.56	0.71	
CASHFLOW												
Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	
EBITDA	272	278	186	174	176	EBIT/sales (%)	38%	39%	27%	25%	25%	
Change in provisions	52	337	-182	-99	-98	ROA (ex benefit fund) (%)	12%	10%	6%	7%	8%	
Working capital change	-1	-216	168	0	-1	Return on equity (%)	12%	11%	9%	9%	9%	
Net interest	7	-8	0	2	1	Dividend cover (x)	0.6	0.2	1.7	0.9	1.1	
Tax paid	-74	-73	-40	-37	-37	Effective tax rate and NCI (%)	32%	33%	29%	29%	29%	
Other	-3	1	1	1	1							
Operating cashflow	253	319	134	41	42							
Capex	-10	-27	-8	-9	-9							
Investments	4	0	0	0	0							
Asset sales	0	0	0	0	0							
Other	0	0	27	23	0							
Investing cashflow	-7	-27	19	14	-9							
Equity raised	37	37	0	0	0							
Dividends paid	-176	-184	-116	-89	-87							
Other	-3	-5	-4	-4	-4							
Financing cashflow	-142	-152	-120	-93	-91							
Net change in cash	105	139	33	-37	-58							
Cash at end of period	529	97	274	150	92							
BALANCE SHEET												
Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	
Cash	529	97	274	150	92	Net debt/(cash) (\$m)	-529	329	-274	-150	-92	
Receivables	100	329	148	148	150	Net debt/equity (%)	-29%	20%	-19%	-11%	-7%	
Benefit fund cash and assets	1,092	1,047	1,047	1,047	1,047							
PPE	19	36	39	39	39							
Intangibles	1,349	1,302	1,266	1,230	1,194							
Other	43	894	94	94	94							
Total assets	3,131	3,705	2,869	2,708	2,617							
Payables	65	90	62	62	63							
Debt	0	427	0	0	0							
Provisions	116	453	271	173	75							
Benefit fund liabilities	1,036	1,038	1,038	1,038	1,038							
Other	100	40	40	40	40							
Total liabilities	1,318	2,048	1,412	1,313	1,216							
Shareholders' equity	1,967	1,963	1,713	1,663	1,663							
Total shareholders funds	1,813	1,657	1,457	1,395	1,400							
W/A diluted shares on issue	326	351	326	296	291							
INTERIMS												
Half end December 31 (\$m)	1H18	1H19	1H20e	1H21e	1H21e	Ye June 30 (\$m)	2018	2019	2020e	2021e	2022e	
Sales revenue	291	291	259	246	248	Gross margin and other revenue (\$m)	227	189	171	167	168	
EBIT	109	112	74	62	63	Costs (\$m)	150	108	98	98	100	
Pre tax profit	112	111	72	64	64	EBITA (\$m)	122	88	77	73	72	
Underlying profit	75	70	51	45	45	Closing FUM (\$ billion)	64	67	54	57	60	
One-off items	-47	7	74	-7	0	Average FUM (\$ billion)	60	52	53	56	59	
Reported profit	45	77	124	38	45	Revenue Margin (%)	0.38%	0.36%	0.32%	0.30%	0.29%	
Interim DPS (cents)	27	26	15	15	15							
						Trustee Services						
						Gross margin and other revenue (\$m)	34					
						Costs (\$m)	20					
						EBITA (\$m)	13					
						Closing FUM (\$ billion)	35					
						Average FUM (\$ billion)	34					
						Group Services						
						Costs (\$m)	-35	-37	-41	-43	-45	
						Investment management						
						Gross margin and other revenue (\$m)	62	63	64	66	67	
						Costs (\$m)	11	11	12	12	12	
						EBITA (\$m)	51	52	53	53	55	
						Revenue Margin (%)	0.29%	0.29%	0.28%	0.28%	0.28%	
						Associate contribution (\$m)	3	1	1	1	1	
						ANZ Aligned Dealer Groups						
						EBITDA (\$m)		49	-23	-29	-27	

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
TS Lim	Head of Research	612 8224 2810	tslim
Industrials			
Steven Anastasiou	Industrials	613 9235 1952	sanastasiou
James Filius	Industrials	613 9235 1612	jfilius
Sam Haddad	Industrials	612 8224 2819	shaddad
Alex McLean	Industrials	612 8224 2886	amclean
Hamish Murray	Industrials	613 9235 1813	hmurray
Chris Savage	Industrials	612 8224 2835	csavage
Jonathan Snape	Industrials	613 9235 1601	jsnape
Damien Williamson	Industrials	613 9235 1958	dwilliamson
Healthcare/Biotech			
John Hester	Healthcare	612 8224 2871	jhester
Tanushree Jain	Healthcare/Biotech	612 8224 2849	tnjain
Financials			
TS Lim	Banks/Regionals	612 8224 2810	tslim
Lafitani Sotiriou	Diversified Financials/Fintech	613 9235 1668	lsotiriou
Resources			
Peter Arden	Resources	613 9235 1833	parden
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Associates			
Joseph House	Associate Analyst	+61 3 9235 1624	jhouse

Bell Potter Securities Limited
ACN 25 006 390 7721
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1701, 17/F
Prosperity Tower, 39 Queens Road
Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York
NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street
London, England
W1J 8DZ, United Kingdom
Telephone +44 7734 2929

The following may affect your legal rights. Important Disclaimer:

This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited. In the USA and the UK this research is only for institutional investors. It is not for release, publication or distribution in whole or in part to any persons in the two specified countries. **In Hong Kong**, this research is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. **In the United States**, this research is issued and distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

This is general investment advice only and does not constitute personal advice to any person. Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this document.

While this document is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in the document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued.

Except insofar as liability under any statute cannot be excluded. Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

Research Policies:

For Bell Potter's Research Coverage Decision Making Process and Research Independence Policy, please refer to our company website:

<https://www.bellpotter.com.au/topnavigation/private-clients/stockbroking/research>

Disclosure of interest:

Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.

ANALYST CERTIFICATION

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.