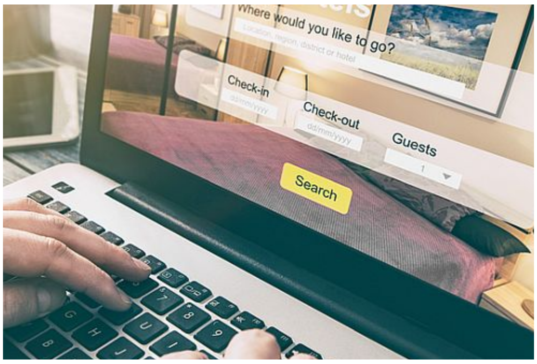
WEEK 10

# STORIES TO READ FROM FNArena

Friday, 7 March 2025

February In Review: Sentiment Soured, Deeply

Rudi's View: To Sell Or Not To Sell




Is SiteMinder's Re-Rating Just A Matter of Time?

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FNArena
Financial News, Data & Analysis

GPO Box 3145 - Sydney NSW 2001
info@fnarena.com

Your editor:
Rudi Filapek-Vandyck

Your dedicated team of journos:
Danielle Ecuyer, Greg Peel & Mark Woodruff

AUSTRALIA

# The Market In Numbers - 1 Mar 2025

**The Market In Numbers:** Look under the bonnet and what do you see?

For most investors, whatever goes on in financial markets is experienced through their own portfolio and personal matters of interest.

The below detailed overview in raw numbers and calculations might assist with assessing trends and currents that might not be apparent from daily volatility and movements.

All index data are ex dividends. Commodities are in USD.

## Australia & NZ

| Index | 01 Mar 2025 | Week To Date | Month To Date (Mar) | Quarter To Date (Jan-Mar) | Year To Date (2025) | Financial Year To Date (FY25) |
|---|---|---|---|---|---|---|
| NZ50 | 12601.420 | -1.19% | 0.00% | -3.88% | -3.88% | 7.54% |
| All Ordinaries | 8403.90 | -1.95% | 0.00% | -0.20% | -0.20% | 4.87% |
| S&P ASX 200 | 8172.40 | -1.49% | 0.00% | 0.16% | 0.16% | 5.21% |
| S&P ASX 300 | 8103.90 | -1.55% | 0.00% | 0.06% | 0.06% | 5.13% |
| Communication Services | 1690.10 | -0.61% | 0.00% | 3.85% | 3.85% | 12.58% |
| Consumer Discretionary | 4027.70 | -2.43% | 0.00% | 2.98% | 2.98% | 14.70% |
| Consumer Staples | 12021.60 | -0.57% | 0.00% | 2.14% | 2.14% | -2.88% |
| Energy | 8364.90 | 0.78% | 0.00% | -2.99% | -2.99% | -16.61% |
| Financials | 8683.90 | 1.89% | 0.00% | 0.81% | 0.81% | 13.41% |
| Health Care | 42753.10 | -0.97% | 0.00% | -4.75% | -4.75% | -3.40% |
| Industrials | 7995.80 | -0.35% | 0.00% | 4.57% | 4.57% | 17.39% |
| Info Technology | 2503.80 | -12.28% | 0.00% | -8.65% | -8.65% | 6.93% |
| Materials | 16241.10 | -5.31% | 0.00% | 0.72% | 0.72% | -3.77% |
| Real Estate | 3668.60 | -5.63% | 0.00% | -2.47% | -2.47% | 2.96% |
| Utilities | 9058.10 | 4.31% | 0.00% | 0.28% | 0.28% | -2.44% |
| A-REITs | 1676.40 | -5.73% | 0.00% | -2.44% | -2.44% | 3.21% |
| All Technology Index | 3708.30 | -8.00% | 0.00% | -2.55% | -2.55% | 18.18% |
| Banks | 3613.60 | 2.58% | 0.00% | 0.20% | 0.20% | 13.09% |
| Gold Index | 9782.00 | -4.07% | 0.00% | 16.12% | 16.12% | 32.96% |
| Metals & Mining | 5284.60 | -5.90% | 0.00% | 0.55% | 0.55% | -4.79% |

## The World

| Index | 01 Mar 2025 | Week To Date | Month To Date (Mar) | Quarter To Date (Jan-Mar) | Year To Date (2025) | Financial Year To Date (FY25) |
|---|---|---|---|---|---|---|
| FTSE100 | 8809.74 | 1.74% | 0.00% | 7.79% | 7.79% | 7.91% |
| DAX30 | 22551.43 | 1.18% | 0.00% | 13.27% | 13.27% | 23.67% |
| Hang Seng | 22941.32 | -2.29% | 0.00% | 14.36% | 14.36% | 29.48% |
| Nikkei 225 | 37155.50 | -4.18% | 0.00% | -6.87% | -6.87% | -6.13% |
| DJIA | 43840.91 | 0.95% | 0.00% | 3.05% | 3.05% | 12.07% |
| S&P500 | 5954.50 | -0.98% | 0.00% | 1.24% | 1.24% | 9.05% |
| Nasdaq Comp | 18847.28 | -3.47% | 0.00% | -2.40% | -2.40% | 6.29% |

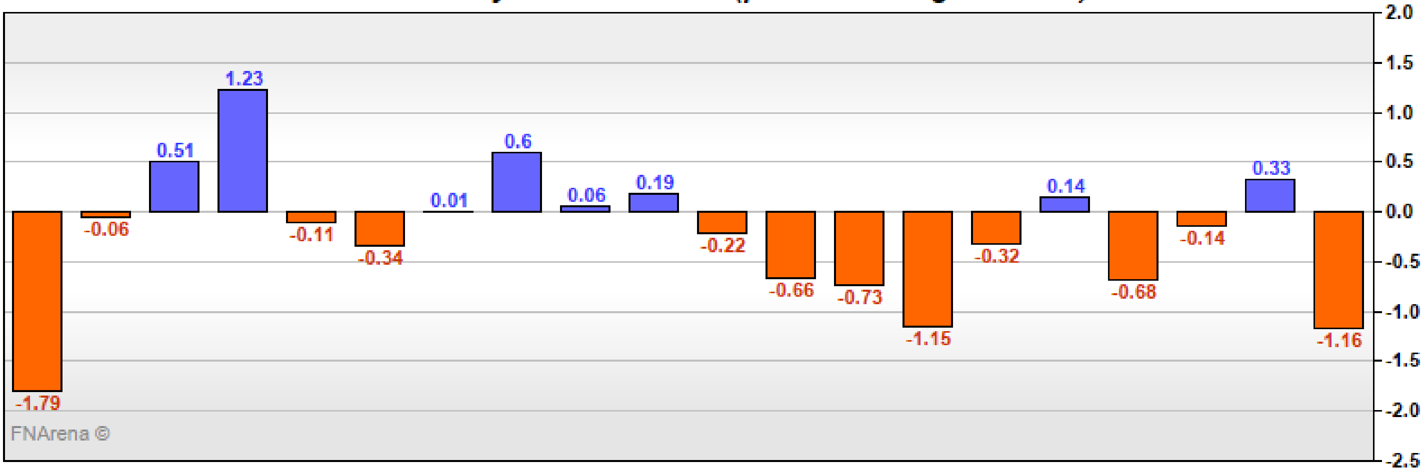
## Metals & Minerals

| Index | 01 Mar 2025 | Week To Date | Month To Date (Mar) | Quarter To Date (Jan-Mar) | Year To Date (2025) | Financial Year To Date (FY25) |
|---|---|---|---|---|---|---|
| Gold (oz) | 2885.41 | -2.20% | 0.00% | 9.85% | 9.85% | 23.42% |
| Silver (oz) | 31.50 | -5.74% | 0.00% | 4.21% | 4.21% | 7.68% |
| Copper (lb) | 4.6015 | -0.16% | 0.00% | 12.33% | 12.33% | 6.18% |
| Aluminium (lb) | 1.1863 | -3.40% | 0.00% | 3.78% | 3.78% | 5.50% |
| Nickel (lb) | 6.9238 | 1.72% | 0.00% | -3.09% | -3.09% | -10.98% |
| Zinc (lb) | 1.2667 | -3.50% | 0.00% | -6.26% | -6.26% | -4.48% |
| Uranium (lb) weekly | 65.25 | -1.66% | 0.00% | -9.38% | -9.38% | -21.62% |
| Iron Ore (t) | 107.07 | 0.07% | 0.00% | 3.11% | 3.11% | 0.53% |

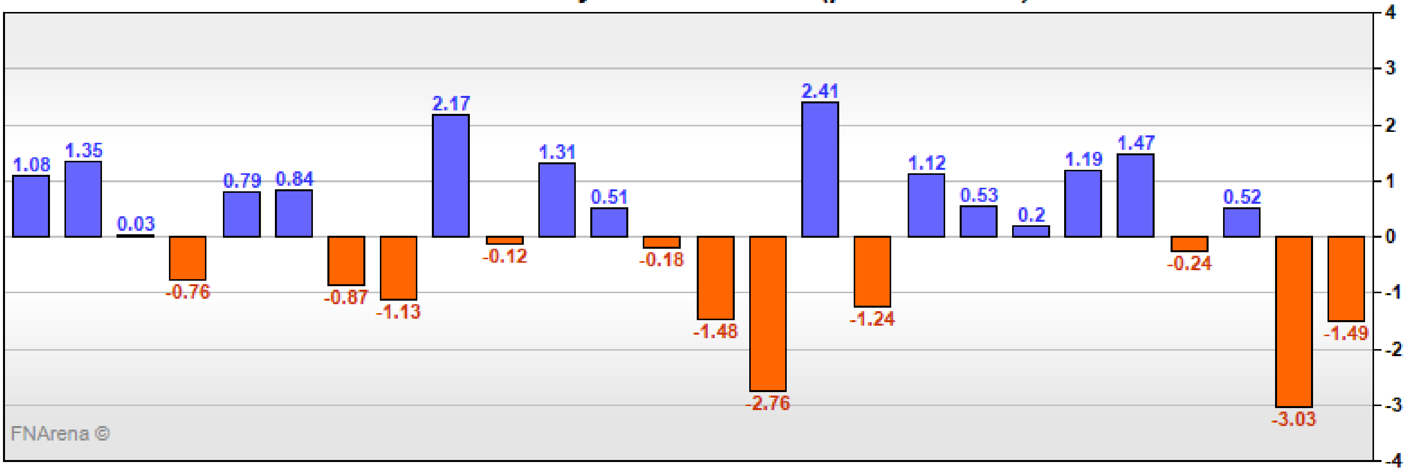
## Energy

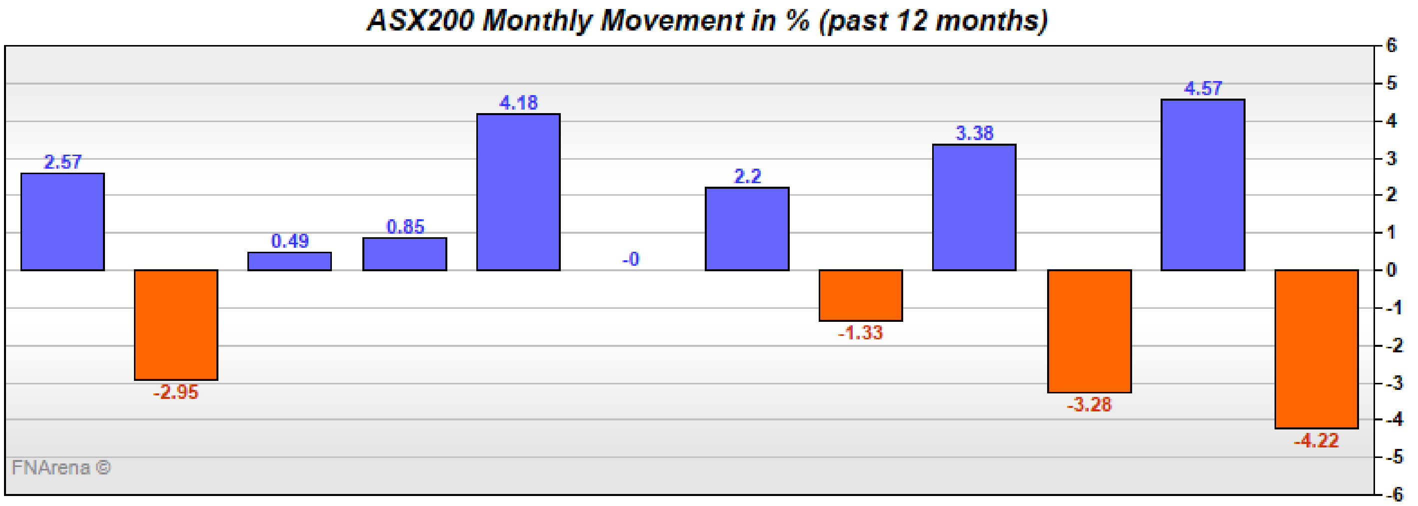
| Index | 01 Mar 2025 | Week To Date | Month To Date (Mar) | Quarter To Date (Jan-Mar) | Year To Date (2025) | Financial Year To Date (FY25) |
|---|---|---|---|---|---|---|
| West Texas Crude | 70.22 | -3.13% | 0.00% | 1.07% | 1.07% | -14.22% |
| Brent Crude | 73.36 | -4.08% | 0.00% | 1.10% | 1.10% | -14.14% |

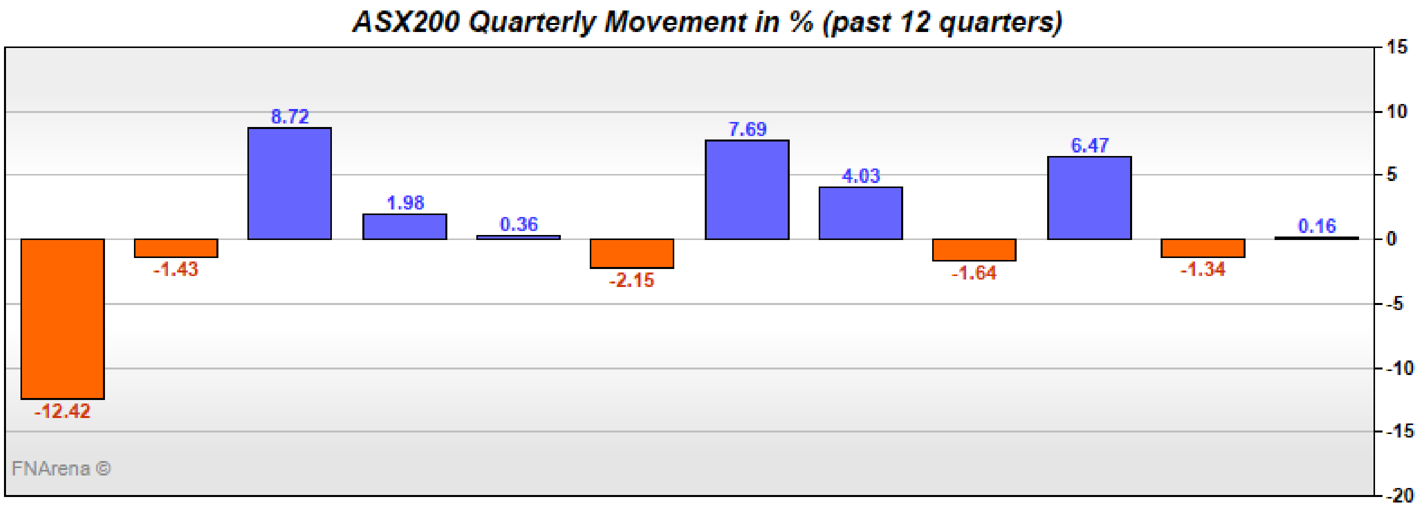
**ASX200 Daily Movement in % (past 20 trading sessions)**




**ASX200 Weekly Movement in % (past 26 weeks)**






The composition of above rankings and calculations is fully automated, based on raw data. Investors are advised to find context, interpretation and background elsewhere.

FNArena is not responsible for any glitches, omissions or data errors. This feature is not investment advice. It is offering a quick status on raw price movements for information purposes only.

FNArena welcomes comments and suggestions at [info@fnarena.com](mailto:info@fnarena.com)

AUSTRALIA

# Choppy Waters For Endeavour

Pubs remain resilient, but retail liquor faces cost of living challenges while industrial action did not help Endeavour Group's first half.

**-Endeavour Group earnings below expectations**
**-Retail challenged, pubs resilient**
**-Woolworths industrial action impacted**
**-Market awaits a new CEO**

By Greg Peel

Liquor retailer and hotel owner Endeavour Group ((EDV)) reported a -10% fall in group earnings in the first half, impacted by cost of living pressures and the same industrial action at Victorian distribution centres that crippled former owner Woolworths Group ((WOW)) in the December quarter.

Earnings fell despite solid cost management. The company's endeavourGO cost-out strategy provided savings of -$40m for the half, bringing cumulative savings to date of -$230m. Management continues to target more than -$290m in savings by FY26, but with -$230m already netted, Citi suggests the "easy wins" have likely now been achieved.

However, this was not enough to offset higher costs, mainly in wages and rent, in addition to some one-off restructuring expenses and costs associated with Endeavour separating from Woolworths's IT systems (OneEndeavour). These cost increases resulted in the group earnings margin falling -90bps to 9.0%, Morgans notes, with the Retail earnings margin down -110bps to 6.7% and Hotels declining -60bps to 23.4%.

OneEndeavour is on time and on budget and enterprise planning design is currently being worked on. The shift off Woolworths' systems will reduce costs, Morgan Stanley notes. The program will deliver simplification, which is expected to enable productivity gains.

Sacre Bleu

Retail liquor sales are generally subdued at present due to cost of living pressures. Management called out signs of down-sizing, with price hikes for French champagne driving customers into local sparkling wines. Spirit sales are in decline, partly offset by CPI-linked price increases, while beer sales are stable.

After gaining market share in the September quarter, total retail sales fell -2.7% in the December quarter and -0.8% in the first seven weeks of the second half. This compares to 1.2% and 3.8% respective growth numbers for rival Coles Group ((COL)).

Endeavour was negatively impacted by Woolworths' industrial action with the in-stock position weighing on the first seven weeks and only being resolved now. Sales were lost due to product unavailability.

Looking forward, as the in-stock position is improved, UBS is confident the Endeavour Retail offer can return to market share gains.

Encouragingly for Morgans, management said promotional intensity, which was elevated in the September quarter, abated in the December quarter, and this has continued into the early second half.

Pubs Outperform

As Retail languished, Endeavour's Hotels division grew first half earnings by 1%. Management noted sales momentum increased through the half, with higher sales across all key drivers of food, bars, gaming and accommodation.

Endeavour noted Hotel sales have accelerated into the second half, with 4.7% growth seen in the first seven weeks.

Gaming is resilient, with Endeavour gaining market share in Victoria as operating hours are now aligned across all competitors, while the company is benefiting, UBS notes, from high growth rates in Queensland, yet losing some share as growth is fastest in clubs and regional areas, whereas Endeavour as a pub operator is skewed to metro.

Management reiterated its intention to conduct larger-scale renewals. Longer term, this may be a key driver of earnings growth, Macquarie suggests. Endeavour notes it is on track to deliver in excess of 15% return on invested capital on its 15 renewals completed in FY24, albeit future renewals will come with capex (-$100-120m in FY26).

To fund this, capital recycling will be a key funding source. Management has called out $100m-150m of potential inflows from five hotels slated for development, while further funding may be required for future projects.

Search for a Star

While Endeavour's search for a new CEO is "well progressed", the board expects the start date for a new CEO to occur after Steve Donohue's 12-month notice period expires in September 2025. As a result, Chairman Ari Mervis will be appointed as Executive Chairman and move into the role as CEO and Managing Director from 17 March 2025.

Ari Mervis will be in the role for up to 12 months while the appointment of a new CEO is finalised. While the move will provide an orderly transition to the new CEO once he/she starts, UBS believes Steve Donohue's earlier-than-expected departure from the role is a negative overall given his intimate knowledge of the Endeavour business and his extensive experience in the Australian retail liquor industry.

With no appointment of a permanent CEO, Macquarie notes questions remain on longer-term strategy. This broker awaits further updates to come from the incoming executive chairman and the formal appointment of a new CEO. Macquarie sees two key areas of focus, being the pace of the Hotels renewal program while managing capital requirements, and plans to reverse trading headwinds in the liquor segment.

Tailwinds

UBS retains its Buy rating on Endeavour due to the strong liquor industry position, cost management, Hotels growth optionality, capital discipline, as well as valuation support.

In a brief note, Morgan Stanley retains an Overweight rating. Other brokers are more cautious. The remaining four of six brokers monitored daily by FNArena covering Endeavour all have Hold or equivalent ratings.

Morgans believes Endeavour is fundamentally a good business with well-known brands (eg, Dan Murphy's and BWS) and number one market positions in both Retail and Hotels. Despite these qualities, the near-term sales environment remains soft, with cost inflation (including OneEndeavour costs) likely to put ongoing pressure on margins.

In addition, with a permanent CEO yet to be appointed, Morgans sees limited upside in Endeavour's share price due to the uncertainty on future strategy.

While Endeavour trades at an undemanding multiple, Citi thinks this will remain the case until the market can gain more comfort around the company's ability to manage medium-term margins in an industry with structural headwinds.

Citi cites the -$230m of -$290m targeted cost savings already booked, the prospect of a longer-term rent reset, potential future gaming regulatory changes, and risks around the current CEO transition, which is taking longer than anticipated, as key factors.

There is scope for a recovery in Retail given privileged assets in Dan Murphy's, while Hotel renewals also present a sizeable opportunity, but Macquarie expects near-term trading to remain mixed and awaits a further update on strategy from the new CEO, once appointed.

