

Perpetual Ltd (PPT)

SOL increases stake, what happens next?

Recommendation

Buy (unchanged)

Price

\$25.60

Target (12 months)

\$28.67 (previously \$27.09)

GICS Sector

Diversified Financials

Expected Return

Capital growth	12.0%
Dividend yield	5.9%
Total expected return	17.9%

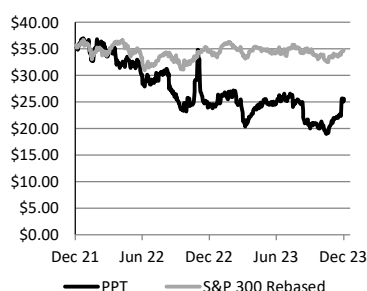
Company Data & Ratios

Enterprise value	\$3.4bn
Market cap	\$2.9bn
Issued capital	113.3m
Free float	100%
Avg. daily val. (52wk)	\$11.0m
12 month price range	\$18.70-27.41

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	21.06	20.78	23.95
Absolute (%)	21.5	23.1	6.8
Rel market (%)	18.1	22.0	6.0

Absolute Price



SOURCE: IRESS

SOL Increases holding to 11.7% relevant/15.0% economic

Washington H. Soul Pattinson (ASX:SOL not covered) has increased its “*relevant interest*” in PPT up to 11.66%, or 13.2m shares. This includes: 5.5m shares announced on 9 November plus 5.7m shares bought on 12 Dec, plus 2.0m shares through an equity swap arrangement. It also has an “*economic interest*” (non-voting) in a further 3.8m shares or 3.3%, through cash settled equity swaps.

What next?

While it is difficult to predict shareholders intentions, SOL have a reasonably high average purchase price (BPe \$25.56) and have made their intentions clear through their offer to acquire Perpetual Corporate Trust (CT) and Wealth Management (WM), as well as buying more shares at \$25.00. It seems unlikely that SOL are about to walk away. We would expect SOL to be putting behind the scenes pressure on management and possibly other shareholders to accept their offer, or considering what sort of higher offer might get management approval. Note that SOL’s initial offer was worth \$3.06bn, with \$1.06bn in SOL scrip and \$2bn in PPT Asset Management scrip. With the market cap now \$2.9bn, SOL probably need to increase their offer to have a chance to succeed. Realising that SOL are not going away, PPT’s management should probably attempt to buy time to carry out its strategic review. A demerger of CT and WM remains possible, but SOL clearly want these assets and would probably not want them demerged. SOL may try to get a sufficient holding, or support to block this. PPT management should probably look to solicit higher offers for CT and WM from previously interested parties.

Investment view: Buy, Target Price \$28.67/sh

As we highlighted in our previous note, PPT now appears to be in play and we would be surprised if further bids, for all or part, did not appear. We have not changed our operational forecasts, however we have revised down our assumed tax rate which increases NPAT and EPS by 1.9% going forward. We revise our Target Price up 5.8% to \$28.67/per share and we maintain our buy recommendation.

Earnings Forecast

Year end June 30	2023a	2024e	2025e	2026e
Revenue (A\$m)	1013.9	1334.5	1384.1	1425.7
EBITDA (A\$m)	309.9	408.5	462.7	500.6
NPAT (reported) (A\$m)	59.0	92.9	179.3	243.9
NPAT (adjusted) (A\$m)	163.1	222.7	261.8	288.9
EPS (adjusted) (cps)	196.5	198.1	232.6	256.3
EPS growth (%)	-24.0%	0.8%	17.4%	10.2%
PER (x)	13.0	12.9	11.0	10.0
Price/CF (x)	15.8	16.9	10.0	9.1
EV/EBITDA (x)	10.8	8.2	7.2	6.7
Dividend (¢ps)	155	151	190	210
Franking (%)	50.0%	40.0%	40.0%	40.0%
Yield (%)	6.1%	5.9%	7.4%	8.2%
ROE (%)	9.9%	9.6%	11.5%	12.5%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Increase in Sol Holding

On 12 December SOL announced that had increased its ownership of PPT through purchases of 5.7m shares. The ASX statement noted that SOL increased its “relevant interest” in PPT up to 11.66%, or 13.2m shares. This includes:

- 5.5m directly held shares or 4.9% directly held and announced on 9 November (bought at an average price of \$26.14 since 2021), plus
- 5.7m directly held shares or 5.0% (bought on 12 Dec at an average price of \$25.00),
- 2.0m shares or 1.8% through an equity swap arrangement with Macquarie dated 9 November.

From the filings, we estimate that SOL’s 11.2m directly held shares were bought for \$286.7m or an average price of \$25.56 per share.

In addition, SOL has an economic interest in a further 3.8m shares or 3.3%, through cash settled equity swaps. These were mentioned in an earlier 19 September 2023 ASX announcement that notes the entry date as 17 August 2023. We understand that an economic interest does not confer voting rights or control. These contracts will be cash settled, with no delivery of underlying stock.

Forecasts & changes to forecasts

Forecasts

Our forecasts are shown in the table in Figure 1, and the changes to our forecasts are shown in Figure 2. The operational forecasts are unchanged, however NPAT and EPS are higher reflecting an assumed lower tax rate of 26.5% (27.7% in previous) for FY24 and beyond. We have also tapered down the significant items line as the Pandal integration costs work through in FY25.

Figure 1 –Perpetual forecasts including PDL

INTERIM INCOME STATEMENT									
Y/e June 30 (\$m)	2022a	1H23a	2H23a	2023a	1H24e	2H24e	2024e	2025e	2026e
Sales revenue	767.7	388.4	625.5	1013.9	659.3	675.3	1334.5	1384.1	1425.7
EBITDA	248.5	118.8	191.1	309.9	198.1	210.4	408.5	462.7	500.6
Depreciation & Amortisation	-17.2	-14.2	-18.8	-33.0	-11.7	-11.7	-23.3	-23.3	-23.3
Equity Grant Amortisation	-11.0	-5.7	-17.2	-22.9	-17.2	-17.2	-34.4	-35.4	-36.5
EBIT	210.2	98.9	155.1	254.0	169.3	181.5	350.8	403.9	440.7
Net Interest	-9.0	-9.0	-25.9	-34.9	-23.9	-23.9	-47.7	-47.7	-47.7
Pre-tax profit	201.2	89.9	129.2	219.1	145.4	157.6	303.0	356.2	393.0
Tax	-53.0	-23.0	-33.0	-56.0	-38.5	-41.8	-80.3	-94.4	-104.1
Adjusted profit	148.2	66.9	96.2	163.1	106.9	115.9	222.7	261.8	288.9
Significant / One-off items	-47.0	-39.2	-64.9	-104.1	-64.9	-64.9	-129.8	-82.5	-45.0
Reported net profit	101.2	27.7	31.3	59.0	42.0	51.0	92.9	179.3	243.9
	0.0								
Adj. EPS (c/sh)	258.4	115.1	90.4	196.5	95.1	103.0	198.1	232.6	256.3
DPS (c/sh)	209.0	90.0	65.0	155.0	74.0	77.0	151.0	190.0	210.0