Ord Minnett (Hold) has yet to update on the result. The average target among the six brokers has fallen to $4.68 from $4.84.

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AUSTRALIA

# February In Review: Sentiment Soured, Deeply

An unraveling of animal spirits and optimism led the ASX 200 index lower over February with investors vigorously rotating out of the winners into defensive stocks and sectors.

**-Growth and momentum tumble as gold glitters**
**-Safe defensive harbours rise to the occasion**
**-Trump tariffs and a growth scare depress sentiment**
**-Asset price boom, but is liquidity falling?**

By Danielle Ecuyer

Equity Market Performance in February 2025

If January was characterised as the risk-on rally, then February's performance stands in stark contrast, with the S&P/ASX200 tumbling -3.79%, on a total return basis thus including dividends, underperforming the S&P500's -1.3% decline.

The risk-off tone has delivered the big rotation, not only out of all the favourite trades from the last couple of years, such as technology and momentum, but also geographic outperformance with US markets underperforming China, Europe and the UK, but not Japan.

Macquarie attributes the February strength of China's market performance, rising 11.6%, to the DeepSeek announcement in late January, which helped to boost China Technology stocks and may have accelerated the switch out of Australian equities.

The S&P/ASX Information Technology sector sold off by -12.28% in February, bringing the 2025 year-to-date decline to -8.63%.

In Australian dollar terms, the S&P Europe 350 index rallied 3.48% in February, and is up 9.68% year-to-date. The S&P Emerging broad market index also gained, up 1.72%, with a boost from China.

The S&P/NZX 50 sold down -3.03% over February, with a year-to-date decline of -3.88%.

Commodities and gold

Scanning across the Dow Jones Commodity Index, copper rallied 4.4% with gold up a further 2.47%, lifting the shiny metal's gain to 40.41% for the 12 months ending February, with copper the next best performer at 10.70% over the period.

Macquarie's total return assessment for gold stocks (All Ords) stands at 59.1% over the 12 months to February 28, composed of a 56.8% capital gain plus 4.7% in dividends.

In contrast, the ASX energy sector declined -15% over the period, with a capital fall of -19.7% only partially offset by 4.7% in dividends. The S&P GSCI Crude Oil index fell -2.4% in February and has advanced 3.38% over the last 12 months.

February proved a tale of two opposing stories, with Australian gold stocks providing extra performance cream on top of the gold price cake, while Australian energy stocks, including LNG and gas exposures, suffered at the hands of individual companies versus commodity price pressures.

Company-specific market movers

Company specifics were in focus over February when it comes to sector performances. WiseTech Global's ((WTC)) share price fell -25.2% due to governance issues relating to the resignation of independent board members and personal shenanigans from founder, CEO, now Executive Chairman, Richard White.

The healthcare sector also suffered from company specifics, with Cochlear shares down -17.8% post an earnings downgrade, and Mexico tariffs an overhang for Fisher & Paykel Healthcare ((FPH)), down -11.7%.

CSL ((CSL)) experienced softness in its US vaccine business, Seqirus, with investors all too aware of the potential impacts from the Trump administration. The health sector declined -7.6% in February, making it the second-worst-performing sector.

Despite the RBA's delivering a -25bps cut in the cash rate in February, real estate fell -6.2%, and financials, which have rallied 24% on a 12-month basis to the end of February, posted a fall of -4.4% over the month.

Morgan Stanley says Banks experienced the weakest monthly return in over two years, down -5.2% on a total return basis.

The most expensive of the lot, CommBank ((CBA)), outperformed the rest of the sector, with National Australia Bank ((NAB)) suffering along with other momentum stocks. Momentum as a factor declined -5.3%, including the likes of WiseTech Global, Goodman Group ((GMG)), ResMed ((RMD)), Car Group ((CAR)), Block ((XYZ)), and Fisher & Paykel Healthcare.

<u>Defensive sectors and reporting season takeaways</u>

Defensive sectors performed the way they are meant to in a risk-off environment. Utilities rallied 3.2%, also supported by a positive earnings result from APA Group ((APA)), up 9.8%. Food & Beverages rose 7.8%, supported by a2 Milk Co ((A2M)), and the Telecom sector went up 5.6%, supported by Telstra Group ((TLS)) on the back of another dividend increase plus a share buyback.

Macquarie's analysis of the reporting season shows companies that returned capital performed well, specifically with new buybacks announced, including in media, insurance, and commercial services.

Resource companies harboured the most disappointment for investors, and discretionary retail faced macro headwind challenges leading to downgrades for autos, consumer services, and cyclical retail. The broker's EPS forecast fell -150bps to a decline of -3.3% over reporting season, marking the third year in a row of falling earnings for corporate Australia.

Price-to-earnings (PER) multiples declined across multiple sectors with the greatest PER de-rate reserved for Banks, down -1x to 18x, but as Morgan Stanley explains this is still high by historical norms of 12.4x.

Morgan Stanley noted, despite earnings season delivering a beats-to-misses ratio of 1.6 times to consensus, market weakness at an index level continued into the last week of February as global markets moved to try and price in rising risks around growth from mixed data, notably the US and trade policies.

Volatility around result announcements was also high and earnings revisions for February reporting season were predominantly to the downside. Morgan Stanley's observation confirms Macquarie's assessment that aggregate earnings estimates for FY25 are now lower than FY24's average EPS.

The shift in positioning reflected not only investors gravitating to defensive stocks and sectors but also buying duration, such as longer-dated government bonds. The Australian 10-year bond yield declined from around 4.54% at the end of January to 4.3% at the end of February.

<u>Market sentiment and investor positioning</u>

The risk-off trade and concerns over global growth and tariffs have seen the Australian dollar pull back against the US dollar from an intra day high on January 20 of 64c to 62c at February 28.

Macquarie's FOMO Meter has declined to 0.23 from a post-US election peak of 1.25.

This corresponds to Morgan Stanley questioning whether a fault line in the "US exceptionalism" narrative has developed. This narrative, including the dominance and strong performance from US technology stocks and the AI trade, is starting to unravel with the US facing challenges from actions by the Trump administration.

Lance Roberts from Real Investment Advice highlighted the American Association of Individual Investors ((AAII)) sentiment indicator is suggesting 60.6% of retail investors in the country are bearish as at February 28, against 40.5% at the February 19 reading.

The AAII retail investor survey is now the most bearish since September 2022. It is only the sixth time since 1987 that bearish sentiment has been above 60%. Roberts stresses the five-week change in the index is the third largest in history.

Morgan Stanley highlights investors are likely to grow tired of tariff headlines, as volumes in US markets are suggesting, and the tariff risk premium into US markets is expected to "wane further." US Treasuries are expected to benefit.

Tariff headlines also contribute to more investor and policy uncertainty.

Macquarie believes the uncertainty over Trump's policies and tightening financial conditions could create room for more negative surprises. Cash futures markets are currently predicting the next -25bps rate cut from the RBA will arrive in May, not the March 29-April 1 meeting.

Global liquidity and retirement assets

Regarding global liquidity, CrossBorder Capital's Michael Howell stated in his latest weekly Global View:

*"QE needs to come back in some form, potentially with a less provocative name. Not only are US money markets tightening and liquidity-sensitive assets, like Bitcoin, selling off, but the US economy is faltering as last year's secretive' stimulus falls away. Admittedly, the Fed seems curiously reluctant to move, but unless they do, markets will slam into a wall around mid-year when US banks' reserves fall below the danger line."*

Looking at the weight of money coming from Australia's retirement assets, UBS details the boom in value by 11% year-on-year to $4.2trn for the December 2024 quarter.

If the pool of savings continues to grow at a similar pace, the increase would be around $1trn every two years.

Contributions advanced 16% in 4Q 2024, and inflows continue to exceed outflows.

Retirement benefits paid out in the four quarters to 4Q 2024 rose 11% to a record $172bn, or around 11% of household income.

Understandably, UBS explains how the retirement system is growing as a major contributor to the "household wealth effect," underpinning the consumer and putting a brake on RBA rate cuts this cycle.

While dwelling prices rose 0.3% in February from January, this marks the equal-fastest monthly increase since July 2024.

## ASX100 Best and Worst Performers of the month (in %)

| Company | Change | Company | Change |
|---|---|---|---|
| A2M - A2 MILK COMPANY LIMITED | 35.25 | MIN - MINERAL RESOURCES LIMITED | -35.08 |
| CPU - COMPUTERSHARE LIMITED | 16.81 | VEA - VIVA ENERGY GROUP LIMITED | -33.46 |
| NHF - NIB HOLDINGS LIMITED | 15.57 | REH - REECE LIMITED | -27.82 |
| BSL - BLUESCOPE STEEL LIMITED | 13.95 | WTC - WISETECH GLOBAL LIMITED | -27.71 |
| CHC - CHARTER HALL GROUP | 8.91 | IEL - IDP EDUCATION LIMITED | -24.66 |

## ASX200 Best and Worst Performers of the month (in %)

| Company | Change | Company | Change |
|---|---|---|---|
| NAN - NANOSONICS LIMITED | 36.23 | MIN - MINERAL RESOURCES LIMITED | -35.08 |
| A2M - A2 MILK COMPANY LIMITED | 35.25 | VEA - VIVA ENERGY GROUP LIMITED | -33.46 |
| MP1 - MEGAPORT LIMITED | 30.52 | JLG - JOHNS LYNG GROUP LIMITED | -31.64 |
| HLI - HELIA GROUP LIMITED | 25.72 | PNV - POLYNOVO LIMITED | -31.58 |
| EVT - EVT LIMITED | 23.42 | REH - REECE LIMITED | -27.82 |

## ASX300 Best and Worst Performers of the month (in %)

| Company | Change | Company | Change |
|---|---|---|---|
| DHG - DOMAIN HOLDINGS AUSTRALIA LIMITED | 58.39 | BRN - BRAINCHIP HOLDINGS LIMITED | -35.38 |
| MYX - MAYNE PHARMA GROUP LIMITED | 57.99 | MIN - MINERAL RESOURCES LIMITED | -35.08 |
| NAN - NANOSONICS LIMITED | 36.23 | SLX - SILEX SYSTEMS LIMITED | -33.71 |
| A2M - A2 MILK COMPANY LIMITED | 35.25 | VEA - VIVA ENERGY GROUP LIMITED | -33.46 |
| ARU - ARAFURA RARE EARTHS LIMITED | 30.77 | IDX - INTEGRAL DIAGNOSTICS LIMITED | -31.73 |

## ALL-TECH Best and Worst Performers of the month (in %)

| Company | Change | Company | Change |
|---|---|---|---|
| DHG - DOMAIN HOLDINGS AUSTRALIA LIMITED | 58.39 | APX - APPEN LIMITED | -52.55 |
| MP1 - MEGAPORT LIMITED | 30.52 | BRN - BRAINCHIP HOLDINGS LIMITED | -35.38 |
| BVS - BRAVURA SOLUTIONS LIMITED | 17.59 | 4DX - 4DMEDICAL LIMITED | -29.36 |
| EML - EML PAYMENTS LIMITED | 17.58 | WTC - WISETECH GLOBAL LIMITED | -27.71 |
| FND - FINDI LIMITED | 17.32 | NVX - NOVONIX LIMITED | -23.64 |

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## Australia & NZ

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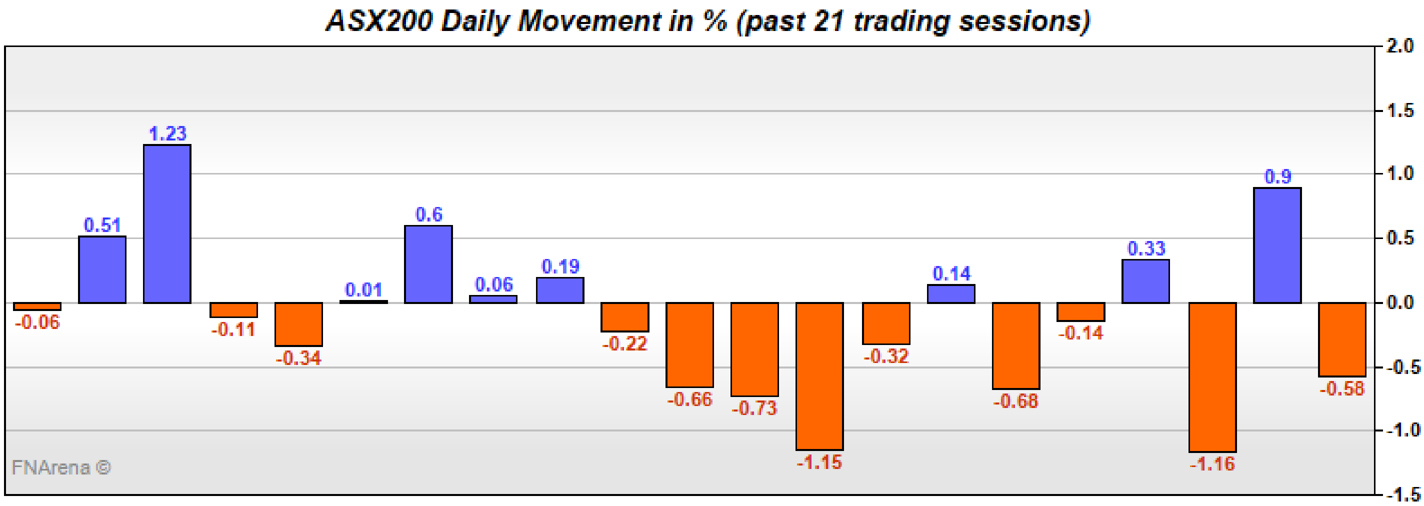
|---|---|---|---|---|
| FTSE100 | 8809.74 | 1.57% | 7.79% | 7.79% |
| DAX30 | 22551.43 | 3.77% | 13.27% | 13.27% |
| Hang Seng | 22941.32 | 13.43% | 14.36% | 14.36% |
| Nikkei 225 | 37155.50 | -6.11% | -6.87% | -6.87% |
| DJIA | 43840.91 | -1.58% | 3.05% | 3.05% |
| S&P500 | 5954.50 | -1.42% | 1.24% | 1.24% |
| Nasdaq Comp | 18847.28 | -3.97% | -2.40% | -2.40% |

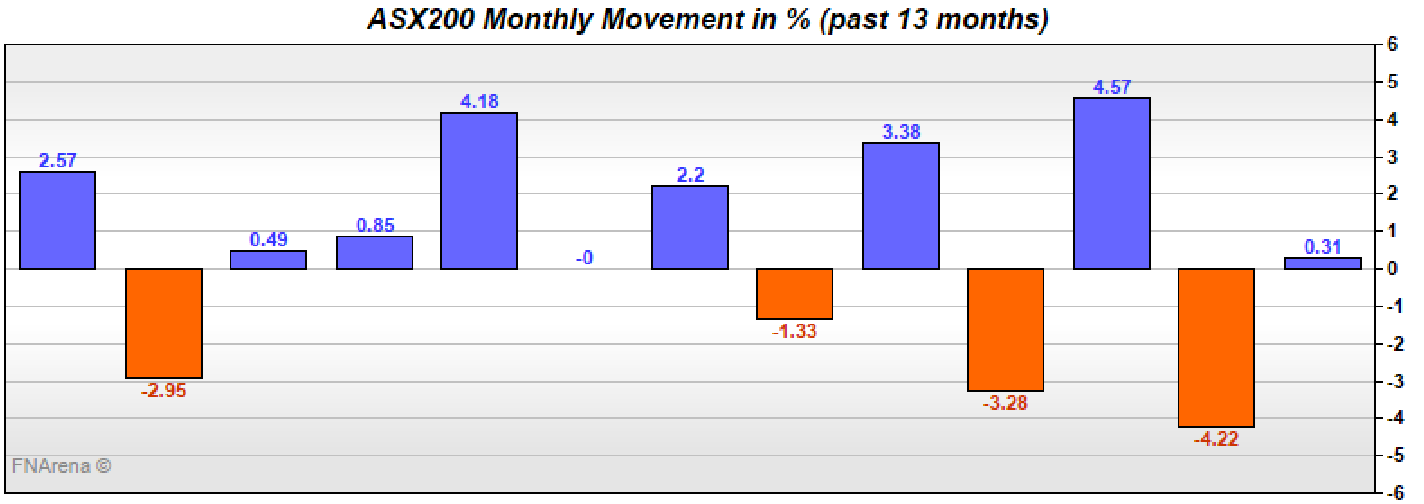
## Metals & Minerals

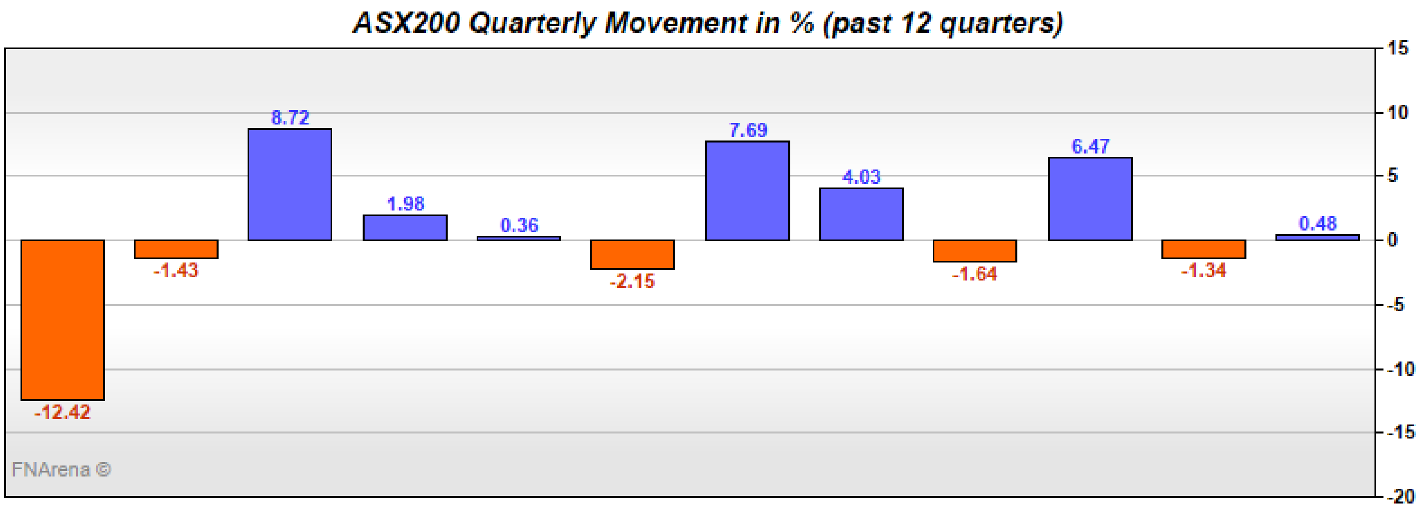
| Index | 28 Feb 2025 | Month Of Feb | Quarter To Date (Jan-Mar) | Year To Date (2025) |
|---|---|---|---|---|
| Gold (oz) | 2885.41 | 1.34% | 9.85% | 9.85% |
| Silver (oz) | 31.50 | -3.42% | 4.21% | 4.21% |
| Copper (lb) | 4.6015 | 6.80% | 12.33% | 12.33% |
| Aluminium (lb) | 1.1863 | 0.70% | 3.78% | 3.78% |
| Nickel (lb) | 6.9238 | 1.04% | -3.09% | -3.09% |
| Zinc (lb) | 1.2667 | 0.93% | -6.26% | -6.26% |
| Uranium (lb) weekly | 65.25 | -8.29% | -9.38% | -9.38% |
| Iron Ore (t) | 107.07 | 5.66% | 3.11% | 3.11% |

## Energy

| Index | 28 Feb 2025 | Month Of Feb | Quarter To Date (Jan-Mar) | Year To Date (2025) |
|---|---|---|---|---|
| West Texas Crude | 70.22 | -3.87% | 1.07% | 1.07% |
| Brent Crude | 73.36 | -3.47% | 1.10% | 1.10% |

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*FNArena is proud about its track record and past achievements: Ten Years On*

BOOK REVIEWS

# FNArena Book Review: Investing In US Financial History

*Investing in U.S. Financial History: Understanding the Past to Forecast the Future by Mark J Higgins.*

By Rudi Filapek-Vandyck

*"There is nothing new in the world except the history you do not know."*

These words spoken by former US President Harry Truman capture the essence of what makes a book like Mark J Higgins' Investing In U.S. Financial History compulsory reading for every scholar of modern day financial markets.

As the book's subtitle proclaims, understanding the past makes forecasting the future a whole lot easier.

This principle was yet again confirmed during my attendance at an investor presentation by one of the principals of Australia's Future Fund.

Back in 2020, when covid forced societies into lockdowns and equity markets succumbed to a savage down draft, the Future Fund had taken money off the table, unsure about what might happen next, only to find itself scrambling to get back in as central banks swiftly moved to stabilise markets.

The lesson learned: if we'd had paid more attention to history, we'd probably have avoided putting ourselves in this situation.

There's plenty to glean, learn and memorise from Higgins' stroll through American finance history which, as the author would have us believe, reveals there is almost no financial event today that hasn't ever happened before.

Higgins' journey starts off with the 2020 global covid pandemic and its impact on economies and financial markets; also inspiring his own quest to write this book.

In 233 years, the United States of America evolved from a colonial territory of Great Britain to become the world's leading and largest economy, and its most dominant financial centre.

Investing In U.S. Financial History explains how the early years were very much a wild west set-up, where investors were more at risk of losing their money rather than making more of it. But out of this shambolic situation have come the Federal Reserve and many products and innovations that underpin today's vibrant finance sector worldwide.

From Alexander Hamilton, "America's financial founding father", to John Pierpont Morgan, Andrew Carnegie, Alan Greenspan, Ben Bernanke, and so many more; all appear as their role in shaping finance history becomes apparent.

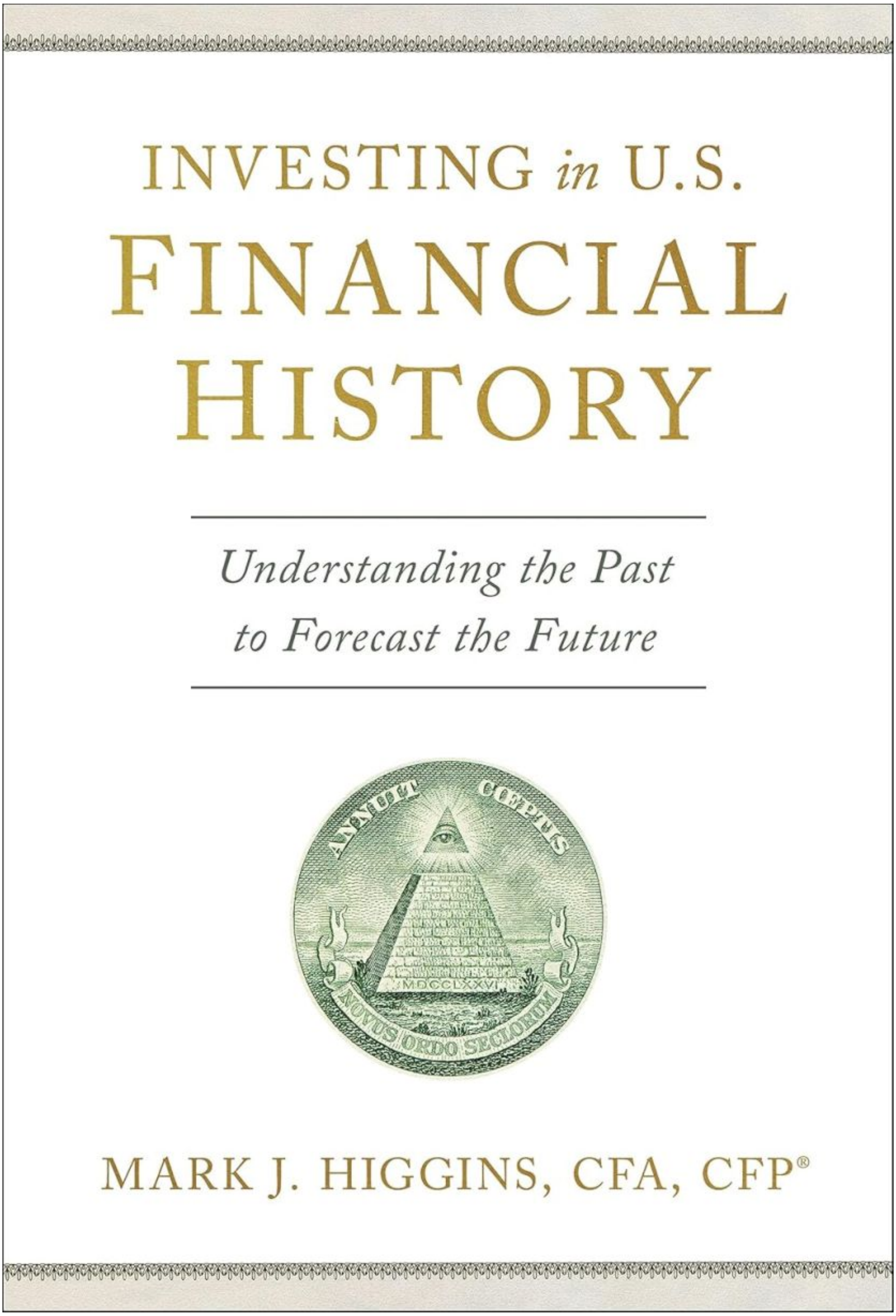
Throughout the past 200-plus years, the US has experienced runs on banks, depressions, speculative bubbles, bear markets, wars and severe social ruptures but every time the economy recovers and soldiers on, allowing its share market to rise to a new record high.

Well researched and eloquently written, this book is worth re-reading as it enlightens on so many crises and developments too easily forgotten about or ignored.

It is often said those who do not know history are most at risk of repeating its mistakes.

Higgins' commendable effort fills that void. Those with a healthy appetite for historical facts and insights shall find lots of aha!-moments, and fresh insights.

At the very least, this read offers a better understanding of how we got here today and what tomorrow's next financial crisis might look like.




Investing in U.S. Financial History: Understanding the Past to Forecast the Future by Mark J Higgins, published by Greenleaf Book Group Press.

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RUDI'S VIEWS

# Rudi's View: February's Reality Check

**February's Reality Check**

By Rudi Filapek-Vandyck, Editor

No matter how one tries to cut and slice the facts, February has been a sore disappointment for Australian investors, starting with price action as the ASX200 retreated by -4.22% over the month but kept losses limited to -3.79% through bank and other dividends.

February marked a notable reversal from the optimism that saw January starting off with strong gains, pushing the index up by 4.6%, but all of those gains, and widespread optimism, have now disappeared.

Given the negative trend that dominated the final week of the month, investors might consider it a positive to see the major index unchanged for the year to date.

Excitement Arrived Too Early

February also marks the interim results season for most ASX-listed companies and here too a firm reality check has descended upon the market.

Pre-season there was widespread optimism that earnings might have bottomed and companies would be whetting investors' appetite with better cost control and rising sales, and early signs of greenshoots appearing on top.

Alas, such forecasts and anticipations have been proven to be largely premature, with businesses continuing to struggle with exposures to New Zealand across the Tasman, and Victoria on the mainland, in addition to uphill battles in places like the US and the UK.

At face value, February did generate more earnings 'beats' than 'misses', but the gap between these two outcomes notably reversed throughout the final stretch of the season as more smaller cap companies reported.

Analysts at Morgan Stanley observed when measured against sales and revenues, the balance actually swings in favour of more 'misses', which yet again indicates times remain tough out there for most companies.

Which is also the key reason as to why boards and management teams preferred to communicate with caution.

Strategists at Macquarie had anticipated much more talk about greenshoots and better times arriving, but it simply wasn't to be.

UBS research shows more companies have seen forecasts being downgraded than upgraded in February.

Results Are Better, But Not Great

The **FNArena Results Season Monitor** for the month doesn't simply look at reported earnings, but also takes into account broader items and forward-looking guidance, and its balance shows beats/meets/misses at roughly one third each for ASX200 companies.

While this does mark a significant improvement on last year's August season when disappointments made up the largest percentage, it was not better than February twelve months ago which was not a particularly ebulliant experience either.

Now all companies have reported for the season, consensus EPS growth has declined to -0.7% for FY25, implying negative growth on average for the third consecutive year for Australia.

The good news is EPS growth for FY26 currently stands at 8%. For a market that needs something positive to look forward to, significantly above-average growth on the horizon is exactly what the doctor would prescribe.

Sectors mostly responsible for the reduction in profit forecasts are Energy, Banks, Healthcare and Tech sectors.

The offset is many, including RBA decision makers themselves, question the bond market's optimism on the number of rate cuts forthcoming.

There's still plenty of uncertainty about the exact impact from the new US administration's policies, not the least since that spectacular blow up in negotiations with the Ukraine.

If February is our guide for what follows next, it very much looks like US economic momentum is increasingly under a question mark. It's eerily quiet on private equity deal makings. Don't count on investor anxiety to disappear anytime soon.

Greenshoots & Portfolio Rotation

It wasn't all bad news that happened throughout February, of course. When viewed through more pink-coloured glasses, it can be argued many sectors in Australia are exhibiting resilience in the face of multiple headwinds and much of the negatives I just highlighted are the result of resources companies feeling the pressure (yet again).

But one of the key characteristics of February has been that positive surprises did not automatically receive a reward, as is usually the case.

Plenty of examples around to support that observation. Think JB Hi-Fi ((JBH)) and Hub24 ((HUB)), but also

ResMed ((RMD)), Wesfarmers ((WES)) and Pinnacle Investment Management ((PNI)), and others.

In contrast, consensus-beating results by the likes of a2 Milk ((A2M)), Audinate Group ((AD8)), oOh!media ((OML)), Bapcor ((BAP)) and BlueScope Steel ((BSL)) have seen their share prices rally hard in response.

One possible interpretation is that some prices had already run too hard, irrespective of results still beating forecasts.

Another explanation seems equally valid: investors' focus remains on the upcoming cyclical upturn, hence cyclical laggards on a relatively cheap valuation remain the *flavour du jour*, hopefully while avoiding too many disasters along the way.

Landmines Galore

With respect to the latter group of companies, every results season generates a list of sorry disappointments and savage sell-offs, but February in particular seemed ultra-treacherous for the unsuspecting investor.

An observation confirmed by UBS strategist Richard Schellbach whose number crunching puts the average intra-day swing in share prices at 7% on days of result reporting.

Such volatility is "unprecedented", reports Schellbach, but also likely to stay with the market so investors will simply have to find ways to deal with it.

As to why the average share price response has become much heavier these days, the UBS strategist suggests more passive money (think broad-based ETFs), reduced liquidity, and stale earnings estimates are probably all part of the explanation.

Regarding the latter, it is a fact most brokerages operate on smaller teams of analysts these days and less time and opportunity no doubt translates into less attention and fewer updates for less important (less popular) companies. Hence, increased odds for significantly different results, in either direction.

February's list of eye-catching punishments includes the likes of AMP ((AMP)), Mineral Resources ((MIN)), Bendigo and Adelaide Bank ((BEN)), SiteMinder ((SDR)), Integral Diagnostics ((IDX)), Viva Energy ((VEA)), Domino's Pizza ((DMP)), Platinum Asset Management ((PTM)), and Magellan Financial ((MFG)).

Here one observation is worth highlighting in reference to the legendary Warren Buffett's observation that many a turnaround story never genuinely turns around.

What do companies such as Aurizon Holdings ((AZJ)), Lendlease ((LLC)), IDP Education ((IEL)), Platinum Asset Management and Domino's Pizza have in common?

These are all businesses operating in struggle street for multiple years on end, and February did --yet again-- not deliver that long-awaited positive reversal in fortune that many a loyal shareholder is holding out for. We can also add the healthcare sector generally to that list as well.

One firm conclusion from February is investors better be extremely picky when positioning for businesses to emerge from troubled waters.

Lest we forget: those buying and holding on to Star Entertainment Group ((SGR)) shares might see the value of their allocation reduce to zero as administrators are waiting to be called in while trading is suspended because no financial result has been forthcoming.

Another observation worth highlighting is when times are tough and tricky, smaller cap companies do represent significantly more risk to the downside.

In February, all five heaviest decliners inside the ASX300 weakened in excess of -30%. Shares in Appen ((APX)), which nowadays is only inside the All-Ords and the local Technology index, dropped more than -50% for the month.

On the flipside, owning shares in Nanosonics ((NAN)), Megaport ((MP1)) or Arafura Rare Earths ((ARU)) would have delivered 30%-plus in net gains.

Revenues & Dividends

Morgan Stanley has spotted a close relationship between positive surprises at the top line level (sales and revenues rather than simply margins or profits) and strong share price rewards post result releases.

Also, some 22% of companies reporting have triggered meaningful positive revisions to analysts' forecasts and these share prices too have been handsomely rewarded.

Companies that fall into this category include Telix Pharmaceuticals ((TLX)), Ramelius Resources ((RMS)), Nanosonics ((NAN)), Temple & Webster ((TPW)) and HMC Capital ((HMC)) for FY25 forecasts.

For the following year of FY26, this also includes Coronado Global Resources ((CRN)), MAC Copper ((MAC)), Paladin Resources ((PDN)), SiteMinder, and Service Stream ((SSM)).

Morgan Stanley's number crunching also shows for the second season in a row revenues generated more misses than positive surprises with the final balance a net negative outcome.

This has no precedent over the past decade and surely puts the debate about the true state of the Australian economy and whether RBA rate cuts are justified to rest.

Total dividend announcements have equally been recorded as a net negative for the season.

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See also:

https://fnarena.com/index.php/2025/02/17/rudi-interviewed-turning-laggards-into-winners/

https://fnarena.com/index.php/2025/02/20/rudis-view-best-ideas-conviction-calls/

The FNArena Results Season Monitor: https://fnarena.com/index.php/reporting_season/

**Model Portfolios, Best Buys & Conviction Calls**

This section appears from now on every Thursday morning in a separate update on the website. See **Rudi's Views** for the archive going back to 2006 (not a typo).

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**(This story was written on Tuesday, 4th March, 2025. It was published on the day in the form of an email to paying subscribers, and again on Wednesday as a story on the website).**

**(Do note that, in line with all my analyses, appearances and presentations, all of the above names and calculations are provided for educational purposes only. Investors should always consult with their licensed investment advisor first, before making any decisions. All views are mine and not by association FNArena's see disclaimer on the website.**

**In addition, since FNArena runs a Model Portfolio based upon my research on All-Weather Performers it is more than likely that stocks mentioned are included in this Model Portfolio. For all questions about this: contact us via the direct messaging system on the website).**

RUDI'S VIEWS

# Rudi's View: To Sell Or Not To Sell

By Rudi Filapek-Vandyck, Editor

Within the space of a number of weeks only, the prospect of further gains for US equities looks quite remote, as the early euphoria from Trump's election victory has quickly evaporated.

There are still voices in the market who believe the 'tough guy' President will flinch first if/when the current draw down threatens to descend into a much bigger black hole for share markets, but who knows, really?

The **FNArena-Vested Equities All-Weather Model Portfolio** has lifted its allocation to cash to circa 15% in addition to some 7% exposure to gold.

Elsewhere, we note some portfolios have moved to 80% in cash, while pondering whether 100% is more appropriate for the uncertainty ahead.

The All-Weather Portfolio had moved to 40%-plus in cash back in 2022, when a global reset in bond yields worked as a sledgehammer on valuations for Quality and Growth stocks. We'll do it again, and possibly more, if we are convinced a new GFC-like bear market is waiting to descend upon financial markets, but we are not yet convinced of that.

There is definitely a possibility for times to remain rough and tough for quite a while. From the Asian currency crisis, Y2K, the GFC, covid and the global bond reset; the past few decades have seen plenty of issues arising that weighed on markets for many, many months. Think also Grexit and EU-related problems.

This might well be one of such times. We don't know for certain yet.

As far as my own experiences go, such times are ideal for upgrading and re-calibrating the investment portfolio. Throw out the misfits, the disappointments, the keep-my-fingers-crossed-it-won't-get-worse Hail Marys, and the higher risk, small cap possibilities for a future ten bagger.

Instead, it is time to start researching those Higher Quality stalwarts you always thought were too expensively priced to buy. If the current trend remains ongoing, you'll soon be able to purchase them at much cheaper levels. This is the true gift that share markets present when risk off dominates the global landscape.

From personal experience, I can also confirm it does wonders to one's mindset. Of course, the value of the portfolio still goes down with every day of weakening share prices, but you'll be surprised how much of a difference it makes to one's mindset to have cash available for whenever the right opportunity comes along.

To the trained eye, the February result season would have provided plenty of such examples. I intend to elaborate more on this in Monday's follow-up edition of Weekly Insights.

There remains, of course, my personal research into **All-Weather Performers**, including some of the smaller cap companies I believe still have a long runway of growth ahead with higher quality attributes than most of their peers.

Some changes have been made to the selections available on the dedicated section of the website:

Have been removed: APA Group ((APA)), IDP Education ((IEL)), Integral Diagnostics ((IDX)), and Redox ((RDX)) -- not all from the same selections.

Have been added: Sigma Healthcare ((SIG)) and Pinnacle Investment Managers ((PNI)).

I intend to elaborate more on these changes in Monday's Weekly Insights. (See also further below).

https://fnarena.com/index.php/analysis-data/all-weather-stocks/

Longview Stays Equities Neutral

**Longview Economics** removed its portfolio Equities Overweight recommendation in early February as more and more technical Sell signals accumulated but Chief Market Strategist Chris Watling had already concluded late last year the US bull market looked tired and exhausted.

Longview's most recent strategy update, released this week, has stuck with a Neutral equities exposure alongside an Overweight allocation for US Treasuries and Underweight Cash.

It is Watling's observation that more and more signals are pointing towards slowing economic momentum for the US economy, while Trump's tariffs add more negative pressure, but US equities are also -6% off their recent all-time peak, and weakening daily.

Under different circumstances, reports Watling, one might be inclined to start considering a more constructive view on the markets, but not this time. Longview Economics is anticipating a relief rally of some sorts shortly, but weakness should resume soon after.

It is Longview's assessment equity markets might be staring at multiple weeks of weakness, potentially morphing into multiple months in case of a worse outcome. Tactically Cautious is the main theme. But also: Neutral, not Sell.

Incidentally, **Franklin Templeton** sent out a press statement this week in which Fixed Income CIO Sonal Desai argues taking a too pessimistic view on the trajectory ahead seems "premature" at this stage, with the US economy, despite everything, still expected to grow above potential in 2025.

Crestone Downgrades To Neutral

**Scott Haslem**, Chief Investment Officer at **Crestone**, has equally stuck with a Neutral allocation to both Australian equities and government bonds, having trimmed Overweight allocations in February, while retaining an optimistic view overall for the US economy and corporate profits.

Locally, while the February reporting season proved far from fantastic, Haslem argues significant downside scenarios seem unlikely and the remainder of 2025 should see moderate guidance upgrades overall from corporate Australia.

Crestone retains Overweight positions for US and Japanese equities.

Crestone's **Best Sector Ideas** are an attempt to identify the best in breed business models for major industry group sectors for long-term oriented investors. Anticipated performance over the next three years is part of the key considerations.

The latest updated selection consists of 18 companies, with Cochlear added to the prior list of 17 (unchanged).

-Aristocrat Leisure ((ALL))
-Ampol ((ALD))
-APA Group ((APA))
-Beach Energy ((BPT))
-Brambles ((BXB))
-Cochlear ((COL))
-CSL ((CSL))
-Goodman Group ((GMG))
-IGO Ltd ((IGO))
-James Hardie Industries ((JHX))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Monadelphous Group ((MND))
-REA Group ((REA))

-ResMed ((RMD))
-Suncorp Group ((SUN))
-Xero ((XRO))

Crestone's selection of **sustainable dividend growers** consists of 22 names. Historically, the stock pickers remind investors, companies that grow dividends consistently can offer superior long-term return for those who own them.

This selection has seen no changes.

-Amcor ((AMC))
-Ampol ((ALD))
-APA Group ((APA))
-Atlas Arteria ((ALX))
-Beach Energy ((BPT))
-BHP Group ((BHP))
-Car Group ((CAR))
-Coles Group ((COL))
-Dalrymple Bay Infrastructure ((DBI))
-Iress Ltd ((IRE))
-Lottery Corp ((TLC))
-Macquarie Group ((MQG))
-Metcash ((MTS))
-Mirvac Group ((MGR))
-Pro Medicus ((PME))
-QBE Insurance ((QBE))
-RAM Essential Services ((REP))
-ResMed ((RMD))
-Suncorp Group ((SUN))
-Tabcorp Holdings ((TAH))
-Telstra ((TLS))
-Westpac Banking ((WBC))

<u>Cit's Focus On Healthcare</u>

The interim update disappointed and Integral Diagnostics' ((IDX)) share price received an absolute shellacking, but **healthcare analysts at Citi**, for one, are keeping the faith.

They have elevated the stock to their number one preferred exposure in Australian healthcare, now beating CSL ((CSL)), Australian Clinical Labs ((ACL)), ResMed ((RMD)), and Cochlear ((COH)).

Ratings for all three of Integral Diagnostics. ResMed and Cochlear were upgraded to Buy this week.

ResMed's share price weakness following a strong performance operationally in February has equally caught the attention of stock pickers at **Goldman Sachs**.

ResMed has now been added to the broker's **APAC Conviction List**, where the stock joins Worley ((WOR)) and Iluka Resources ((ILU)) as the only other representatives from the ASX.

Healthcare sector analysts at Wilsons have selected ResMed, Telix Pharmaceuticals ((TLX)), Clarity Pharmaceuticals ((CU6)), Clinuvel Pharmaceuticals ((CUV)), and CSL for most potential upside.

<u>Wilsons Adjusts Focus Portfolio</u>

The February results season has seen **Wilsons' Focus Portfolio** sell out of Steadfast Group ((SDF)) and trim exposure to Xero ((XRO)), although the latter did not release any financials during the month as it reports in between the main seasons.

The proceeds from both changes have been used to add exposure to WiseTech Global ((WTC)) and also add Brambles ((BXB)) into the mix.

Other changes made involve more exposure to Goodman Group ((GMG)) through its capital raise, with minor negative adjustments to portfolio weightings of Aristocrat Leisure ((ALL)) and Hub24 ((HUB)).

RBC Capital Prefers Coles

This week, **RBC Capital** initiated coverage on Australia's two dominant supermarket operators with a preference for Coles Group ((COL)) over Woolworths Group ((WOW)).

That preference revolves around the simple observation that positive momentum, for the time being, is with the smaller operator of the two, a fact yet again confirmed during the February results season.

On the opposing side, Woolworths management certainly has a sizeable task at hand to once again righten the ship.

RBC analysts also suggest were Coles to continue on its positive growth trajectory, and with Woolworths still in struggle street, it is not inconceivable shares in Coles will revert to a relative premium from a narrowing valuation discount over the year past.

Woolworths thus starts with a $31 price target and Sector Perform rating while Coles enjoys an Outperform rating and $22 price target.