SEGMENTALS (ex cost savings)									
Y/e June 30	2022a	1H23a	2H23a	2023a	1H24e	2H24e	2024e	2025e	2026e
Asset Management									
Revenue	387.7	181.9	418.5	600.4	447.3	452.9	900.2	914.3	916.9
Costs (\$m)	-271.2	-139.2	-298.5	-437.7	-317.6	-321.5	-639.1	-658.3	-669.3
EBITDA synergies (\$ms)		0.0	0.0	0.0	0.0	0.0	0.0	25.0	35.0
EBITDA (\$m)	116.5	42.7	120.0	162.7	129.7	131.3	261.1	296.0	312.6
Closing FUM (\$ billion)	90.7	200.6	212.1	212.1	213.0	215.6	215.6	215.2	214.4
Average FUM (\$ billion)	98.2	91.3	200.7	146.9	212.1	214.3	213.2	215.4	214.8
Management fee rate (%)	0.39%	0.40%	0.42%	0.41%	0.42%	0.42%	0.42%	0.42%	0.42%
Wealth Management									
Revenue (\$m)	211.2	107.0	110.4	217.4	108.5	118.8	227.3	245.2	263.0
Costs (\$m)	-151.5	-77.6	-77.8	-155.4	-80.3	-80.5	-160.8	-166.5	-172.3
EBITDA (\$m)	59.7	29.4	32.6	62.0	28.2	38.3	66.5	78.7	90.7
Closing FUA (\$ billion)	17.4	17.9	18.5	18.5	19.5	20.6	20.6	22.5	24.6
Average FUA (\$ billion)	18.3	17.8	18.4	18.1	19.0	20.1	19.5	21.5	23.5
Management fee rate (%)	0.84%	0.84%	0.78%	0.81%	0.78%	0.78%	0.78%	0.78%	0.78%
Corporate Trust									
Trust revenue (\$m)	68.7	38.3	38.9	77.2	39.2	40.0	79.2	84.0	90.9
FS revenue (\$m)	70.3	39.0	38.3	77.3	40.1	42.0	82.2	90.2	99.0
Digital (\$m)	19.5	11.3	12.1	23.4	13.0	13.9	26.9	30.9	35.6
Total revenue (\$m)	158.5	88.6	89.3	177.9	92.3	96.0	188.3	205.2	225.5
Costs (\$m)	-75.4	-41.7	-43.4	-85.1	-44.1	-45.9	-90.1	-95.4	-100.9
EBITDA (\$m)	83.1	46.9	45.9	92.8	48.2	50.0	98.2	109.9	124.6
Group and Support Services									
Revenue (\$m)	10.2	10.7	7.3	18.0	11.1	7.6	18.7	19.5	20.2
Costs (\$m)	-21.0	-10.9	-14.7	-25.6	-19.1	-16.9	-36.0	-41.4	-47.6
EBITDA (\$m)	-10.8	-0.2	-7.4	-7.6	-7.9	-9.3	-17.3	-21.9	-27.3

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES.

Changes to forecasts

The following table shows our revised forecasts compared to previous. Our revenue and EBITDA forecasts are unchanged, while NPAT and EPS are 1.9% higher reflecting a slightly lower assumed tax rate.

Figure 2 – Changes to forecasts

Earnings Revisions	FY24e (new)	FY24e (previous)	% Change	FY25e (new)	FY25e (previous)	% Change	FY26e (new)	FY26e (previous)	% Change
Revenue (A\$m)	1334.5	1334.5	0.0%	1384.1	1384.1	0.0%	1425.7	1425.7	0.0%
EBITDA (A\$m)	408.5	408.5	0.0%	462.7	462.7	0.0%	500.6	500.6	0.0%
NPAT (adjusted) (A\$m)	222.7	218.6	1.9%	261.8	257.0	1.9%	288.9	283.5	1.9%
EPS (underlying) cps	198.1	194.4	1.9%	232.6	228.3	1.9%	256.3	251.6	1.9%
Dividend (¢ps)	151.0	149.0	1.3%	190.0	186.0	2.2%	210.0	206.0	1.9%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Valuation

DCF

We value Perpetual using DCF valuation, with a WACC of 10.5% (previously 10% driven by a higher risk free rate of 4.5% vs 4.0%). This is applied to EBITDA after tax. A summary of our valuation is shown in Figure 3. We use our forecasts for the next 3 years and then project forward using the long-term real growth rate of 3.5%.

We value the next 10 years EBITDA after tax at \$2.1bn. We value the terminal value at \$4.6bn, which discounted to present value terms, gives a present value of \$1.5bn. This gives a total NPV of \$3.6bn.

Deducting the forecast end FY24 net debt of \$496m and adding \$146m representing half the seed capital, gives a value for the business of \$3.2bn, which when divided by the shares in issue (112.5m) gives \$28.67/sh (previously \$27.09 per share).

Figure 3 – PPT (including PDL) DCF valuation

WACC Calculation / key assumptions											
Risk free rate		4.5%									
Market risk premium		6.0%									
β = beta		1.20									
Borrowing rate		6.5%									
Tax rate		30.0%									
Target gearing		20.0%									
Cost of equity		11.7%									
Cost of debt (net)		4.6%									
WACC / Discount rate		10.5%									
Inflation		2.5%									
Nominal growth rate		1.0%									
Long-term real growth rate		3.5%									

(\$m)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	Beyond
EBITDA	408	463	501								
Provisions	16	7	7								
Tax paid	-80	-94	-104								
Maintenance Capex	-23	-23	-23								
Growth & Acquisition Capex	0	0	0								
Transaction and integration costs	-85	0	0								
Employee grant expense (cash)	-34	-35	-36								
Total Cashflow	194	314	340	352	365	378	391	405	419	434	4,562
Total operational NPV (\$ms)	3,576										
Net debt	-496										
Seed Capital (50%)	146										
Total NPV (\$ms)	3,226										
Shares on issue (m)	112.5										
Value per share (\$)	28.67										