Morgan Stanley Makes No Changes

Morgan Stanley's **Macro+ Focus List** in Australia is currently made up of:

-AGL Energy ((AGL))
-Aristocrat Leisure ((ALL))
-Car Group ((CAR))
-GPT Group ((GPT))
-James Hardie ((JHX))
-Macquarie Group ((MQG))
-Paladin Energy ((PDN))
-Santos ((STO))
-Suncorp Group ((SUN))
-WiseTech Global ((WTC))

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Morgan Stanley's **Australia Macro+ Model Portfolio** is currently made up of the following:

-ANZ Bank ((ANZ))
-CommBank ((CBA))
-National Australia Bank ((NAB))
-Westpac ((WBC))

-Macquarie Group ((MQG))

-Suncorp Group ((SUN))

-Goodman Group ((GMG))
-GPT Group ((GPT))
-Scentre Group ((SCG))
-Stockland ((STG))

-Aristocrat Leisure ((ALL))
-CAR Group ((CAR))
-Domino's Pizza ((DMP))
-The Lottery Corp ((TLC))
-Wesfarmers ((WES))
-WiseTech Global ((WTC))

-James Hardie ((JHX))

-Orica ((ORI))

-Coles Group ((COL))

-CSL ((CSL))
-ResMed ((RMD))

-AGL Energy ((AGL))
-Origin Energy ((ORG))
-Telstra ((TLS))
-Transurban ((TCL))

-BHP Group ((BHP))
-Newmont Corp ((NEM))
-Rio Tinto ((RIO))
-South32 ((S32))

-Paladin Energy ((PDN))
-Santos ((STO))
-Woodside Energy ((WDS))

No Changes From Macquarie

**Macquarie Wealth**s recommended **Growth Portfolio**:

-Goodman Group ((GMG))
-Seek ((SEK))
-Aristocrat leisure ((ALL))
-Northern Star ((NST))
-CSL ((CSL))
-Computershare ((CPU))
-NextDC ((NXT))
-Flight Centre ((FLT))
-Cleanaway Waste Management ((CWY))
-Steadfast Group ((SDF))
-James Hardie Industries ((JHX))
-ResMed ((RMD))
-Pexa Group ((PXA))
-Pinnacle Investment Management ((PNI))
-Treasury Wine Estates ((TWE))
-Viva Energy ((VEA))
-Xero ((XRO))
-IGO Ltd ((IGO))

Macquarie Wealth's recommended **Income Portfolio:**

-Suncorp Group ((SUN))
-Telstra ((TLS))
-National Australia Bank ((NAB))
-Westpac Bank ((WBC))
-ANZ Bank ((ANZ))
-BHP Group ((BHP))
-CommBank ((CBA))
-Premier Investments ((PMV))
-Coles Group ((COL))
-Viva Energy ((VEA))
-Atlas Arteria ((ALX))
-Aurizon Holdings ((AZJ))
-APA Group ((APA))
-GPT Group ((GPT))
-Deterra Royalties ((DRR))
-Metcash ((MTS))
-Amotiv ((AOV))
-Charter Hall Retail REIT ((CQR))
-Amcor ((AMC))

For more, see: [https://fnarena.com/index.php/2025/02/20/rudis-view-best-ideas-conviction-calls/](https://fnarena.com/index.php/2025/02/20/rudis-view-best-ideas-conviction-calls/)

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P.S. I - All paying members at FNArena are being reminded they can set an email alert for my Rudi's View stories. Go to My Alerts (top bar of the website) and tick the box in front of 'Rudi's View'. You will receive an email alert every time a new Rudi's View story has been published on the website.

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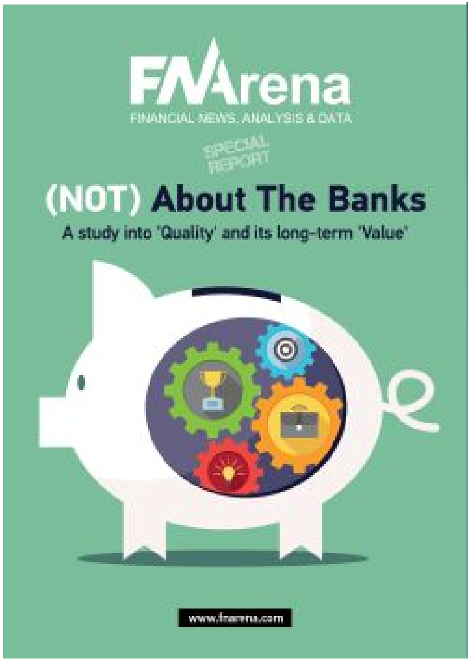


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SMALL CAPS

# NRW Holdings: Navigating The OneSteel Risk

Despite strong first-half revenue growth for NRW Holdings, the outlook is clouded by lower margins and a key customer in administration.

**-NRW Holdings' interim earnings disappoint**
**-Strong revenue growth, mining division margin weighs**
**-Outlook clouded by key customer in administration**
**-FY25 guidance implies an improving overall margin**

By Mark Woodruff

Following four consecutive halves of solid margin expansion and despite strong first-half FY25 revenue growth, mining services company NRW Holdings ((NWH)) revealed softer-than-expected interim earnings, driven largely by a poor earnings margin in the Mining segment.

While ongoing momentum in contract awards represents a positive catalyst for the stock price, and FY25 earnings guidance implies an improvement in second half margins, broker Moelis feels upside is limited by uncertainty around exposure to OneSteel Manufacturing Pty Ltd, after the South Australian Government appointed administrators.

Based on FY24 financials, the OneSteel contract contributes around 12% ($200m) of Mining segment revenue for NRW, and just shy of 20% ($26m) of that division's earnings (EBIT), highlights Jarden.

Engaging in the provision of civil contracting and mining services, NRW has three divisions: Mining, Civil, and Minerals, Energy & Technologies (MET).

Contracting is diversified across multiple commodities and infrastructure, and NRW is relevant across the entire lifecycle of a development project from studies to construction, as well as maintenance and operations.

During the first half, Morgans explains the key Mining division was weighed down by weather, a scope reduction at the Curragh coal mine owned by Coronado Global Resources ((CRN)), and cancellation by Arcadium Lithium ((LTM)) of the Mt Cattlin project.

First half earnings (EBITA) rose by 5.3% on the previous corresponding period to $96.9m, missing the consensus forecast by -4%, with a D&A charge causing the profit (NPATN) result of $58.4m to also fall -8% short of consensus.

The Civil and MET divisions performed well during the first half, Morgans comments, delivering year-on-year earnings rises of respectively 76% and 25% to $21m and $27m.

Macquarie notes revenue growth in Civil was driven by strong demand conditions and robust growth in new project awards, and points to a strong remaining pipeline of opportunities within the MET division across iron ore, gold and rare earths.

Management improved its revenue guidance range for FY25 to $3.3bn from $3.2bn, after first half revenue advanced by 16% year-on-year to $1.65bn. Morgans observes earnings (EBITDA) were similarly strong in the half at $189m, up by 20%.

Ongoing sequential improvement was evident for active tenders, increasing to $6.2bn from $5.5bn at the end of FY24, while the order book also grew to $6.8bn from $5.5bn, with a broadly stable pipeline, notes Moelis.

A fully franked interim dividend of seven cents was declared, a rise of 7.7% on the previous corresponding period.

Margins

Returning to the pandemic-era lows of the second half of FY22, NRW delivered a first half EBITA margin of 5.9%, down -60bps from the year earlier.

Civil delivered 41% revenue growth to $418m with the EBIT margin expanding by 100bps to 5.1%, while the MET segment delivered 25% EBIT growth at a margin of 6%, up 50bps from the previous corresponding period.

By contrast, Mining earnings fell by -8% year-on-year to $64m as the margin declined by -110bps to 7.9%.

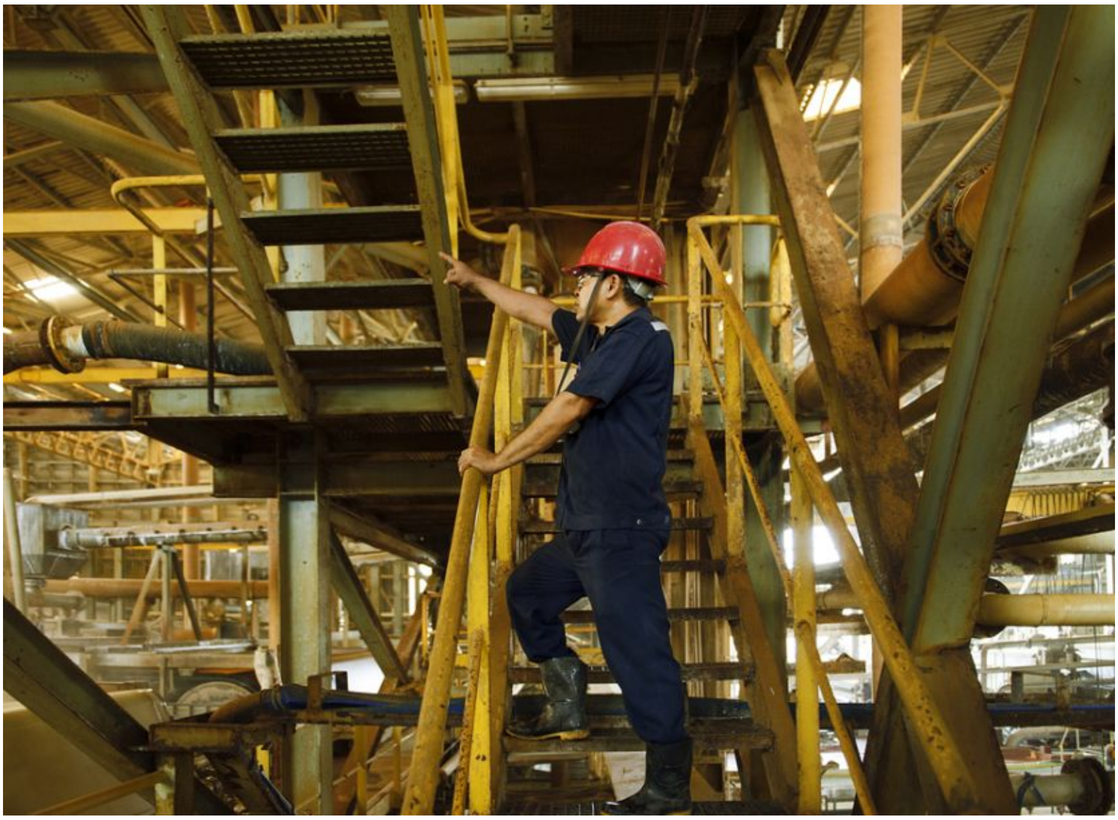
Management reconfirmed FY25 guidance for earnings (EBITA) in the range of $205-215m, though UBS expects the lower end at $206m to be more attainable, assuming improved execution in the second half.

According to Jarden, guidance implies an improvement in second half margins, particularly for the main Mining division, and ongoing strength in the MET and Civil segments.

Unfortunately, this broker is far less optimistic, as FY25 guidance takes no account of potential irrecoverable amounts from OneSteel, and the impacts are unclear on long-term Mining segment EBIT margins, which are unlikely to reach the FY24 peak over the forecast period to FY27, in the analysts' view.

Also, Jarden believes caution around the group EBIT margin outlook (largely driven by Mining) will likely trigger negative core EPS revisions by consensus.

For the second half, UBS forecasts broadly flat half-on-half revenues, but with an 80bps EBITA margin improvement to 6.7%.



Exposure to OneSteel

NRW requested suspension of trading in its shares on February 21 (since lifted) as the company assessed the impacts of OneSteel being placed into administration.

Subsequently, management has provided no assessment of the potential financial impacts (write-offs/bad debt provisions) on second half financial results.

Morgans assumes the mining contract will continue as planned and forecasts no recovery of the receivables. However, this broker suggests new ownership at Whyalla could ultimately have a positive impact once matters are resolved, as this mining contract has historically been seen as the highest risk.

Management provided limited information on the path to settling the outstanding claims against OneSteel, Jarden notes, only mentioning NRW has options for enforcing its security, which holds enough value to recover the $113m owing.

Jarden estimates total receivable from OneSteel to be roughly equivalent to around 25 cents per share for NRW.

With NRW's balance sheet on a strong footing, the analysts see the 'unrecoverable amounts' as having a modest, temporary impact on NRW's financial position and financial leverage.

Citi thinks NRW's position, apart from a guarantee and first ranking security, is likely to remain opaque for some time, and downgrades its rating to Speculative Buy from Buy.

The outlook

The outlook for MET and Civil is strong, according to Morgans, with plenty of iron ore development work in the pipeline, while the Mining outlook is contingent upon commodity prices (mainly for key exposures met coal and iron ore) and performance at specific projects.

Buy-rated UBS agrees, highlighting the solid level of resources capex opportunities remaining. Should management execute against project risks, the analyst forecasts a solid 12% three-year EPS compound annual growth rate (CAGR).

Revenue and earnings growth trajectories remain intact, suggests Citi, with 95% of revenue secured for FY25, a solid order book balance and elevated active tenders.

After balancing doubts around FY25 guidance with the company's strong balance sheet, Jarden lowers its target for NRW by nearly -20% to $3.10 and downgrades to Overweight from Buy.

Following interim results, the average target of daily covered brokers in the FNArena database for NRW Holdings fell to $3.45 from $3.77, representing circa 21% upside to the closing price of $2.85 on March 4.

Three brokers are Buy-rated (one Speculative Buy), with Macquarie at Neutral.

Outside of daily coverage, Canaccord Genuity and Moelis have Buy ratings, and Jarden is Overweight. Here, the average target fell to $3.35 from $3.86.

SMALL CAPS

# TPG Telecom Pins Hopes On 2025

After a disappointing 2024, TPG Telecom looks to its new regional expansion deal to double cash flow in 2025. Analysts are cautious.

**-TPG Telecom's postpaid decline disappoints in 2024**
**-MOCN deal with Optus could double cash flow in 2025**
**-Sale of EGW would further bolster balance sheet**
**-Analysts find better value in Telstra**

By Greg Peel

TPG Telecom's ((TPG)) 2024 result and 2025 guidance were broadly in line with consensus expectation. Revenue fell -0.7% year on year while earnings rose 3.4%. Guidance is for flat earnings growth in 2025 on 2024.

The key surprise for analysts was a fall in postpaid mobile subscriber numbers. Postpaid subscribers declined by -49k in the second half following a -47k decline in the first half.

Jarden had expected TPG to benefit from a combination of the Telstra ((TLS)) and Optus 3G network shutdown, on top of Telstra price increases, but this did not eventuate. Telstra booked 49k postpaid net adds in the December half while Optus added 51k.

The -3% fall in postpaid subscribers may limit TPG's next round of mobile price increases, Morgan Stanely suggests.

The telco itself attributed the decline to competition from Optus handset subsidies, and a strategic delay to marketing given the launch of the multi-operator core network (MOCN) on 30 January.

Doubling Cash Flow

Under the regional MOCN agreement signed last April, Optus will provide TPG Telecom with access to its regional radio access network and both will share spectrum in regional Australia. Once implemented, TPG's retail and wholesale customers (including TPG, Vodafone, iiNet, Lebara and felix customers) will use Optus' 4G and 5G regional network on an equivalent basis to Optus customers.

2024 is old news, says Morgans. It's all about 2025.

Having now doubled its network coverage, TPG/Vodafone has kicked off an aggressive marketing campaign in order to accelerate mobile growth, Morgans notes. Mobile growth was subdued in 2024 due to lower inbound students and tourism, but it also appears TPG withheld some of its marketing budget to go harder in early 2025.

TPG's addressable customer base nearly doubles under the extended network. Were TPG to lift from its current 20% market share to 30%, Morgans calculates it could lift its customer base by some three million customers. The broker is, however, not forecasting significant improvements anytime soon, but hopes to be wrong.

TPG has indicated a strong initial customer response to its expanded network, with the highest rate of net adds since December 2022 despite lower immigration since the launch. Jarden therefore assumes postpaid net adds of 30k in the first half of 2025 and prepaid net adds of 50k, with potential risk to the upside.

Prepaid subscribers grew by 79k in the second half of 2024, ahead of Jarden's 50k estimate, which the broker puts down to further cost of living pressure. At the market level, Jarden estimates TPG's total handset subscribers grew by 331k, with Telstra net handset adds of 119k (36% share of net adds), Optus by 152k (46%), compared with TPG's net adds of 60k (18%), in line with TPG's total share of the market.

Earnings may not grow in 2025, and will be second half-weighted, but free cash flow will, Jarden notes. While the broker's base case assumes effectively flat earnings year on year, free cash flow will materially step up as a result of a -$125m reduction in the year on year drag from handset receivables, and a -$230m reduction in capex, including spectrum.

Jarden forecasts equity free cash flow to double to $468m in 2025 from $235m in 2024.

Balance Sheet Benefit

On 27 March, the ACCC is expected to provide its preliminary view on whether TPG can proceed with the divestment of its fibre network infrastructure assets and Enterprise, Government and Wholesale (EGW) business unit to Vocus.

After many years in negotiations, a deal was finally announced in October 2024 and is subject to regulatory approval. If approved, the deal is expected to net TPG $4.7bn ($2.50 per share). It would come with a sizeable lease liability and should materially improve TPG's balance sheet. Morgans suggests this would open the door for capital management and greater reinvestment in its mobile business which is TPG's key profit driver, given it has the highest gross profit margins.

Morgan Stanley points out TPG's second half dividend of 9.0c, makes 18.0c for the full year. TPG has effectively borrowed in order to pay this high dividend, as net debt increased from $4.0bn to $4.1bn.

The handset receivable financing unwind and conclusion of IT modernisation in 2023, plus conclusion of the 5G rollout (72% complete), are reinforced by a reduction in cash capex post the EGW sale, Macquarie notes. Continued strong mobile growth looks incrementally more attractive if TPG can deliver its flat year on year opex guide.

A potential new receivable financing deal would provide further working capital tailwinds. If the Vocus deal is approved, TPG plans to host an investor day and update the market on its capital management plans.

Little Faith

TPG's accelerating decline in postpaid subscriptions in the second half, despite competitor price rises, and the return to growth in early 2025 following MOCN/promotional discounting, is the key concern for Goldman Sachs, who questions TPG's ability to expand average revenue per user (ARPU), and for sustained industry rationality.

Can Telstra/Optus raise prices if Vodafone doesn't follow? Goldman believes so, noting TPG continues to target subscription and ARPU growth, and that Telstra/Optus delivered strong postpaid net-adds, with Telstra believing its recent porting data and customer value perception metrics remain positive.

Goldman Sachs applauds TPG's cost discipline, but can't get past postpaid declines, maintaining a Sell rating and $4.20 target.

Morgan Stanley retains an Underweight rating, preferring Telstra Group ((TLS)) (Overweight) given higher earnings growth, a rising dividend and a stronger balance sheet. It doesn't feel appropriate to the broker that both stocks are trading on same 7x FY26 enterprise value to earnings multiple.

UBS also points out TPG shares are trading on a similar multiple to Telstra, but offer a lower dividend yield and lower return on invested capital -- 6% to Telstra's 8%-plus. UBS has a Neutral rating, cutting its target to $4.80 from $4.95.

Morgans has a Hold rating and $4.70 target, down from $4.80. This broker thinks TPG will benefit from continued rational mobile pricing lifting profits, improving return on invested capital and pleasingly, self-help. Morgans believes TPG's value brand should resonate strongly with consumers given the cash crunch from higher interest rates and consumers taking a tighter view on cost control. However, to-date this has not eventuated, the broker points out.

Jarden nonetheless retains an Overweight rating, cutting its target to $5.20 from $5.25.

Macquarie is on research restriction.

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SMALL CAPS

# Is SiteMinder's Re-Rating Just A Matter of Time?

Despite a first-half revenue miss by SiteMinder, analysts anticipate a boost from new products and maintain faith in the company's longer-term strategy.

**-SiteMinder's interim revenue disappoints, shares get punished**
**-Incentives cause a subscription slowdown**
**-Management expects a revenue boost from new products**
**-Buy ratings dominate, though re-rating might require time**

By Mark Woodruff

While trust needs to be re-established after interim financials for global hotel software provider SiteMinder ((SDR)) missed consensus expectations for the second consecutive result, analysts still expect organic growth to accelerate in the second half of FY25 into FY26 and remain supportive of the longer-term strategy.

A better-than-expected gross margin and cost control didn't make up for a disappointing first half revenue 'miss' and the business slipping back into cash burn. But Ord Minnett's conviction remains as strong as before: the post-result weakness in the share price, now down by around -24% after six business days, presents a buying opportunity.

Management re-iterated guidance for organic revenue growth of 30% over the medium-term and analysts point towards new SiteMinder products coming to market.

Operating in around 150 countries, SiteMinder has key products in the channel management category and through its all-in-one Little Hotelier product offering.

Targeting accommodation providers of all types and sizes to manage every stage of their customers' journeys, SiteMinder's hotel commerce platform encompasses solutions around direct and third-party distribution, website design and creation, analytics and market insights, property management, and payments.

Citing the company's recent traction with larger hotels, which implies significant scope for growth, Morgan Stanley remains upbeat.

Investment in short-dated incentives was responsible for this traction but caused short-term pain in the form of a growth slowdown for the core subscription business to 9.9% from 23.8% in the first half of FY24, explains Morgans.

While this slowdown appears negative, the number of net rooms added increased by more than 50% over the same period, highlights the broker, implying SiteMinder is acquiring significantly more gross booking value (GBV), which supports the longer-term plan.

Certainly, Wilsons is surprised by the generally negative market perception of customer discounts to drive Net Property Additions.

Had these discounts been included in operating expenses/customer acquisition costs (CAC) rather than Net Revenue, the market wouldn't have flinched, in this broker's opinion, given these incentives are estimated to be around $300 per customer addition.

<u>Interim results</u>

Reflecting weaker organic growth (constant currency) and currency impacts, the first half result missed consensus forecasts across most key profit & loss and cash flow metrics, explains Morgans.

While revenue of $104.5m was weaker-than-expected, Citi comments earnings (EBITDA) of $5.3m came in slightly ahead due to cost control as management restructured operations and increased headcount in lower-cost jurisdictions.

The key positive, according to Morgans, was the acceleration of transaction annual recurring revenue (ARR) growth to 37%, significantly ahead of revenue growth of 21.4%, driven by the ramp-up of the cloud-based Smart Platform late in the second quarter of FY25.

Management continues to expect a $5-10m revenue contribution in the second half from Smart Products: Channel-Plus, DR-Plus, and Smart Distribution, the latter being a subset of the Smart Platform.

While upcoming revenue growth acceleration has been pushed to the right marginally, Wilsons is undeterred, buoyed by its own recent research on SiteMinder's Channel-Plus and DR-Plus products.


New Products

Smart Distribution is now commencing implementation, Channels-Plus pilot and general release has been successfully completed, and Dynamic Revenue-Plus is on track for its Northern Hemisphere release in March this year.

Ord Minnett assumes the Smart Platform delivers $20m revenue in FY26 onwards with Channels-Plus to gather momentum in FY27 followed by Dynamic Revenue-Plus.

This broker's EPS forecasts remain largely unchanged following interim results as lower revenue is more than offset by lower costs, but FY26 and FY27 numbers have declined due to timing revisions for the new products.

Channel-Plus is a cloud-based channel management solution designed to help hotels and accommodation providers seamlessly connect between a property management system (PMS) and various online travel agencies (OTAs), global distribution systems (GDS), and other booking channels.

Helping hotels optimise their distribution strategy and drive revenue growth, SiteMinder DR-Plus (Demand and Revenue Plus) provides actionable insights into market demand, pricing, and competitor performance.

Goldman Sachs highlights the transaction gross margin grew by 284 basis points to 34.5% given the contribution from Smart Distribution, with a gross margin greater than 70%, with both Channel-Plus and DR-Plus set to drive further margin expansion.

Revenue shortfall

While 17.2% year-on-year revenue growth missed consensus by -5% due to customer incentives to drive adoption across larger properties, Jarden states underlying metrics remained strong.

There was an 8% rise in net subscription property additions, in line with the consensus forecast, and annual recurring revenue (ARR) grew by 22% when measured in constant currency.

Jarden considers first half revenue growth headwinds (such as currency, accounting changes, and discounting) are largely transitory.

Thankfully, lower-than-expected operating expenses in the half blunted some of the impact of lower revenue on both earnings and free cash flow (FCF), notes Wilsons.

Outlook

Morgan Stanley believes meaningful operating leverage and FCF will drive a re-rating in the SiteMinder share price, which the analysts believe has, post sell-off, little baked-in for new product traction, thus providing an attractive risk-reward balance.

Following the successful launch of Channel-Plus and the Smart Distribution Platform, UBS lowers its assumed weighted average cost of capital (WACC) within its SiteMinder forecasts to 8.5% from 8.8%, reflecting reduced earnings risk.

After Morgans downgrades its rating for SiteMinder to Hold due to a lack of catalysts prior to August full-year results, there are now four remaining Buy (or equivalent) ratings among brokers daily monitored by FNArena.

The average target of the five brokers is $6.82 (down from $6.94 prior to interim results), which suggests around 41% upside to the closing share price on March 5.

Outside of daily monitoring, Wilsons and Jarden are Buy-rated and Goldman Sachs is on Hold, with an average target of $6.62.

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# Corporate Travel Eyes Strong Growth Rebound

Corporate Travel Management's interim performance proved better-than-expected and expectations are growing for growth to resume in FY26.

**-Corporate Travel Management's Interim earnings beat consensus**
**-Rising margins in key regions, FY26 outlook improves**
**-Multiple tailwinds, including automation/AI**
**-Morgan Stanley sees an inflexion point**

By Mark Woodruff

First half earnings for global provider of travel solutions Corporate Travel Management ((CTD)) beat market consensus and management's guidance. The A&NZ region and North America were standouts along with around $600m in new client wins.

Delivering cost-effective travel management solutions to the corporate market, Corporate Travel earns revenue via fees for service, commissions, and volume incentives. The use of online booking tools such as SleepSpace in Australia and Lightning in North America means the business is highly scalable, providing potential for strong margins.

Reporting divisions are Australia and New Zealand (A&NZ), North America, Asia, Europe, and Other, the latter referring to the group's support service, created to assist the operating segments and growth of the global business.

Management re-iterated its short-term guidance of approximately 10% revenue growth, alongside a return to a group earnings (EBITDA) margin of around 30% by FY26. This improvement is expected to be driven by increased scale, ongoing automation and productivity initiatives, and a positive trajectory in the European Union.

A material reduction in capital expenditure was also flagged, boosting free cash flow (FCF) forecasts.

Morgan Stanley cites multiple current tailwinds for Corporate Travel including improving activity levels, supplier incentives, vertical integration, and globalisation of corporate functions.

As per recent commentary by Flight Centre ((FLT)), further automation/AI adoption could drive customer costs down and profitability up. The analysts note five basic functions (such as sending/updating itinerary, flight change) account for 35% of transactions.

Morgan Stanley believes the strength seen in US and A&NZ trading during the first half could mark an inflection point for the company, following a period of re-setting expectations after challenges related to covid.

Setbacks since then have included a significant earnings re-basing due to UK government exposure, a stop-start recovery in the US, Asian market headwinds, and integration challenges in the A&NZ region.

By contrast, Ord Minnett argues management's response to these setbacks by reducing costs and lowering capex levels only provides a short-term sugar hit to near-term earnings, and this broker remains unconvinced in the long-term investment thesis.

Also, lurking in the background are a raft of innovative global, technology-centric competitors such as Navan, BCD Travel, and TravelPerk, highlights Ord Minnett, while larger players like American Express Global Business Travel with scale could also target Corporate Travel's key clients.

Given these threats, Ord Minnett is puzzled as to why management is moderating capex.

It's worth noting the negative commentary from Ord Minnett is an outlier when compared to the more positive views from peers.

Interim results

Underlying earnings of $77m for the half beat the consensus estimate by 4% and exceeded management guidance for around $74m.

While overall FY25 earnings guidance was downgraded to $197m from $210m due to the previously flagged reduction in the UK Government's travel spend, Morgans finds the FY26 outlook is improving with management providing underlying earnings guidance of $240m, a 6% beat against the consensus expectation, and implying 22% year-on-year growth.

Wilsons was particularly impressed by 86% conversion of incremental revenue to earnings in the rest of the world (ROW) division ex EU. For FY25, management's ROW guidance was re-affirmed though European earnings guidance was lowered to $55m from $68m.

Tracking ahead of the company's $1bn target for FY25, net booking value (NBW) at the time of management's earning call with broking analysts was sitting at $930m.

Client retention of 97% also helps set up FY26 for revenue growth, suggests Morgan Stanley.

Macquarie expects ongoing capital management via dividends and buybacks is more likely than large scale M&A.

Management noted around 33% of the $100m buyback program has been completed.

An interim dividend of ten cents was declared.

Divisional performance

For the A&NZ region, revenue and underlying earnings rose by 18% and 53%, respectively, compared to the previous corresponding period.

Shaw and Partners attributes this performance to Atlas program automation gains, the Sleep Space rollout, new client wins and returning clients.

Revenue growth for Corporate Travel exceeded the broader corporate market growth rates of around mid-single digits, notes Citi, with a significant contribution from an approximate 50% increase in overrides. Overrides are additional commissions or incentives paid by suppliers once certain sales thresholds are achieved.

In North America, revenue and underlying earnings rose by 6% and 49%, positively impacted by Atlas, automation, on-line penetration, and the Lightning online booking tool (OBT) uptake, highlights Shaw.

Margins

Both the A&NZ region and North America experienced underlying earnings margin growth of 675bps and 545bps, respectively, from rising NBW, and positive impacts from SleepSpace and Project Atlas (cost reductions), explains Macquarie.

Management expects further margin expansion in FY26.

While margins deteriorated in Europe, Macquarie predicts the first half will represent the nadir for earnings in the region.

Also, cost reductions via Project Atlas should improve the scalability of the business and improve longer-term growth prospects, while high-margin volume-based incentive revenues grew well ahead of volumes in the first half, suggesting to Morgan Stanley meaningful tailwinds on supplier terms.

Outlook

Given strong client wins and demonstrated operating leverage, UBS modeling is now incorporating a smaller valuation discount through PE multiples.

On this subject, Canaccord Genuity believes the majority of share price performance over the next 12 months will come from an improved multiple investors are prepared to pay.

Morgans raises its rating to Add from Hold on greater conviction in Corporate Travel's growth outlook.

This broker likes the strong earnings growth on offer, an improving return on earnings (ROE), a very strong balance sheet (no debt), and an attractive valuation relative to the company's growth profile.

If management continues to surprise positively with no major change to strategy, Jarden expects consensus to move closer to the company's medium-term EPS aspirations (a doubling from FY24-29), which implies a valuation of around $20.00.

Seven brokers monitored daily by FNArena researching Corporate Travel Management are divikded over four Buys and three Hold ratings.

Following interim results, the average target price of the seven brokers increased to $17.63 from $14.20, suggesting nearly 13% upside to the closing price of $15.64 on March 6.

Outside of daily coverage, Canaccord Genuity has a Buy rating, Jarden is Overweight (a notch below Buy in its rating system), and Wilsons is at Market Weight with an average target price of $17.46.

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WEEKLY REPORTS

# Weekly Ratings, Targets, Forecast Changes - 28-02-25

Weekly update on stockbroker recommendation, target price, and earnings forecast changes.

By Mark Woodruff

***Guide:***

*The FNArena database tabulates the views of eight major Australian and international stockbrokers: Citi, Bell Potter, Macquarie, Morgan Stanley, Morgans, Ord Minnett, Shaw and Partners and UBS.*

*For the purpose of broker rating correlation, Outperform and Overweight ratings are grouped as Buy, Neutral is grouped with Hold and Underperform and Underweight are grouped as Sell to provide a Buy/Hold/Sell (B/H/S) ratio.*

*Ratings, consensus target price and forecast earnings tables are published at the bottom of this report.*

***Summary***

*Period: Monday February 24 to Friday February 28, 2025*
*Total Upgrades: 30*
*Total Downgrades: 27*
*Net Ratings Breakdown: Buy 59.62%; Hold 33.35%; Sell 7.03%*

The busiest period of the February reporting season, the fourth week, concluded on Friday, 28th February 2025, with FNArena tracking thirty upgrades and twenty-seven downgrades for ASX-listed companies from brokers monitored daily.

Percentage declines in analysts' average earnings forecasts materially exceeded rises, while average target price changes were broadly equal.

All but two of the forty companies in the price target and earnings tables below feature in the Corporate Results Monitor, which summarises all the misses and beats from the reporting season at https://fnarena.com/index.php/reporting_season/

Pexa Group will appear in Monday's edition of the Monitor once more brokers update forecasts following first half results, while Chalice Mining's appearance in the earnings table is unrelated to financial reporting.

In an early assessment, UBS thought Pexa Group's interim results were in line with expectations.

On a divisional basis, the broker noted stronger Pexa Exchange earnings in Australia due to higher transaction volumes were offset by weaker International earnings (UK) due to higher costs, while the Digital Solutions segment performed in line with expectation.

Positively, group opex and capex are being well managed, in the analysts' view, with free cashflow up 82% and gearing down to 1.9 times from 2.4 times at FY24, enabling capital management with a new $50m buyback.

Regarding Chalice Mining, Morgans reviewed a major metallurgical breakthrough at the Gonneville project, announced to the market back on February 17. Saleable copper and nickel concentrates can now be produced from low-grade composites, removing the need for a complex, high-cost hydrometallurgical process.

This progress significantly lowers financial and execution risks for project development, explained the broker, by eliminating the need for a Mixed Hydroxide Precipitate circuit. Cost savings across the project's lifespan should be around -$1.6bn.

The new analyst at Morgans lowered the broker's target for Chalice to $2.80 from $3.35 and upgraded to Speculative Buy from Hold. The company is considered a solid counter-cyclical investment, offering option value against fluctuations in platinum group elements (PGE) pricing.

All ten negative changes to average target price in the table below correspond with a miss in the Corporate Results Monitor. Johns Lyng received the largest percentage decrease in average target price from analysts along with two downgrades from separate brokers to Hold (or equivalent) from Buy.

Conversely, Eagers Automotive headed up the list for positive change to targets and garnered two ratings downgrades on valuation, as well as two upgrades partly due to a stronger margin outlook.

Providing a measure of confirmation, EVT Ltd and oOh!media appear in both the positive change to target and earnings tables.

However, oOh!media, along with MA Financial, Codan, and Tabcorp all registered material increases in average target prices, yet their overall results and outlook were adjudged to be 'in line' in the commentary section of the Monitor.

Similarly, upticks in average FY25 earnings forecasts for Nickel Industries, 29Metals, Ampol (two ratings upgrades), and Gold Road Resources were insufficient to earn a 'beat', while falls in average earnings forecasts still allowed for in-line outcomes for Healius and Pilbara Resources and beats for Stanmore Resources and Karoon Energy.

Both Iress and Reece missed expectations when reporting respective final and interim results, yet each company received two ratings upgrades apiece from analysts, following a material decrease in targets.

On the flipside, Domain Holdings Australia received two ratings downgrades as brokers raised their targets to $4.20 to align with Nasdaq-listed CoStar Group's offer to acquire 100% of the company, having already built a 16.9% stake.

Ord Minnett felt CoStar's entrance could reshape the Australian property advertising market, though Nine Entertainment (Domain's majority owner) is expected to reject the initial bid, potentially leading to a higher offer.

Citi agreed, suggesting the bid price may need to increase, particularly as Domain's first-half results were positive and the bid reflects a -15% discount to Real Estate portal peers.

Even if successful, this broker believes it will be difficult for CoStar to break the network effects of REA Group, given REA's ability to flex its cost base and increase marketing spend.

Total Buy ratings in the database comprise 59.62% of the total, versus 33.35% on Neutral/Hold, while Sell ratings account for the remaining 7.03%.

**Upgrade**

**AUSSIE BROADBAND LIMITED ((ABB)) Upgrade to Buy from Neutral by UBS** .B/H/S: 4/0/0

UBS upgrades Aussie Broadband to Buy from Neutral with a higher $4.80 target from $3.95, supported by an expected 26% three-year cash compound growth rate in EPS.

The analyst points to 1H25 EBITDA of $66m, up 13% year-on-year, or 22% excluding Buddy losses with double-digit subscriber growth of 12.5%, supporting continued market share gains.

A fully franked 2.4c special dividend was declared, alongside an acceleration in capex growth, with FY25 capex guidance raised to -$75$80m from -$55$60m.

UBS highlights the balance sheet remains strong with leverage at 0.3x.

Management upgraded FY25 EBITDA guidance to $133138m from $125$135m, driven by residential subscriber growth, improving margins, and a stronger contribution from Symbio.

**AMPLITUDE ENERGY LIMITED ((AEL)) Upgrade to Buy from Hold by Bell Potter** .B/H/S: 3/1/0

Amplitude Energy reported 1H25 underlying earnings of $93m, ahead of Bell Potter's $85m estimate. The company is negotiating terms with OG Energy regarding participation in the three-well East Coast Supply Project program.

The ECSP drill program and its capital costs are yet to be guided, and the development assumes exploration success.

However, the targets are considered low risk prospects, Amplitude's balance sheet is increasingly supportive and JV alignment is becoming clearer, the broker notes.

Bell Potter has upgraded to Buy from Hold in recognition of de-risking the ECSP's value over the next 12 months. Target rises to 26c from 22c.

**AMPOL LIMITED ((ALD)) Upgrade to Outperform from Neutral by Macquarie and Upgrade to Buy from Neutral by UBS**.B/H/S: 3/1/0

Ampol's second-half earnings (EBITDA) of $1,199m declined -32% year-on-year, with refining earnings (EBIT) at -$42m due to weaker margins, explains Macquarie.

Convenience Retail EBIT remained stable at $357m, supported by strong premium fuel penetration despite lower base-grade sales, observes the analyst.

Management re-affirmed guidance, with 2025 capital expenditure expected at -$600m and de-gearing anticipated in the second half as Ultra Low Sulfur Fuels project costs stabilise.

Macquarie lowers its target price to $29.45 from $30.65. Despite the weak 2024 result, the broker upgrades the rating to Outperform from Neutral, citing improving refining margins and strong retail execution.

UBS upgrades Ampol to Buy from Neutral, expecting EBIT growth across all divisions over the next two years.

The stock trades at 8.3x 2026 EBIT, a -19% discount to its five-year average. UBS forecasts 22% EBIT CAGR from 202426, driven by refining recovery, improved Lytton reliability, and consumer sentiment uplift.

2024 NPAT was in line, but net debt/EBITDA spiked to 2.6x. The final dividend payout was cut to 66% of NPAT to maintain balance sheet flexibility. UBS expects leverage to normalise within target by 202526, enabling higher payouts.

The analyst notes Convenience Retail remains resilient, benefiting from investment in premium sites and food offerings.

UBS cuts 202526 EPS estimates by -1% to -6% due to higher interest costs and weaker Z Energy & Fuels & Infrastructure trading.

Target rises to $31.40 from $31.25.

**APA GROUP ((APA)) Upgrade to Neutral from Sell by UBS** .B/H/S: 2/3/0

UBS upgrades APA Group to Neutral from Sell with a higher target price of $7 from $6.60.

The group's 1H25 underlying EBITDA of $1,015m was in line with consensus. Corporate cost growth slowed to 2.5% from the previously guided 10%, though higher interest expenses and lower Basslink earnings pose risks to FY26 earnings growth, the analyst proposes.

Management confirmed there is no need for immediate equity raise, opting instead to recycle assets and seek funding partners.

UBS points to a potential funding gap of -$1.93.3bn for the pipeline operator's WA transmission corridors, which may require equity issuance.

The analyst lifts FY2627 EPS estimates rise by 56% on lower corporate costs and additional earnings from organic growth.

**EAGERS AUTOMOTIVE LIMITED ((APE)) Upgrade to Neutral from Sell by Citi and Upgrade to Outperform from Neutral by Macquarie**.B/H/S: 4/3/0

Citi upgrades to Neutral from Sell and raises the target price to $14.25 from $9.50.

Eagers Automotive reported 2024 PBT of $371m, down -15%, with a 3.3% margin, slightly ahead of Citi's 3.2% estimate but in line with consensus, the analyst observes.

The broker points to cost control and inventory management as key strengths, with PBT margins expected to stabilise in 1H 2025 before expanding in 2026

Management forecasts $1bn in turnover growth for 2025, with around $400m from BYD expansion. Citi remains cautious, expecting a lower $350m uplift due to slowing EV demand.

The analyst upgrades FY25/26 PBT forecasts by 13-20%, reflecting revenue guidance and a stronger margin outlook.

Macquarie has transferred coverage of Eagers Automotive to Sophia Mulligan. The analyst raised the target price to $16.39 from $10.50, and lifted the rating to Outperform from Neutral.

While FY24 underlying profit was a slight beat to consensus, the broker notes margin of 3.3% was 210bps above the sector average of 1.2%. The company provided FY25 revenue guidance of over $1bn and the broker believes there's upside risk, given potential for acquisitions or greenfields.

The analyst raised FY25-26 EPS forecasts by 12% and 7% respectively to reflect a 5% increase to revenue and 20% increase in gross profit margin.

See also APE downgrade.

**ACCENT GROUP LIMITED ((AX1)) Upgrade to Buy from Neutral by Citi** .B/H/S: 4/1/0

Citi raises its target for Accent Group to $2.57 from $2.43 and upgrades to Buy from Neutral following a further review of 1H results.

A summary of the broker's earlier research follows.

Citi's first take on today's Accent Group 1H results and management's later conference call is of in-line pre-reported financials and a pleasing pick-up in sales over the last seven weeks.

Management's trading update showed the core Platypus brand is back in growth, though somewhat helped by refurbishments, according to the analysts.

At the end of the half, the total store network finished at 903 stores, ahead of the consensus estimate of 896.

New Zealand, which the broker notes accounts for 10% of the business, remains challenging and there are no green shoots as yet.

The 2H will likely benefit from the annualisation of cost-of-doing-business (CODB) reductions and distribution efficiencies, highlights the broker.

A dividend of 5.5 cents was declared.

See also AX1 downgrade.

**BAPCOR LIMITED ((BAP)) Upgrade to Add from Hold by Morgans** .B/H/S: 2/2/0

Morgans observes Bapcor is making progress with its business simplification and efficiency program, with improving sequential EBITDA margin outcomes within trade business (+125bps) and specialist wholesale (+310bps).

Sales were flat in 1H and net profit fell -15% y/y but the latter was still marginally ahead of the broker's forecast.

The broker notes improved cash flow outcome with operating cash flow of $143.7m versus $89m the year before. Free cash flow of $46.7m (-$36.7 year before) was even stronger considering the inventory build in 1H.

The analyst expects the company's optimisation efforts to see ongoing margins improving with the specialist wholesale and trade businesses, while retail and NZ businesses see flat sales growth.

Target price rises to $5.95 from $5.25, and rating upgraded to Add from Hold.

**BENDIGO & ADELAIDE BANK LIMITED ((BEN)) Upgrade to Hold from Lighten by Ord Minnett** .B/H/S: 0/2/3

Ord Minnett upgrades Bendigo & Adelaide Bank to Hold from Lighten due to the valuation, post the stock's fall of some -22% since 1H25 results on February 17. No change to target price at $10.50.

The broker notes weak earnings were driven by higher operational and funding costs as the bank struggled with stronger-than-expected lending volume growth. Steps have been taken to stabilise margins, including more rational loan and deposit pricing and additional staffing.