SOURCE: BELL POTTER SECURITIES ESTIMATES

Perpetual Limited (PPT) Overview

Company description

Perpetual Limited is a global financial services firm operating in asset management, financial advisory and trustee services. Perpetual services a global client base from its offices in Australia as well as its international offices in the United States, United Kingdom, the Netherlands and Singapore, as well as a presence in Hong Kong. Perpetual earns the majority of its revenue from fees charged on assets under either management, advice or administration. Revenue is influenced by movement in the underlying asset values, margin on assets and net client flows. The business model provides Perpetual with recurring revenue streams and leverage to movement in asset values. As a provider of high-quality financial services, employment costs comprise the largest component of the Group's expenses.

Perpetual Asset Management Provides asset management services for over \$200bn of assets across 7 brands (Perpetual, Pental, Trillium, Barrow Hanley, TSW, JO Hambro and Regnum), with a presence to distribute to clients in the Americas, Australia, Europe, the UK and Asia. The business distributes to institutional and intermediary clients. The business has a strong presence in ESG investing.

Wealth management is split across financial advisory and fiduciary services. The income is less volatile as it is diversified with varying income structures, including fee-based services which provides greater stability. The acquisition of Jacaranda Capital adds a fast growing advice business focused on high net worth individuals.

Corporate Trust is the largest provider of corporate trustee services and transaction support in Australia and the company is evolving to include data as a service offering. The acquisition of Laminar Capital enhances its digital capabilities, adds an advisory team and widens the range of treasury and cash solutions offered to its clients.

Investment thesis

We find the investment thesis on Perpetual as:

Increased scale, distribution and synergies - the acquisition of Pental has given the Asset Management business a larger scale with more strategies, greater distribution capability and scope for synergies. We believe that over time this will give a better ability to attract and retain client funds.

Inflows - despite recent outflows in FY23, the company has a history of inflows into a number of its businesses and strategies. This is a situation we find uncommon given the industry wide challenges and the outflows seen at many traditional asset managers.

Diverse - the business is diverse, with a range of investment capabilities, brands, distribution channels, and other services.

Entrepreneurial and industrious management team - we feel the management team stand out from their competitors, as they redirect the company to deal with the challenges it faces. While there are risks from corporate activity, we feel there are considerable risks from maintaining a stale strategy and avoiding change. The asset management industry continues to change and we anticipate the winners will be those that can adapt or adopt a product set to meet the needs of their clients, and hence maintain or grow client funds.

Risks

Perpetual is subject to all of the following risks:

Key people & integration risk: The loss of any key investment personnel may result in the loss of investment mandates. As the company integrates Pental, there is risk of a loss of staff and further mandates.

Performance and net flows: The ability to attract and retain funds paying active management fees, depends in part upon showing a track record and on-going capability to achieve performance criteria.

Acquisition risks: The recent acquisition of PDL highlights some the risks of acquisition lead growth. While this will add to scale, the process was protracted, expensive and unpopular with shareholders. Acquired growth can be risky. Acquired staff sometimes leave, while acquired clients or their advisors, might not like the newly formed company. Recently recruited staff are riskier than known internal promotions. A key requirement of, and test of management is how well they ensure an orderly integration.

Market risk: Management fees are usually based upon market values of the assets under management. Any significant movements in asset prices can have a material impact on Perpetual's revenue and earnings.

Currency risk: Perpetual operates funds in multiple currencies outside Australia, particularly the US, UK and Europe, recording revenue and expenses in different markets. Any major currency movements can significantly impact the FUM, revenue and earnings and subsequently, the valuation of the group in A\$ terms.

Regulatory risk: Perpetual is regulated by multiple agencies in different jurisdictions and changes in the regulatory regimes under which it operates may increase compliance costs and/or increase the capital requirements of the group.

Move to index funds: clients may seek out cheaper passive alternatives in favour of active investment management.

Data, information technology and outsourcing: Perpetual and its investment teams rely on a wide range of data sources and technology in the day-to-day management of the Funds. Provision of such, and other functions (such as fund accounting and custody) may be outsourced to third parties. Perpetual may face reputational risk and/or be liable for losses as a result of the failure of one of these parties, in its role of managing assets on behalf of its clients.