Bendigo's restructuring, which reduced brands to four from 13 and IT platforms from three to eight, has been costly, with the cost-to-income ratio at 62%, well above the major banks. However, the investment was necessary for competitiveness, the analyst states.

Ord Minnett maintains a cautious view on sector earnings and valuations but sees this regional lender as fairly valued at current levels. A strategy update later this year will be key for assessing its long-term positioning.

**CHALICE MINING LIMITED ((CHN)) Upgrade to Speculative Buy from Hold by Morgans** .B/H/S: 2/1/0

Morgans has changed the analyst for Chalice Mining to Ross Bennett. The analyst cut the target price to $2.80 from $3.45, and upgraded the rating to Speculative Buy from Hold.

The broker notes new metallurgical tests confirmed Gonneville material can produce two types of smelter-grade concentrates: a Cu-PGE-Au concentrate and a Ni-Co-Pd-Pt-Au concentrate.

The result increased the broker's confidence in Gonneville's viability and is expected to increase its appeal to potential funding and development partners.

The broker updated its valuation to exclude the 30mtpa scenario outlined in the scoping study, and has opted for a phased operation scaling 15mtpa from 5mtpa.

**GUZMAN Y GOMEZ LIMITED ((GYG)) Upgrade to Add from Hold by Morgans** .B/H/S: 2/2/0

Morgans assesses strong first half execution and growth at Guzman y Gomez, with network sales up by 22.8% to $577.9m, slightly ahead of expectations.

Comparable sales growth accelerated to 10.2% in Q2 from 8.7% in Q1, though margins were weaker-than-anticipated by the broker due to increased costs and expansion investments.

Store openings were strong, highlight the analysts, with 16 new locations in Australia and three in Singapore, while the company remains on track to meet its FY25 target of 31 store openings.

Morgans downgrades FY25 earnings (EBITDA) forecasts by -5.2% due to higher general and administrative expenses and lower corporate store margins but makes minimal changes to FY26 and FY27 forecasts.

Morgans raises the target price to $42.50 from $41.40 and upgrades to an Add rating following recent share price weakness.

**HMC CAPITAL LIMITED ((HMC)) Upgrade to Add from Hold by Morgans** .B/H/S: 3/2/0

Morgans raises its target for HMC Capital to $10.50 from $8.20 and upgrades to Add from Hold.

HMC delivered record revenue in 1H25, significantly exceeding consensus expectations, driven by a surge in transaction fees and investment uplifts from HMC Capital Partners, explains the broker.

Annualised net profit before tax of 80c per share outpaced the prior run rate of 70c, positioning the company well for FY25.

The broker questions the appropriate valuation multiple for performance and transaction fees versus recurring management fees but sees strong fundamentals supporting growth.

**HARMONEY CORP LIMITED ((HMY)) Upgrade to Buy from Accumulate by Ord Minnett** .B/H/S: 1/0/0

Harmoney Corp beat Ord Minnett's expectations with its first half result, amid strong operating leverage, improved customer acquisition metrics and conversion of earnings to cash flow.

The broker highlights surplus capacity in warehouse funding lines and corporate debt facilities to enable growth in the loan book into the second half.

Ord Minnett assesses the company can "sweat" a technology advantage and grow profits at a faster rate than the broader sector, upgrading to Buy from Accumulate. Target rises to $0.92 from $0.74.

**IRESS LIMITED ((IRE)) Upgrade to Outperform from Neutral by Macquarie and Upgrade to Buy, High Risk from Hold, High Risk by Shaw and Partners**.B/H/S: 4/0/0

The 2024 results from Iress were slightly ahead of Macquarie's estimates. The broker comments the transformation of the business has significantly improved the balance sheet and the dividend has been reinstated. A final $0.10 was declared.

2025 guidance for adjusted EBITDA is $127-135m. As the transformation of the business continues over the next 12-24 months, Macquarie finds the valuation attractive and upgrades to Outperform from Neutral.

The target is reduced to $8.42 from $10.25, reflecting EBITDA changes, increased capital expenditure and DCF roll forward.

Iress' FY24 earnings (EBITDA) exceeded Shaw and Partners' expectations, with FY25 guidance of $127m-$135m reflecting 9% growth at the midpoint.

Management sees multiple revenue drivers, including digital advice and cost synergies, with FY26 earnings expected to rise by 10% as transition service agreement (TSA) costs roll off.

The analysts highlight the company is trading at 13x FY26 cash earnings, at the lower end of its historical range, making it attractive to potential private equity buyers.

Shaw lowers the target price to $9.10 from $9.60 due to near-term earnings forecast downgrades, partially offset by asset sales, and upgrades the rating to Buy, High Risk from Hold, High Risk

**JUMBO INTERACTIVE LIMITED ((JIN)) Upgrade to Outperform from Neutral by Macquarie** .B/H/S: 4/2/0

Jumbo Interactive's first half underlying net profit of $17.3m was down -13% and below Macquarie's estimates. Lottery volumes are expected to recover as will market share.

The broker points out from time to time earnings volatility via jackpots characterises the stock, with more than 80% of earnings linked to Australian lotteries. FY25 appears to be a tough year while the set up for FY26 is encouraging.

Given an attractive valuation and 5% dividend yield, Macquarie upgrades to Outperform from Neutral. Target is raised to $14.80 from $14.40.

See also JIN downgrade.

**LATITUDE GROUP HOLDINGS LIMITED ((LFS)) Upgrade to Equal-weight from Underweight by Morgan Stanley** .B/H/S: 0/2/0

Morgan Stanley upgrades Latitude Group to Equal-weight from Underweight, assessing good progress has been made on its initiatives and the operating environment is supportive for margins and volumes.

There are emerging signs of operating leverage and the company has resumed its dividend.

The broker is mindful of the risk of increased competition and the relatively higher credit risk profile and believes management will need to build a track record of solid results in order to rebuild investor confidence and drive a re-rating.

Target is raised to $1.30 from $0.95. Industry view: In-Line.

**MINERAL RESOURCES LIMITED ((MIN)) Upgrade to Buy from Accumulate by Ord Minnett** .B/H/S: 3/3/1

First half earnings from Mineral Resources were ahead of expectations as mining services outperformed other divisions. Ord Minnett was disappointed with plans to spend an additional -$400m to rectify problems at Onslow iron ore.

This includes re-laying the entire haulage road to the port in asphalt to cope with heavy loads after recent outages along the route. There is also a three-month delay in getting Onslow to nameplate with a -$230m negative impact on cash flow.

The broker considers the sell-off in the stock overdone as it discounts the projects performance to a level "unreasonably below company guidance".

Ord Minnett upgrades to Buy from Accumulate and reduces the target to $35 from $42.

**NATIONAL STORAGE REIT ((NSR)) Upgrade to Outperform from Neutral by Macquarie** .B/H/S: 3/2/1

National Storage REIT's 1H25 underlying earnings were up 2% year on year and -1% below Macquarie's estimate. FY25 guidance implies at least 7% growth in 2H25 on 1H25.

As per the commentary, 2H25 earnings growth will come from a combination of rent growth from the stabilised portfolio enhanced by improved occupancy and revenue per average sqm from growth assets.

National Storage has an additional 200,000sqm under construction or has DA obtained and is planned for delivery over the next 24 months, the broker notes.

The REIT offers a 5.2% yield and a 6.2% three-year CAGR with underlying rental growth enhanced by accretive developments and acquisitions, Macquarie points out. Upgrade to Outperform from Neutral. Target rises to $2.42 from $2.40.

**PEOPLEIN LIMITED ((PPE)) Upgrade to Add from Hold by Morgans** .B/H/S: 2/0/0

PeopleIN's 1H25 result was better than expected given the company flagged challenging conditions, and Morgans believes it is a reflection of a stabilising business. The broker thinks the EBITDA margin of 3.5% in 1H was a cyclical low and sees the potential of a rise to 4.5% through the cycle.

The company is renewing its focus on underlying EBITDA and EPS growth, and the broker expects any growth in billing rates will be mostly offset by -8% fewer billable days in 2H vs 1H. This has led to an increase in the analyst's EBITA forecast for FY25 by 5% and by 3% in FY26.

Rating upgraded to Add from Hold, and target price rises to $1.40 from $0.75.

**REECE LIMITED ((REH)) Upgrade to Hold from Reduce by Morgans and Upgrade to Hold from Lighten by Ord Minnett**.B/H/S: 0/4/2

Morgans highlights Reece's 1H25 EBIT of $305m was at the lower end of management guidance of $300-320m, and -3% below its forecast, reflecting challenging trading conditions in Australia/NZ and the US.

Both volume and margin were lower in the two regions, with the company also losing market share in the US. The company expects housing conditions to remain soft in both regions and fewer trading days in 2H on Easter and Anzac Day timings to potentially affect Australia/NZ activity.

The broker cut FY25-27 EBITDA forecast by -2-3%, with downgrades to Australia/NZ estimates partly offsetting upgrades to US forecasts. Target price cut to $18.7 from $19.95, and rating upgraded to Hold from Reduce.

Ord Minnett upgrades to Hold from Lighten with a lower target price of $20.40, down from $23.20.

Reece reported a decline of -19% in 1H25 underlying NPAT to $181m which was below Ord Minnett's forecast by -4.4%. Revenue fell -3% to $4,402m, with ANZ sales flat due to acquisitions, while US sales declined -5%.

EBIT decreased -17% to $305m, missing forecasts, as margins contracted in both regions the broker notes. Operating cash flow fell -32.2% to $256m, with net debt rising to $646m from $518m in 1H24.

The near-term outlook remains challenging, with weak housing activity weighing on earnings. Ord Minnett lowers FY25/FY26 earnings by -11% and -15%, respectively.

**SERVICE STREAM LIMITED ((SSM)) Upgrade to Outperform from Neutral by Macquarie** .B/H/S: 2/1/0

Service Stream delivered earnings in the first half that beat Macquarie's estimates. New contracts worth $1.1bn have been secured while 94% of existing contracts have been renewed.

The broker considers this a quality result amid a strong performance in the key telco and utilities segments. Cash generation was also a highlight with the company now more than $50m net cash.

Rating is upgraded to Outperform from Neutral and the target is lifted to $1.86 from $1.41.

**SUPER RETAIL GROUP LIMITED ((SUL)) Upgrade to Buy from Hold by Ord Minnett** .B/H/S: 3/2/1

Ord Minnett upgrades Super Retail to Buy from Hold on the back of the decline in the stock of -12% post 1H25 result. The broker believes the company offers better value than retail peers at this stage.

The company announced 1H25 results which came in lower than anticipated, with Supercheap Autorepresenting 54% of earnings and 37% of salesbeing impacted by pressure on sales and margins.

The analyst believes Supercheap will be challenged to regain lost share, judging by the 2H25 trading update.

In contrast, Rebel sales rose 5% due to new footwear and Garmin products.

Ord Minnett lowers EPS estimates by -8% and -6% for FY25 and FY26. Target price is cut to $16 from $16.50.

**TABCORP HOLDINGS LIMITED ((TAH)) Upgrade to Add from Hold by Morgans** .B/H/S: 2/3/0

Tabcorp Holdings' 1H25 result slightly beat expectations but Morgans considers it as the most encouraging update for some time, crediting it to CEO Gill McLachlan's appointment.

The company didn't provide a formal trading update but noted a stable macro environment and positive competitive positioning. The company increased the target for reduction in FY25 operating expenses to $30m from $20m.

The company also lowered capex guidance to $100-120m, around -$25m below prior midpoint guidance, with the broker's forecast at $116m.

The broker raised FY25 net profit and EPS forecasts by 8% and 12% respectively. Target price rises to 75c from 60c, and rating upgraded to Add from Hold.

**TELIX PHARMACEUTICALS LIMITED ((TLX)) Upgrade to Buy from Hold by Bell Potter** .B/H/S: 2/0/0

Bell Potter upgrades Telix Pharmaceuticals to Buy from Hold with a higher target price of $36 from $21.60.

The company pre-released its 2024 revenue, with earnings (EBITDA) of $99.3m coming in below consensus estimates by -14%, which the analyst notes the market turned a blind eye to in favour of the outlook.

The broker explains the upgraded outlook on the back of the RLS Radiopharm acquisition, which is expected to generate revenues of $222m, and Illuccix revenue is estimated to increase 24% to around $1bn.

R&D is also expected to rise due to acquisitions. Management revenue guidance stands at $1.1bn to $1.23bn for 2025, and the company will start reporting in USD in 1H25.

**WOODSIDE ENERGY GROUP LIMITED ((WDS)) Upgrade to Neutral from Sell by Citi** .B/H/S: 1/5/0

Citi upgrades Woodside Energy to Neutral from Sell and lifts the target price to $24 from $22.

The broker highlights the company, which sits in the ASX10 stocks, is largely underweight for Australian fund managers, suggesting if management succeeds in selling down 50% of the Louisiana LNG, then it might become what the analyst calls "the pain trade."

Citi stresses the stock is not a Buy, and the analyst prefers Santos ((STO)), but Woodside Energy now has an upside Short Term view.

**WOOLWORTHS GROUP LIMITED ((WOW)) Upgrade to Buy from Hold by Ord Minnett** .B/H/S: 2/5/0

Ord Minnett notes Woolworths Group's 1H25 earnings fell short of market expectations due to a greater-than-anticipated impact from industrial action at its distribution centres.

Group gross margin narrowed, affected by price reinvestment, increased promotions, and high clearance sales in Big W.

Guidance was weak, with management forecasting a second-half earnings decline in the core food business despite solid early sales growth. However, the company announced a -$400m cost-cutting plan, which the broker views positively.

The analyst lifts EPS forecasts by 4% for FY26 and FY27 due to expected cost savings, though FY25 estimates are lowered by -1%.

The broker upgrades to Buy from Hold, lifting the price target to $36.00 from $32.00.

**WISETECH GLOBAL LIMITED ((WTC)) Upgrade to Buy from Accumulate by Ord Minnett** .B/H/S: 7/0/0

Ord Minnett notes WiseTech Global's 1H25 earnings exceeded market expectations, supported by new freight forwarder customers.

The company reiterated FY25 guidance, forecasting revenue growth at the low end of its 1626% range due to delays in new product rollouts.

The return of founder and major shareholder Richard White as executive chairman follows board resignations over governance concerns. Management states there has been minimal customer push back on these changes.

The broker sees growth potential in WiseTech's CargoWise platform, expecting a 28% compound growth rate in revenue from FY24 to FY27.

Ord Minnett's EPS estimates are lowered by -2% for FY25 and -8% for FY2627.

Target price is cut to $124.00 from $132.00, but the rating is upgraded to Buy from Accumulate on valuation grounds.

**Downgrade**

**ADRAD HOLDINGS LIMITED ((AHL)) Downgrade to Speculative Buy from Add by Morgans** .B/H/S: 2/0/0

Morgans notes Adrad's 1H25 result was weaker than expected, with both revenue and EBITDA missing its forecast. EBITDA margin was down -290bps to 10.5% but cash conversion was strong at 123% vs 105% the year before.

Overall, earnings for both divisions were lower despite higher revenue. The company expects revenue growth in 2H but no longer provided guidance for earnings growth.

The broker is forecasting FY25 revenue growth of 7% to $152.8m but -5% EBITDA decline to $17.2m.

Target price cut to $0.85 from $1.10. The broker believes earnings may be volatile in the short term and therefore has downgraded to Speculative Buy from Add for more risk-tolerant investors.

**EAGERS AUTOMOTIVE LIMITED ((APE)) Downgrade to Accumulate from Buy by Ord Minnett and Downgrade to Hold from Buy by Bell Potter**.B/H/S: 4/3/0

Ord Minnett notes Eagers Automotive's FY24 result was strong with profit before tax and margins beating its forecast. The company guided to a $1.0bn revenue growth in FY25, citing strong demand from BYD and other key brands.

The company expects margins to benefit from greater earnings contributions from BYD, Easyauto123 and recent acquisitions.

The broker pushed up profit before tax forecasts by 17-18% over FY-27. Target price rises to $15.0 from $12.8.

Rating downgraded to Accumulate from Buy on valuation grounds.

Bell Potter found the Eagers Automotive 2024 underlying operating profit below forecasts while revenue beat estimates. Final dividend of $0.50 was a positive surprise and ahead of forecasts.

The company has indicated it expects sustainable net margins and further improvement. The broker calculates, if margins are sustainable or flat in 2025, then on implied revenue of $12.2bn this suggests underlying operating pre-tax profit of around $400m.

Estimates are upgraded for revenue forecasts in 2025 and 2026 by 2%. The target increases to $15.25 from $13.65 and, as this is only a modest premium to the share price, the rating is downgraded to Hold from Buy.

See also APE upgrade.

**AUSTAL LIMITED ((ASB)) Downgrade to Neutral from Buy by Citi** .B/H/S: 1/2/0

After further analysis of Austal's 1H results, Citi raises its target to $4.30 from $4.14 and downgrades to Neutral from Buy due to a strong recent share price performance and rising execution risk for new programs.

FNArena's summary of the broker's original research follows.

In an early assessment of today's interim financials by Austal, Citi notes a better-than-expected outcome, as well as upgraded FY25 guidance.

First half profit of $25.1m came in ahead of the $22.6m consensus estimate driven by US support margins. The EBIT margin was 7.9% (Citi 5.5%), with support margins at 19.7% (Citi 10%) underpinned by invoice finalisation for FY23 support work.

As expected by Citi, no dividend was declared given the upcoming significant capex program.

**ACCENT GROUP LIMITED ((AX1)) Downgrade to Hold from Add by Morgans** .B/H/S: 4/1/0

Morgans reports Accent Group's 1H25 earnings were in line with guidance, with earnings (EBIT) rising 11.6% to $80.7m, assisted by the reversal of a historical impairment.

Gross margins declined by -100bps to 55.6% due to a highly promotional environment, though cost control helped offset pressures, explains the broker.

The company opened 42 new stores and closed 34, with management guiding to at least ten additional openings in 2H25.

The interim dividend of 5.5c fell short of Morgans' expectations due to a lower payout ratio.

The broker lowers its target price to $2.20 from $2.40 and downgrades its rating to Hold from Add due to ongoing uncertainty in the trading environment, increased pressure on margins in the short-term, and slower rollout estimates.

See also AX1 upgrade.

**COLES GROUP LIMITED ((COL)) Downgrade to Hold from Buy by Bell Potter** .B/H/S: 4/3/0

First half underlying net profit from Coles Group was slightly ahead of Bell Potter's expectations.

Underlying results, where net profit was up 1%, included $92m in supply chain implementation and duplication costs while an estimated $20m in EBIT was gained from industrial action in Victoria affecting Woolworths Group ((WOW)).

Bell Potter downgrades to Hold from Buy to reflect the recent share price movement, noting the ACCC is likely to release its final report into supermarkets shortly.

Coles is favoured over competitor Woolworths, given what the broker perceives is better execution against profit growth in a difficult retail environment. Target rises to $21.15 from $20.50.

**CATALYST METALS LIMITED ((CYL)) Downgrade to Hold from Buy by Bell Potter** .B/H/S: 1/1/0

Catalyst Metals posted first half results where underlying EBITDA and net profit were slightly below Bell Potter's estimates. FY25 guidance is for 105-120,000 ounces at AISC of $2300-2500/oz.

The broker downgrades to Hold from Buy on valuation grounds, noting a 30% appreciation in the share price in three months.

The valuation is based on a long-term gold price of $3500/oz. Target is unchanged at $4.45.

**DOMAIN HOLDINGS AUSTRALIA LIMITED ((DHG)) Downgrade to Hold from Buy by Ord Minnett and Downgrade to Hold from Buy by Bell Potter** .B/H/S: 0/5/1

Domain Holdings Australia's 1H25 earnings beat consensus, supported by tight cost control according to Ord Minnett. The broker notes board member Greg Ellis has been appointed interim CEO following Jason Pellegrino's retirement.

US-based CoStar has launched a $4.20 per share bid, which could reshape the Australian property advertising market. Nine Entertainment ((NEC)), Domain's majority owner, is expected to reject the initial bid but may consider a higher offer.

Ord Minnett raises its FY25 EPS forecast by 20% and by 15% for FY26/27, reflecting stronger TV division revenue.

Price target lifts to $4.20 from $3.25, aligning with CoStar's bid, though the rating is downgraded to Hold from Buy due to valuation.

Nasdaq-listed CoStar Group has built a 16.9% position on Domain Holdings Australia's register with the intention of acquiring 100% of ordinary shares at a proposed $4.20 per share price.

Domain's first-half performance reflected a stabilising property market, with revenue and earnings (EBITDA) in line with Bell Potter's expectations.

Listings growth was mixed, with stronger trends in Sydney and Melbourne offset by weaker regional activity, explains the broker, while costs remained controlled.

Management expects the second half to benefit from seasonal strength and improving buyer sentiment, though macroeconomic conditions remain a key factor.

Bell Potter raises its target to $4.20 from $3.30 and downgrades to Hold from Buy, citing valuation considerations and limited near-term catalysts.

**GENESIS MINERALS LIMITED ((GMD)) Downgrade to Hold from Buy by Bell Potter** .B/H/S: 4/2/0

Bell Potter downgrades Genesis Minerals to Hold from Buy due to the valuation and the 40% rise in the share price over the last three months. Target price is retained at $3.35.

The miner announced 1H25 gold production of 93koz, up 34% on the previous year, with all-in-sustaining-costs of $3,383 per ounce.

The analyst continues to like Genesis, citing its 15moz mineral resource portfolio in WA, and notes that processing at the second plant will enable higher gold production, increasing to 325koz in FY29 from around 190koz in FY25.

**GOLD ROAD RESOURCES LIMITED ((GOR)) Downgrade to Hold from Buy by Ord Minnett** .B/H/S: 2/1/0

Gold Road's FY24 underlying net profit was -6% lower than Ord Minnett's forecast due mainly to higher D&A.