Perpetual Ltd

as at 13 December 2023

Recommendation

Buy

Price

\$25.60

Target (12 months)

\$28.67

Table 1 - Financial summary

Perpetual (PPT)						Price Target (A\$)	28.67	Share Price (A\$)	25.60		
						Recommendation:	Buy	Market Cap (A\$m)	2,840		
INCOME STATEMENT											
Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e	Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e
Sales revenue	767.7	1,013.9	1,334.5	1,384.1	1,425.7	Net profit adj (\$m)	148.2	163.1	222.7	261.8	15.0
Cost base	519.2	704.0	926.0	921.5	925.2	Adjusted EPS (c)	258.4	196.5	198.1	232.6	256.3
EBITDA	248.5	309.9	408.5	462.7	500.6	EPS growth (%)	18.6%	-24.0%	0.8%	17.4%	10.2%
Depreciation & Amortisation	-17.2	-33.0	-23.3	-23.3	-23.3	P/E ratio (x)	9.9	13.0	12.9	11.0	10.0
Equity Grant Amortisation	-11.0	-22.9	-34.4	-35.4	-36.5	CFPS (c)	298	162	151	257	280
EBIT	210.2	254.0	350.8	403.9	440.7	Price/CF (x)	8.6	15.8	16.9	10.0	9.1
Net Interest	-9.0	-34.9	-47.7	-47.7	-47.7	DPS (c)	209	155	151	190	210
Pre-tax profit	201.2	219.1	303.0	356.2	393.0	Yield (%)	8.2%	6.1%	5.9%	7.4%	8.2%
Tax	-53.0	-56.0	-80.3	-94.4	-104.1	Franking (%)	100%	50%	40%	40%	40%
Adjusted profit	148.2	163.1	222.7	261.8	288.9	EV/EBITDA (x)	13.4	10.8	8.2	7.2	6.7
One-off / Sig items	-47.0	-104.1	-129.8	-82.5	-45.0	Price/book (x)	1.6	0.9	1.3	1.3	1.2
Reported net profit	101.2	59.0	92.9	179.3	243.9	NTA (\$)	-0.45	-4.17	-2.94	-1.56	0.30
CASHFLOW											
Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e	Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e
EBITDA	248.5	309.9	408.5	462.7	500.6	EBIT/sales (%)	27%	25%	26%	29%	31%
Change in provisions	-15.7	66.5	16.2	7.4	6.9	Return on assets (%)	12%	9%	9%	11%	11%
Working capital change	12.8	-62.1	-7.3	-3.3	-3.1	Return on equity (%)	16%	10%	10%	12%	12%
Net interest	-7.8	-20.2	-47.7	-47.7	-47.7	ROIC (%)	10%	7%	7%	8%	10%
Tax paid	-59.6	-48.8	-80.3	-94.4	-104.1	ROIC ex structured products (%)	12%	8%	7%	9%	10%
Other	-7.4	-110.5	-119.4	-35.4	-36.5	Dividend cover (x)	1.2	1.3	1.3	1.2	1.2
Operating cashflow	170.8	134.8	170.0	289.2	316.0	Effective tax rate (%)	-26%	-26%	-27%	-27%	-27%
Capex	-15.0	-25.4	-23.3	-23.3	-23.3	LIQUIDITY AND LEVERAGE RATIOS					
Investments	-89.4	-529.9	0.0	0.0	0.0	Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e
Asset sales	35.2	311.3	0.0	0.0	0.0	Net debt/(cash) (\$m)	83.0	471.2	496.2	337.6	124.3
Other	0.0	0.0	0.0	0.0	0.0	Net debt/equity (%)	9%	20%	22%	15%	5%
Investing cashflow	-69.2	-244.0	-23.3	-23.3	-23.3	Current ratio (x)	1.3	1.5	1.7	2.1	2.6
Change in borrowings	75.0	391.8	0.0	0.0	0.0	SEGMENTALS					
Equity raised	-14.8	-19.8	0.0	0.0	0.0	Y/e June 30	2022a	2023a	2024e	2025e	2026e
Dividends paid	-112.4	-131.6	-156.9	-187.9	-225.3	Asset Management					
Other	-21.1	-43.4	-14.7	80.6	146.0	Revenue (\$m)	387.7	600.4	900.2	914.3	916.9
Financing cashflow	-73.3	197.0	-171.6	-107.3	-79.3	EBITDA Synergies (\$m)	0.0	0.0	0.0	25.0	35.0
Net change in cash	28.3	87.8	-25.0	158.6	213.3	EBITDA (\$m)	116.5	162.7	261.1	296.0	312.6
Cash at end of period	175.4	263.2	238.2	396.8	610.1	Closing FUM (\$ billion)	90.7	212.1	215.6	215.2	214.4
BALANCE SHEET						Margin (%)	0.39%	0.41%	0.42%	0.42%	0.42%
Y/e June 30 (\$m)	2022a	2023a	2024e	2025e	2026e	Wealth Management					
Cash	175.4	263.2	238.2	396.8	610.1	Revenue (\$m)	211.2	217.4	227.3	245.2	263.0
Receivables	122.9	209.9	226.6	234.3	241.3	EBITDA (\$m)	59.7	62.0	66.5	78.7	90.7
Structured Products	186.3	163.9	163.9	163.9	163.9	Closing FUM (\$ billion)	17.4	18.5	20.6	22.5	24.6
PPE	77.8	104.9	77.8	77.8	77.8	Margin (%)	0.84%	0.81%	0.78%	0.78%	0.78%
Intangibles	951.7	2717.8	2594.5	2453.8	2318.7	Corporate Trust					
Other	232.4	482.3	482.3	482.3	482.3	Trust revenue (\$m)	68.7	77.2	79.2	84.0	90.9
Total assets	1746.5	3942.0	3783.3	3808.8	3894.1	FS revenue (\$m)	70.3	77.3	82.2	90.2	99.0
Payables	93.7	118.6	128.0	132.4	136.4	Digital revenue (\$m)	19.5	23.4	26.9	30.9	35.6
Debt	258.4	734.4	734.4	734.4	734.4	EBITDA (\$m)	83.1	92.8	98.2	109.9	124.6
Provisions	178.5	279.4	219.3	226.7	233.5	Closing FUA TS (\$ billion)	682.2	691.1	719.0	777.7	841.2
Structured Products	187.7	164.2	164.2	164.2	164.2	Margin (%)	0.01%	0.01%	0.01%	0.01%	0.01%
Other	30.1	182.5	182.5	182.5	182.5	Closing FUA FS (\$ billion)	410.1	471.4	517.5	568.2	623.8
Total liabilities	748.4	1479.1	1428.4	1440.1	1451.0	Margin (%)	0.02%	0.02%	0.02%	0.02%	0.02%
Shareholders' equity	817.7	2190.5	2146.5	2168.9	2224.8	Group and Support Services					
Total shareholders funds	925.8	2372.0	2264.0	2277.8	2352.2	Revenue (\$m)	10.2	18.0	18.7	19.5	20.2
W/A diluted shares on issue	57.3	83.0	112.4	112.6	112.7	Costs (\$m)	21.0	25.6	36.0	41.4	47.6
						EBITDA (\$m)	-10.8	-7.6	-17.3	-21.9	-27.3

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
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Thomas Wakim	Healthcare	612 8224 2815	twakim
Michael Ardrey	Industrials	613 9256 8782	mardney
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Joseph House	Industrials	613 9325 1624	jhouse
Daniel Laing	Industrials	612 8224 2886	dlaing
Hayden Nicholson	Industrials	613 92351757	hnicholson
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
Andy MacFarlane	Real Estate	612 8224 2843	amacfarlane
Regan Burrows	Resources	618 9236 7677	rburrows
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9325 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
James Williamson	Resources	613 9235 1692	jwilliamson
Associates			
Connor Eldridge	Associate Analyst	612 8224 2893	celdridge
Georgia Etherington	Associate Analyst	612 8224 2846	getherington
Baxter Kirk	Associate Analyst	613 9235 1625	bkirk
Ritesh Varma	Associate Analyst	613 9235 1658	rvarma

Research Coverage & Policies

For Bell Potter Securities' Research Coverage Decision Making Process and Research Independence Policy please refer to our company website: <https://bellpotter.com.au/research-independence-policy/>.

Authoring Research Analyst's Certification

The Authoring Research Analyst is responsible for the content of this Research Report, and, certifies that with respect to each security that the Analyst covered in this Report (1) all the views expressed accurately reflect the Analyst's personal views about those securities and were prepared in an independent manner and (2) no part of the Analyst's compensation was, is or will be, directly or indirectly, related to specific recommendations or views expressed by that Research Analyst in the Research Report.