The broker notes the share price has risen 50% since November but it doesn't see justification for it to outperform peers (valuation 1.2x Price/Net Asset Value vs 1x peers). The rating is therefore downgraded to Hold from Buy.

Target price is $2.5.

**INGHAMS GROUP LIMITED ((ING)) Downgrade to Hold from Add by Morgans** .B/H/S: 1/3/0

As expected by Morgans, Inghams Group reported a weak 1H, in line with expectations, as it cycled a record prior period.

The broker highlights cost-of-living pressures affecting out-of-home consumption, though FY25 guidance was reaffirmed, implying earnings growth in H2.

Uncertainty remains over FY26 earnings as the Woolworth Group ((WOW)) contract has not been fully replaced, though Morgans acknowledges management has made progress.

With limited near-term catalysts and less than 10% upside to the new target of $3.58, down from $3.66, the broker sees the stock lacking momentum. The rating is downgraded to Hold from Add.

**JUMBO INTERACTIVE LIMITED ((JIN)) Downgrade to Hold from Buy by Bell Potter** .B/H/S: 4/2/0

Bell Potter downgrades Jumbo Interactive to Hold from Buy and lowers the target price to $13.20 from $16.50 on the back of 1H25 results, with revenue and earnings coming in below expectations by -6% and -4%, respectively, from softer Lottery retailing.

The broker points to a fall in Powerball of -19% and Oz Lotto total jackpots fell -15%. Digital share also missed expectations.

Bell Potter congratulates the company on winning back market share via marketing, but explains that more strategic evidence is needed to have a higher degree of confidence in how share will be retained.

Hold. Target $13.20.

See also JIN upgrade.

**JOHNS LYNG GROUP LIMITED ((JLG)) Downgrade to Neutral from Outperform by Macquarie and Downgrade to Hold from Add by Morgans**.B/H/S: 1/4/0

Macquarie lowers its target for Johns Lyng to $2.60 from $4.90 on reduced earnings forecasts and a lower assumed multiple and downgrades to Neutral from Outperform, citing execution risks and a softer near-term outlook.

First half revenue of $573m missed the broker's estimates by -11% (and consensus by -7%), with earnings (EBITDA) missing the broker's estimate by -15% due to a weaker performance in NSW and the US.

FY25 guidance was lowered, with revenue reduced by -5% and earnings by -4.5%, though management is implementing cost-cutting measures, including a reduction of 120 full-time employees, explains the broker.

The US segment saw a -13.6% revenue decline due to project delays and weak job volumes from key contracts, while NSW remains six months behind recovery expectations.

Morgans observes Johns Lyng's 1H25 result was weaker than expected, with group revenue missing its forecast by -6% and EBITDA coming -18% below. Interim dividend of 2.5c was lower than the broker's 4.2c forecast.

The company cut FY25 EBITDA guidance by -5% which implies 2H recovery in business as usual (BAU) EBITDA. Based on the company's update, the broker expects improved revenue momentum from recent surge events in NSW and Queensland.

In the US, volumes are expected to increase with a new client onboarding and work related to LA wildfires but it is still expected to fall short of the company's FY25 target of 10-15% revenue growth.

The analyst cut FY25 and FY26 EBITDA forecasts by -8% and -6% respectively, resulting in target price decline to $2.7 from $5.1. Rating downgraded to Hold from Add.

**KOGAN.COM LIMITED ((KGN)) Downgrade to Hold from Accumulate by Ord Minnett** .B/H/S: 0/3/1

On the back of 1H25 results from Kogan.com which met expectations, Ord Minnett highlights January sales growth of 25% year-on-year was ahead of expectations but in line with recent trends.

The broker notes 1H25 results were as pre-guided, though 2H25 earnings are expected to fall short due to higher marketing spend.

Increased promotional spending raises concerns about long-term customer retention, with Kogan First's impact unclear as membership numbers are no longer disclosed.

Ord Minnett cuts FY25FY27 EPS forecasts by -28%, -14%, and -11%, respectively, reflecting elevated marketing costs.

The price target is lowered to $5.00 from $5.55, with the rating downgraded to Hold from Accumulate.

**KELSIAN GROUP LIMITED ((KLS)) Downgrade to Neutral from Outperform by Macquarie** .B/H/S: 2/1/0

Kelsian Group delivered first half net profit that was down -8% and missed Macquarie's estimates. FY25 underlying EBITDA guidance has been reaffirmed at $283-295m, with a skew of 54% to the second half at the mid point.

While this shows management's confidence in the second half, the broker notes gearing at 3.2x remains a constraint. Rating is downgraded to Neutral from Outperform and the target lowered to $3.20 from $4.80.

**LINDSAY AUSTRALIA LIMITED ((LAU)) Downgrade to Hold from Add by Morgans** .B/H/S: 2/1/0

Morgans notes Lindsay Australia's 1H25 result was weaker than expected, with underlying EBITDA missing its forecast by -7% largely due to a -115bps sequential fall in EBITDA margin in the transport business. Rural sales improved under difficult conditions, with cost and inventory management assisting a 13.3% increase in EBITDA to $4.8m.

The company didn't provide formal guidance for FY25 but expects ongoing challenges from industry capacity expansion, subdued demand, pricing pressures, and weather disruptions.

The broker has downgraded FY25-27 underlying EBITDA forecast by -15%, mainly on a downgrade in the transport division forecasts. Target price cut to $0.80 from $1.15, and rating downgraded to Hold from Add.

**NINE ENTERTAINMENT CO. HOLDINGS LIMITED ((NEC)) Downgrade to Accumulate from Buy by Ord Minnett** .B/H/S: 2/1/0

Ord Minnett highlights Nine Entertainment's 1H25 earnings exceeded expectations, with the company guiding for mid-to-high single-digit TV advertising revenue growth in the March quarter.

The broker notes cost guidance for the TV division was upgraded to flat from slightly up.

Nine is evaluating the $4.20 per share takeover bid for Domain Holdings Australia ((DHG)) by CoStar, considering its impact on the group's strategy.

Management is expected to reject the initial offer but may entertain a higher bid the analyst states. Ord Minnett raises FY25 EPS forecasts by 20% and by 15% for FY26/27, reflecting a stronger revenue outlook.

Target increases to $1.80 from $1.60, with the rating downgraded to Accumulate from Buy.

**NIB HOLDINGS LIMITED ((NHF)) Downgrade to Hold from Add by Morgans** .B/H/S: 1/4/1

NIB Holdings' 1H25 net profit was in line with consensus but underlying operating profit was 8% higher, notes Morgans.

The broker notes Australia Residents Health Insurance margin stabilised at the top of management's 5-7% guidance at 6.7%, following a decline in 2H24. The company expects 2H margin to also come at the top end of the range.

NZ result was weak but in line with expectations, with the company expecting 2H to benefit from price increases of 20% and less working days.

Overall though, the broker believes its near-term forecasts were too optimistic in certain areas and pared it down after management commentary.

Target price, however, rises to $7.06 from $6.10 as the broker applied a 15.5x valuation multiple vs 13x on stabilisation of claims spikes.

Rating downgraded to Hold from Add.

**PACIFIC CURRENT GROUP LIMITED ((PAC)) Downgrade to Hold from Buy by Ord Minnett** .B/H/S: 0/1/0

Pacific Current Group's 1H25 earnings were slightly ahead of expectations, supported by significant cost savings, Ord Minnett notes.

The broker explains management fees fell -62.1% year-on-year due to asset sales, while corporate revenue rose on higher interest income.

The company declared an unfranked 15cps dividend, above the 10.8cps forecast. Ord Minnett revises earnings, raising FY25 by 26% but lowering FY2627 by -4% to -6%.

Target price stays at $13.00, with the rating downgraded to Hold from Buy due to recent share price strength.

**QUBE HOLDINGS LIMITED ((QUB)) Downgrade to Neutral from Buy by UBS** .B/H/S: 2/2/0

UBS analysts have downgraded their rating for Qube Holdings to Neutral from Buy, raising the price target to $4.40 from $4.15. FY25-27 EPS estimates lift by 4-5% due to stronger contributions from Patrick and lower interest costs.

The company reported 1H25 NPATA/EPSA 3% above UBS estimates, with logistics margins slightly below expectations but offset by Patrick's outperformance.

Management re-affirmed FY25 guidance for at least 5% NPATA growth, while asset sales are expected to provide $500m in funding capacity.

UBS sees Qube as a high-quality portfolio but notes limited upside following strong share price performance.

**READYTECH HOLDINGS LIMITED ((RDY)) Downgrade to Neutral from Outperform by Macquarie** .B/H/S: 3/1/0

ReadyTech Holdings' 1H25 result was softer than Macquarie expected, impacted by delays to enterprise contracts. The company expects better momentum in 2H25 building into FY26.

ReadyTech has a pipeline of $37.5m, including $13.5m deal value of conviction opportunities at shortlisted/preferred stage with a close date in 2H25.

Further delays to the enterprise pipeline are impacting the earnings outlook with segment margins also softer than forecast, the broker notes.

Macquarie states delivering consistent and improved revenue and earnings growth will be key for a re-rate. Enterprise wins remain a catalyst. Target falls to $3.15 from $3.80. Downgrade to Neutral from Outperform.

**RAMELIUS RESOURCES LIMITED ((RMS)) Downgrade to Neutral from Outperform by Macquarie** .B/H/S: 2/1/0

Ramelius Resources delivered a first half result that beat estimates. Macquarie was also surprised by the fully-franked maiden interim dividend of three cents.

The broker was unimpressed with the fact that, while the company reduced its hedge book by -37% during the half year, it still held forward gold sale contracts totalling 98,500 ounces at an average price of AUD3183, implying a discount to spot gold of -45% in US dollar terms.

Rating is downgraded to Neutral from Outperform after a 27% lift in the share price in the year to date. Target is unchanged at $2.60.

**SITEMINDER LIMITED ((SDR)) Downgrade to Hold from Add by Morgans** .B/H/S: 4/1/0

SiteMinder's 1H revenue grew by 13.9% to $104.5m, missing both the Morgans and consensus forecasts.

Property subscribers grew by 2.7k to 47.2k, slightly below forecasted growth, while transaction annual recurring revenue (ARR) growth accelerated to 37%, driven by the Smart Platform ramp-up, explains the broker.

Despite a weaker 1H25, the broker anticipates a stronger second half, supported by Smart Platform's impact on transaction products and ARPU expansion.

Unchanged management guidance is for 30% organic revenue growth and underlying EBITDA profitability in FY25.

Morgans' target price is reduced to $6.40 from $6.50, and the rating downgraded to Hold from Add due to a perceived lack of catalysts prior to full-year results in August.

**SMARTGROUP CORPORATION LIMITED ((SIQ)) Downgrade to Hold from Add by Morgans** .B/H/S: 4/2/0

Smartgroup Corp reported a strong FY24 result, in Morgans' opinion, with profit (NPATA) increasing by 14.6% to $72.4m, slightly ahead of expectations. The 2H performance was considered solid, with revenue up by 5.9% and EBITDA increasing by 11% from H1.

The company benefited from solid lease demand, explains the broker, with novated leases growing by 15%, while salary packages increased by 10.7%.

Management's outlook for the near-term remains positive, supported by strong contract wins and demand, though the eventual ending of the EV policy in March 2025 may limit future growth potential, according to the analysts.

Morgans raises its target price to $8.95 from $8.65, and downgrades to Hold rating from Buy given the upcoming EV policy change.

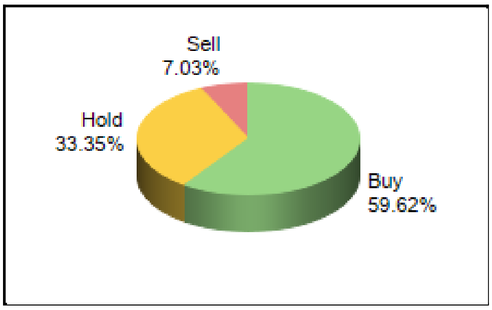
**TELSTRA GROUP LIMITED ((TLS)) Downgrade to Neutral from Outperform by Macquarie** .B/H/S: 3/2/1

Further to the half-year results, Macquarie believes there is more upside to come from Telstra Group from rationalisation of costs.

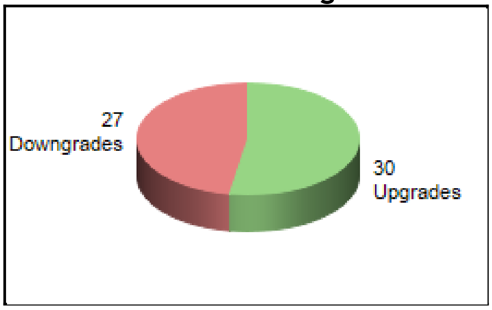
Capital management is also in train given the $750m on-market buyback, with messaging from the company conveying confidence it can maintain investment in digital infrastructure while continuing cost reductions.

Noting the spread to the 10-year bond yield, Macquarie downgrades on valuation grounds to Neutral from Outperform. Estimates for EPS in FY25 and FY26 are downgraded by -3%. Target is reduced to $3.93 from $4.30.

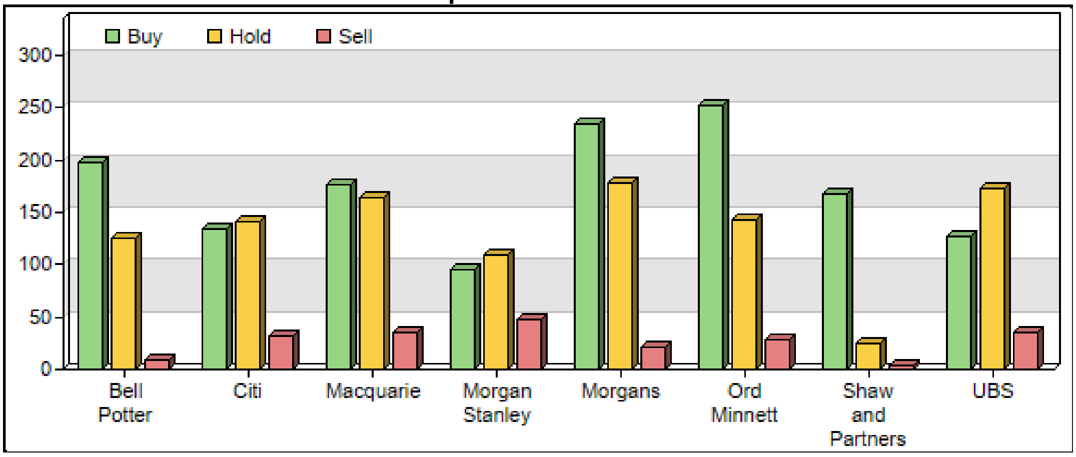
**Total Recommendations**




**Recommendation Changes**




**Broker Recommendation Breakup**




# Broker Rating

| Order | Company | New Rating | Old Rating | Broker |
|---|---|---|---|---|
| Upgrade | | | | |
| 1 | ACCENT GROUP LIMITED | Buy | Neutral | Citi |
| 2 | AMPLITUDE ENERGY LIMITED | Buy | Neutral | Bell Potter |
| 3 | AMPOL LIMITED | Buy | Neutral | Macquarie |
| 4 | AMPOL LIMITED | Buy | Neutral | UBS |
| 5 | APA GROUP | Neutral | Sell | UBS |
| 6 | AUSSIE BROADBAND LIMITED | Buy | Neutral | UBS |
| 7 | BAPCOR LIMITED | Buy | Neutral | Morgans |
| 8 | BENDIGO & ADELAIDE BANK LIMITED | Neutral | Sell | Ord Minnett |
| 9 | CHALICE MINING LIMITED | Buy | Neutral | Morgans |
| 10 | EAGERS AUTOMOTIVE LIMITED | Buy | Neutral | Macquarie |
| 11 | EAGERS AUTOMOTIVE LIMITED | Neutral | Sell | Citi |
| 12 | GUZMAN Y GOMEZ LIMITED | Buy | Neutral | Morgans |
| 13 | HARMONEY CORP LIMITED | Buy | Buy | Ord Minnett |
| 14 | HMC CAPITAL LIMITED | Buy | Neutral | Morgans |
| 15 | IRESS LIMITED | Buy | Neutral | Macquarie |
| 16 | IRESS LIMITED | Buy | Neutral | Shaw and Partners |
| 17 | JUMBO INTERACTIVE LIMITED | Buy | Neutral | Macquarie |
| 18 | LATITUDE GROUP HOLDINGS LIMITED | Neutral | Sell | Morgan Stanley |
| 19 | MINERAL RESOURCES LIMITED | Buy | Buy | Ord Minnett |
| 20 | NATIONAL STORAGE REIT | Buy | Neutral | Macquarie |
| 21 | PEOPLEIN LIMITED | Buy | Neutral | Morgans |
| 22 | REECE LIMITED | Neutral | Sell | Morgans |
| 23 | REECE LIMITED | Neutral | Sell | Ord Minnett |
| 24 | SERVICE STREAM LIMITED | Buy | Neutral | Macquarie |
| 25 | SUPER RETAIL GROUP LIMITED | Buy | Neutral | Ord Minnett |
| 26 | TABCORP HOLDINGS LIMITED | Buy | Neutral | Morgans |

| | | | | |
|---|---|---|---|---|
| 27 | TELIX PHARMACEUTICALS LIMITED | Buy | Neutral | Bell Potter |
| 28 | WISETECH GLOBAL LIMITED | Buy | Buy | Ord Minnett |
| 29 | WOODSIDE ENERGY GROUP LIMITED | Neutral | Sell | Citi |
| 30 | WOOLWORTHS GROUP LIMITED | Buy | Neutral | Ord Minnett |
| Downgrade | | | | |
| 31 | ACCENT GROUP LIMITED | Neutral | Buy | Morgans |
| 32 | ADRAD HOLDINGS LIMITED | Buy | Buy | Morgans |
| 33 | AUSTAL LIMITED | Neutral | Buy | Citi |
| 34 | CATALYST METALS LIMITED | Neutral | Buy | Bell Potter |
| 35 | COLES GROUP LIMITED | Neutral | Buy | Bell Potter |
| 36 | DOMAIN HOLDINGS AUSTRALIA LIMITED | Neutral | Buy | Ord Minnett |
| 37 | DOMAIN HOLDINGS AUSTRALIA LIMITED | Neutral | Buy | Bell Potter |
| 38 | EAGERS AUTOMOTIVE LIMITED | Buy | Buy | Ord Minnett |
| 39 | EAGERS AUTOMOTIVE LIMITED | Neutral | Buy | Bell Potter |
| 40 | GENESIS MINERALS LIMITED | Neutral | Buy | Bell Potter |
| 41 | GOLD ROAD RESOURCES LIMITED | Neutral | Buy | Ord Minnett |
| 42 | INGHAMS GROUP LIMITED | Neutral | Buy | Morgans |
| 43 | JOHNS LYNG GROUP LIMITED | Neutral | Buy | Morgans |
| 44 | JOHNS LYNG GROUP LIMITED | Neutral | Buy | Macquarie |
| 45 | JUMBO INTERACTIVE LIMITED | Neutral | Buy | Bell Potter |
| 46 | KELSIAN GROUP LIMITED | Neutral | Buy | Macquarie |
| 47 | KOGAN.COM LIMITED | Neutral | Buy | Ord Minnett |
| 48 | LINDSAY AUSTRALIA LIMITED | Neutral | Buy | Morgans |
| 49 | NIB HOLDINGS LIMITED | Neutral | Buy | Morgans |
| 50 | NINE ENTERTAINMENT CO. HOLDINGS LIMITED | Buy | Buy | Ord Minnett |
| 51 | PACIFIC CURRENT GROUP LIMITED | Neutral | Buy | Ord Minnett |
| 52 | QUBE HOLDINGS LIMITED | Neutral | Buy | UBS |
| 53 | RAMELIUS RESOURCES LIMITED | Neutral | Buy | Macquarie |
| 54 | READYTECH HOLDINGS LIMITED | Neutral | Buy | Macquarie |
| 55 | SITEMINDER LIMITED | Neutral | Buy | Morgans |
| 56 | SMARTGROUP CORPORATION LIMITED | Neutral | Buy | Morgans |
| 57 | TELSTRA GROUP LIMITED | Neutral | Buy | Macquarie |

# Target Price

### Positive Change Covered by at least 3 Brokers

| Order | Symbol | Company | New Target | Previous Target | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | APE | EAGERS AUTOMOTIVE LIMITED | 14.956 | 11.964 | 25.01% | 7 |
| 2 | OML | OOH!MEDIA LIMITED | 1.667 | 1.433 | 16.33% | 3 |
| 3 | SLC | SUPERLOOP LIMITED | 2.613 | 2.275 | 14.86% | 4 |
| 4 | EVT | EVT LIMITED | 15.197 | 13.243 | 14.75% | 3 |
| 5 | MAF | MA FINANCIAL GROUP LIMITED | 9.373 | 8.307 | 12.83% | 3 |
| 6 | ASB | AUSTAL LIMITED | 3.833 | 3.463 | 10.68% | 3 |
| 7 | NEC | NINE ENTERTAINMENT CO. HOLDINGS LIMITED | 1.817 | 1.648 | 10.25% | 3 |
| 8 | CDA | CODAN LIMITED | 17.627 | 16.017 | 10.05% | 3 |
| 9 | NHF | NIB HOLDINGS LIMITED | 6.768 | 6.158 | 9.91% | 6 |
| 10 | TAH | TABCORP HOLDINGS LIMITED | 0.670 | 0.610 | 9.84% | 5 |