Research Analyst's Compensation

Research Analyst's compensation is determined by Bell Potter Securities Research Management and Bell Potter Securities' Senior Management and is based upon activities and services intended to benefit the investor clients of Bell Potter Securities Ltd. Compensation is not linked to specific transactions or recommendations. Like all Company employees Research Analysts receive compensation that is impacted by overall Company profitability.

Prices

The Price appearing in the Recommendation panel on page 1 of the Research Report is the Closing Price on the Date of the Research Report (appearing in the top right hand corner of page 1 of the Research Report), unless a before midday (am) time appears below the Date of the Research Report in which case the Price appearing in the Recommendation panel will be the Closing Price on the business day prior to the Date of the Research Report.

Availability

The completion and first dissemination of a Recommendation made within a Research Report are shortly after the close of the Market on the Date of the Research Report, unless a before midday (am) time appears below the Date of the Research Report in which case the Research Report will be completed and first disseminated shortly after that am time.

Dissemination

Bell Potter generally disseminates its Research to the Company's Institutional and Private Clients via both proprietary and non-proprietary electronic distribution platforms. Certain Research may be disseminated only via the Company's proprietary distribution platforms; however such Research will not contain changes to earnings forecasts, target price, investment or risk rating or investment thesis or be otherwise inconsistent with the Author's previously published Research. Certain Research is made available only to institutional investors to satisfy regulatory requirements. Individual Bell Potter Research Analysts may also opt to circulate published Research to one or more Clients by email; such email distribution is discretionary and is done only after the Research has been disseminated. The level and types of service provided by Bell Potter Research Analysts to Clients may vary depending on various factors such as the Client's individual preferences as to frequency and manner of receiving communications from Analysts, the Client's risk profile and investment focus and perspective (e.g. market-wide, sector specific long term and short term etc.) the size and scope of the overall Client relationship with the Company and legal and regulatory constraints.

Disclaimers

This Research Report is a private communication to Clients and is not intended for public circulation or for the use of any third party, without the prior written approval of Bell Potter Securities Limited.

The Research Report is for informational purposes only and is not intended as an offer or solicitation for the purpose of sale of a security. Any decision to purchase securities mentioned in the Report must take into account existing public information on such security or any registered prospectus.

This is general investment advice only and does not constitute personal advice to any person. Because this Research Report 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 Broker (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 Research Report.

While this Research Report is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in this 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 Research Report is complete or accurate.

Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions or recommendations contained in this Research Report or for correcting any error or omission which may have become apparent after the Research Report has been issued.

Bell Potter Securities Research Department has received assistance from the Company referred to in this Research Report including but not limited to discussions with management of the Company. Bell Potter Securities Policy prohibits Research Analysts sending draft Recommendations, Valuations and Price Targets to subject companies. However, it should be presumed that the Author of the Research Report has had discussions with the subject Company to ensure factual accuracy prior to publication.

All opinions, projections and estimates constitute the judgement of the Author as of the Date of the Research Report and these, plus any other information contained in the Research Report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

Notwithstanding other departments within Bell Potter Securities Limited advising the subject Company, information obtained in such role is not used in the preparation of the Research Report.

Although Bell Potter Research does not set a predetermined frequency for publication, if the Research Report is a fundamental equity research report it is the intention of Bell Potter Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental Research Reports, Bell Potter Research may not provide regular updates to the views, recommendations and facts included in the reports.

Notwithstanding that Bell Potter maintains coverage on, makes recommendations concerning or discusses issuers, Bell Potter Research may be periodically restricted from referencing certain Issuers due to legal or policy reasons. Where the component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Research Report. Upon lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the Analyst continues to support it or it will be officially closed.

Bell Potter Research may provide different research products and services to different classes of clients (for example based upon long-term or short term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative Research Report, provided each is consistent with the rating system for each respective Research Report.

Except in so far 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 the document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of the document or any other person.

In the USA and the UK this Research Report is only for institutional investors. It is not for release, publication or distribution in whole or in part in the two specified countries. In Hong Kong this Research Report 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 Report is being distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this Research 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.

Bell Potter Securities Limited

ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited

Room 1601, 16/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