### Negative Change Covered by at least 3 Brokers

| Order | Symbol | Company | New Target | Previous Target | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | JLG | JOHNS LYNG GROUP LIMITED | 2.780 | 4.490 | -38.08% | 5 |
| 2 | LAU | LINDSAY AUSTRALIA LIMITED | 0.940 | 1.213 | -22.51% | 3 |
| 3 | HLO | HELLOWORLD TRAVEL LIMITED | 2.297 | 2.817 | -18.46% | 3 |
| 4 | KLS | KELSIAN GROUP LIMITED | 4.300 | 5.100 | -15.69% | 3 |
| 5 | THL | TOURISM HOLDINGS LIMITED | 1.730 | 2.020 | -14.36% | 3 |
| 6 | PWR | PETER WARREN AUTOMOTIVE HOLDINGS LIMITED | 1.488 | 1.695 | -12.21% | 4 |
| 7 | REH | REECE LIMITED | 19.342 | 21.933 | -11.81% | 6 |
| 8 | DMP | DOMINO'S PIZZA ENTERPRISES LIMITED | 32.287 | 35.690 | -9.53% | 6 |
| 9 | IDX | INTEGRAL DIAGNOSTICS LIMITED | 3.123 | 3.443 | -9.29% | 4 |
| 10 | VEA | VIVA ENERGY GROUP LIMITED | 3.090 | 3.363 | -8.12% | 4 |

# Earnings Forecast

## Positive Change Covered by at least 3 Brokers

| Order | Symbol | Company | New EF | Previous EF | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | NIC | NICKEL INDUSTRIES LIMITED | 6.786 | 3.013 | 125.22% | 6 |
| 2 | 29M | 29METALS LIMITED | 1.600 | -8.767 | 118.25% | 4 |
| 3 | CHN | CHALICE MINING LIMITED | -1.000 | -6.000 | 83.33% | 3 |
| 4 | ALD | AMPOL LIMITED | 193.000 | 112.533 | 71.51% | 4 |
| 5 | GOR | GOLD ROAD RESOURCES LIMITED | 23.775 | 14.100 | 68.62% | 3 |
| 6 | LNW | LIGHT & WONDER INC | 598.820 | 371.580 | 61.16% | 6 |
| 7 | ING | INGHAMS GROUP LIMITED | 27.825 | 18.700 | 48.80% | 4 |
| 8 | OML | OOH!MEDIA LIMITED | 12.167 | 9.800 | 24.15% | 3 |
| 9 | EVT | EVT LIMITED | 26.433 | 22.533 | 17.31% | 3 |
| 10 | DDR | DICKER DATA LIMITED | 51.400 | 44.667 | 15.07% | 3 |

## Negative Change Covered by at least 3 Brokers

| Order | Symbol | Company | New EF | Previous EF | Change | Recs |
|---|---|---|---|---|---|---|
| 1 | HLS | HEALIUS LIMITED | -3.267 | -0.400 | -716.75% | 4 |
| 2 | IGO | IGO LIMITED | -22.840 | -4.440 | -414.41% | 6 |
| 3 | PLS | PILBARA MINERALS LIMITED | -0.286 | 0.286 | -200.00% | 7 |
| 4 | PXA | PEXA GROUP LIMITED | 4.467 | 20.633 | -78.35% | 3 |
| 5 | PDN | PALADIN ENERGY LIMITED | 4.456 | 13.715 | -67.51% | 6 |
| 6 | RDY | READYTECH HOLDINGS LIMITED | 4.950 | 11.567 | -57.21% | 4 |
| 7 | PWR | PETER WARREN AUTOMOTIVE HOLDINGS LIMITED | 5.350 | 10.625 | -49.65% | 4 |
| 8 | BOE | BOSS ENERGY LIMITED | 7.333 | 13.933 | -47.37% | 6 |
| 9 | SMR | STANMORE RESOURCES LIMITED | 14.333 | 27.038 | -46.99% | 3 |
| 10 | KAR | KAROON ENERGY LIMITED | 22.838 | 37.443 | -39.01% | 5 |

**Technical limitations**

***If you are reading this story through a third party distribution channel and you cannot see charts included, we apologise, but technical limitations are to blame.***

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WEEKLY REPORTS

# Uranium Week: Let's Wait & See What Happens

Uranium markets have not been insulated from the swathe of uncertainty eminating from the White House, impacting both actvity and pricing.

**-The Russia and tariff conundrums weigh on uranium activity and pricing**
**-Nuclear energy still part of AI winning race**
**-Analysts remain upbeat on Paladin and Boss Energy**

By Danielle Ecuyer

Trump upends markets with tariffs

The proposed Trump tariffs on Canada, Mexico, and China are due to come into effect later today, with Canadian energy tariffs positioned at 10% versus the touted 25% overall for America's neighbours.

From the perspective of the U3O8 spot market, uncertainty across multiple factors, including tariffs, has resulted in lower activity levels and spot pricing over the month of February.

According to industry consultants TradeTech, the U3O8 spot price closed at US$64.50/lb at month-end, representing a decline of -US$6.75/lb over the month and a fall of -32.1% from this time last year.

Buyers are on strike in what is described as a general "wait and see" mode, with volumes in the spot market coming in at 3.4mlbs for February as the average purchase volume declined to 50klbs.

The term market has remained steady, but overall, utilities have equally pulled back, with fifteen transactions conducted, over 80% of the transactions involving just one delivery over the period from 2026 to 2028.

Given the disposition of the US President regarding Russia, expressed by Trump himself last week, it is not hard to appreciate there are a few question marks around what will happen with US sanctions on Russian uranium, and buyers are understandably cautious.

The TradeTech Mid-Term U3O8 price stood at US$71/lb as of February 28, down from US$76/lb at January 31. The Long-Term price indicator came in at US$80/lb, down from US$82/lb at January-end.

The TradeTech cost price indicator for active producers remained unchanged over February at US$58.60/lb.

US needs nuclear to win AI race

In corporate news, LastEnergy, a US micro-nuclear technology developer, announced plans to develop 30 micro-reactors in Texas to serve US data centres.

US Energy Secretary Chris Wright announced the need for reliable and affordable energy to meet the growing demand from America's technology sectors as he toured Los Alamos National Laboratory, the home of the Manhattan Project and, once upon a time in history, the development of the atomic bomb.

Wright is highlighted as a believer and proponent of nuclear power, considering it will be part of the solution for the country to achieve and win the AI race.

*"Our goal is to get that out of the way, bring private businesses together, and figure out what kind of nudge we might need to get shovels in the ground and next-generation small modular reactors happening. I think they will be part of the solution."*

Earnings and shorts in focus

When it comes to the two stocks with the highest short interest on the ASX, Boss Energy ((BOE)) at 20.21% and Paladin Energy ((PDN)) at 17.28%, the two emerging producers offered 1H25 results last week.

Boss's accounting cost treatment of inventories resulted in earnings coming in lower than analysts' expectations. Bell Potter acknowledged a doubling of operating expenses could be attributed to the accounting treatment on the sale of inventory.

Shaw and Partners lowered 2025 1Q/2Q/3Q price assumptions to US$70/US$90/US$120 from US$100/US$120/US$135 while retaining the 4Q forecast at US$150/lb.

The stock is ascribed four Buy-equivalent ratings and one Hold rating. The FNArena broker consensus share price target came down by -3.5% to $3.875.

Paladin Energy's result showed higher costs and an earnings miss. Citi notes the company began early mining at Langer Heinrich, engaging contractors to access higher-grade ore, which could improve operational momentum.

Over the previous two quarters, the company had been facing issues around lower-quality grade ore from stockpiles.

Morgan Stanley noted production guidance for FY25 has been re-iterated, and the best production has occurred since the restart in December, allowing for a sustained improvement in performance over the second half as key to reaching management's guidance.

The FNArena broker consensus target price sits at $11.483, with four Buy ratings and one Hold rating.

For more reading:

https://fnarena.com/index.php/2025/02/25/uranium-week-russia-come-back-uncertainty/

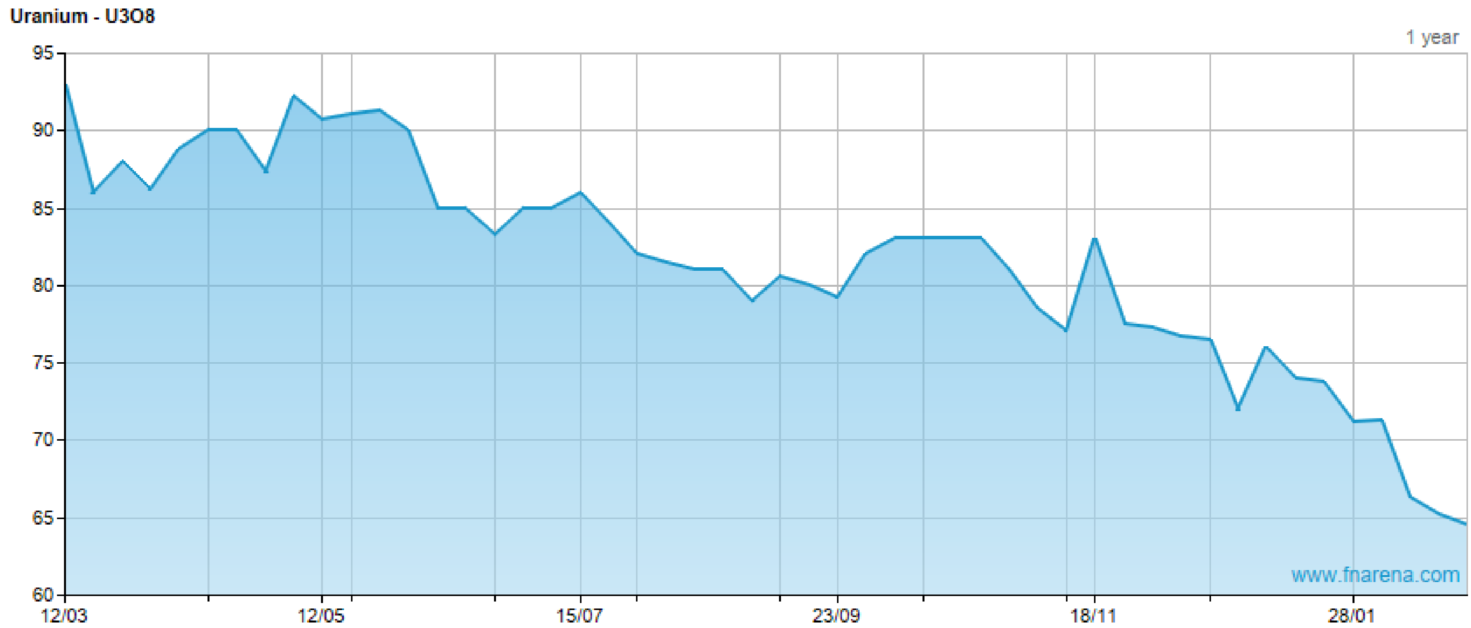
https://fnarena.com/index.php/2025/02/18/uranium-week-confusing-spot-weakness/

https://fnarena.com/index.php/2025/02/11/uranium-week-sharpen-your-bullish-horns/

**Uranium companies listed on the ASX:**

| ASX CODE | DATE | LAST PRICE | WEEKLY % MOVE | 52WK HIGH | 52WK LOW | P/E | CONSENSUS TARGET | UPSIDE/DOWNSIDE |
|---|---|---|---|---|---|---|---|---|
| 1AE | 28/02/2025 | 0.0400 | 0.00% | $0.14 | $0.03 | | | |
| AEE | 28/02/2025 | 0.1200 | 0.00% | $0.26 | $0.11 | | | |
| AGE | 28/02/2025 | 0.0300 | ▼- 9.09% | $0.07 | $0.03 | | $0.100 | ▲233.3% |
| AKN | 28/02/2025 | 0.0100 | 0.00% | $0.04 | $0.01 | | | |
| ASN | 28/02/2025 | 0.0600 | ▼- 9.23% | $0.17 | $0.05 | | | |
| BKY | 28/02/2025 | 0.3850 | 0.00% | $0.45 | $0.27 | | | |
| BMN | 28/02/2025 | 2.3600 | ▼-12.83% | $4.87 | $1.90 | | $7.400 | ▲213.6% |
| BOE | 28/02/2025 | 2.5900 | ▼-12.98% | $5.99 | $2.21 | 35.2 | $3.875 | ▲49.6% |
| BSN | 28/02/2025 | 0.0190 | ▼- 9.52% | $0.15 | $0.02 | | | |
| C29 | 28/02/2025 | 0.0500 | 0.00% | $0.13 | $0.03 | | | |
| CXO | 28/02/2025 | 0.0900 | ▲ 1.16% | $0.25 | $0.08 | | $0.090 | |
| CXU | 28/02/2025 | 0.0100 | 0.00% | $0.05 | $0.01 | | | |
| DEV | 28/02/2025 | 0.0800 | ▲ 8.45% | $0.45 | $0.07 | | | |
| DYL | 28/02/2025 | 1.0600 | ▼- 5.88% | $1.83 | $0.91 | -390.0 | $1.810 | ▲70.8% |
| EL8 | 28/02/2025 | 0.2200 | ▼-18.52% | $0.62 | $0.22 | | | |
| ERA | 28/02/2025 | 0.0020 | 0.00% | $0.06 | $0.00 | | | |
| GLA | 28/02/2025 | 0.0100 | 0.00% | $0.03 | $0.01 | | | |
| GTR | 28/02/2025 | 0.0030 | 0.00% | $0.01 | $0.00 | | | |
| GUE | 28/02/2025 | 0.0700 | 0.00% | $0.13 | $0.05 | | | |
| HAR | 28/02/2025 | 0.0500 | ▼- 4.00% | $0.18 | $0.03 | | | |
| I88 | 28/02/2025 | 0.3100 | ▼-16.67% | $1.03 | $0.14 | | | |
| KOB | 28/02/2025 | 0.0600 | 0.00% | $0.18 | $0.05 | | | |
| LAM | 28/02/2025 | 0.6000 | 0.00% | $1.04 | $0.48 | | | |
| LOT | 28/02/2025 | 0.1700 | ▼- 5.41% | $0.49 | $0.17 | | $0.533 | ▲213.7% |
| MEU | 28/02/2025 | 0.0500 | ▼- 9.09% | $0.06 | $0.04 | | | |
| NXG | 28/02/2025 | 8.4900 | ▼- 2.82% | $13.66 | $7.89 | | $16.600 | ▲95.5% |
| ORP | 28/02/2025 | 0.0400 | 0.00% | $0.12 | $0.03 | | | |
| PDN | 28/02/2025 | 7.1200 | ▼- 8.87% | $17.98 | $6.67 | 157.5 | $11.483 | ▲61.3% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| PEN | 28/02/2025 0.8700 | ▼-10.31% | $2.70 | $0.86 | | $4.810 | ▲452.9% |
| SLX | 28/02/2025 4.1000 | ▼- 9.87% | $6.74 | $3.35 | | $6.900 | ▲68.3% |
| TOE | 28/02/2025 0.2000 | ▼- 4.76% | $0.52 | $0.19 | | | |
| WCN | 28/02/2025 0.0200 | 0.00% | $0.03 | $0.01 | | | |




*Find out why FNArena subscribers like the service so much: "Your Feedback (Thank You)" - Warning this story contains unashamedly positive feedback on the service provided.*

*FNArena is proud about its track record and past achievements: Ten Years On*

WEEKLY REPORTS

# The Short Report - 06 Mar 2025

See **Guide** further below (for readers with full access).

**Summary:**

Week Ending February 27th, 2025 (most recent data available through ASIC).

**10%+**

| | |
|---|---|
| BOE | 20.37% |
| PDN | 17.52% |
| MIN | 13.64% |
| IEL | 12.50% |
| PLS | 11.82% |
| SYR | 11.70% |
| DYL | 11.69% |
| SGR | 10.73% |
| DMP | 10.55% |
| CTT | 10.41% |
| KAR | 10.40% |
| LTR | 10.31% |

In: DMP, CTT

**9.0-9.9%**

| | |
|---|---|
| LIC | 9.94% |
| LYC | 9.26% |

Out: DMP, CTT, DRO, JLG, MP1

**8.0-8.9%**

| | |
|---|---|
| DRO | 8.85% |
| MP1 | 8.44% |

In: DRO, MP1
Out: ADT, RIO

**7.0-7.9%**

| | |
|---|---|
| SEK | 7.92% |
| ADT | 7.85% |
| RIO | 7.81% |
| CUV | 7.38% |
| GMD | 7.30% |
| SLX | 7.07% |

| | |
|---|---|
| AD8 | 7.00% |

In: ADT, RIO, SLX, AD8

**6.0-6.9%**

| | |
|---|---|
| STX | 6.96% |
| JLG | 6.84% |
| CIA | 6.69% |
| BGL | 6.64% |
| EDV | 6.55% |
| IMU | 6.46% |
| LOT | 6.14% |
| CHN | 6.03% |

In: JLG, LOT
Out: AD8, SLX

**5.0-5.9%**

| | |
|---|---|
| NHC | 5.95% |
| TWE | 5.93% |
| PNV | 5.87% |
| RFF | 5.74% |
| CTD | 5.70% |
| IGO | 5.66% |
| INR | 5.65% |
| BMN | 5.51% |
| WEB | 5.14% |
| SFR | 5.13% |
| GYG | 5.10% |
| NCK | 5.06% |

In: PNV, GYG, NCK
Out: LOT, APE, WHC, MGR

**ASX20 Short Positions (%)**

| Code | Last Week | Week Before | Code | Last Week | Week Before |
|---|---|---|---|---|---|
| ALL | 0.5 | 0.5 | NAB | 0.7 | 0.6 |
| ANZ | 0.5 | 0.3 | QBE | 0.1 | 0.2 |
| BHP | 0.5 | 0.4 | RIO | 7.8 | 8.1 |
| CBA | 1.1 | 1.1 | STO | 0.4 | 0.4 |
| COL | 0.5 | 0.4 | TCL | 0.9 | 0.8 |
| CSL | 0.5 | 0.5 | TLS | 0.2 | 0.2 |
| FMG | 1.4 | 1.5 | WBC | 0.6 | 0.6 |
| GMG | 0.3 | 0.4 | WDS | 2.2 | 2.2 |
| JHX | 0.7 | 0.7 | WES | 0.5 | 0.5 |
| MQG | 0.6 | 0.5 | WOW | 0.6 | 0.5 |

To see the full Short Report, please go to this link

**Guide:**

*The Short Report draws upon data provided by the Australian Securities & Investment Commission (ASIC) to highlight significant weekly moves in short positions registered on stocks listed on the Australian Securities Exchange (ASX). Short positions in exchange-traded funds (ETF) and non-ordinary shares are not included. Short positions below 5% are not included in the table below but may be noted in the accompanying text if deemed significant.*

*Please take note of the Important Information provided at the end of this report. Percentage amounts in this report refer to percentage of ordinary shares on issue.*

*Stock codes highlighted in green have seen their short positions reduce in the week by an amount sufficient to move them into a lower percentage bracket. Stocks highlighted in red have seen their short positions increase in the week by an amount sufficient to move them into a higher percentage bracket. Moves in excess of one percentage point or more are discussed in the Movers & Shakers report below.*

***IMPORTANT INFORMATION ABOUT THIS REPORT***

*The above information is sourced from daily reports published by the Australian Investment & Securities Commission (ASIC) and is provided by FNArena unqualified as a service to subscribers. FNArena would like to make it very clear that immediate assumptions cannot be drawn from the numbers alone.*

*It is wrong to assume that short percentages published by ASIC simply imply negative market positions held by fund managers or others looking to profit from a fall in respective share prices. While all or part of certain short percentages may indeed imply such, there are also a myriad of other reasons why a short position might be held which does not render that position "naked" given offsetting positions held elsewhere. Whatever balance of percentages truly is a "short" position would suggest there are negative views on a stock held by some in the market and also would suggest that were the news flow on that stock to turn suddenly positive, "short covering" may spark a short, sharp rally in that share price. However short positions held as an offset against another position may prove merely benign.*

*Often large short positions can be attributable to a listed hybrid security on the same stock where traders look to "strip out" the option value of the hybrid with offsetting listed option and stock positions. Short positions may form part of a short stock portfolio offsetting a long share price index (SPI) futures portfolio a popular trade which seeks to exploit windows of opportunity when the SPI price trades at an overextended discount to fair value. Short positions may be held as a hedge by a broking house providing dividend reinvestment plan (DRP) underwriting services or other similar services. Short positions will occasionally need to be adopted by market makers in listed equity exchange traded fund products (EFT). All of the above are just some of the reasons why a short position may be held in a stock but can be considered benign in share price direction terms due to offsets.*

*Market makers in stock and stock index options will also hedge their portfolios using short positions where necessary. These delta hedges often form the other side of a client's long stock-long put option protection trade, or perhaps long stock-short call option ("buy-write") position. In a clear example of how published short percentages can be misleading, an options market maker may hold a short position below the implied delta hedge level and that actually implies a "long" position in that stock.*

*Another popular trading strategy is that of "pairs trading" in which one stock is held short against a long position in another stock. Such positions look to exploit perceived imbalances in the valuations of two stocks and imply a "net neutral" market position.*

*Aside from all the above reasons as to why it would be a potential misconception to draw simply conclusions on short percentages, there are even wider issues to consider. ASIC itself will admit that short position data is not an exact science given the onus on market participants to declare to their broker when positions truly are "short". Without any suggestion of deceit, there are always participants who are ignorant of the regulations. Discrepancies can also arise when short positions are held by a large investment banking operation offering multiple stock market services as well as proprietary trading activities. Such activity can introduce the possibility of either non-counting or double-counting when custodians are involved and beneficial ownership issues become unclear.*

*Finally, a simple fact is that the Australian Securities Exchange also keeps its own register of short positions. The figures provided by ASIC and by the ASX at any point do not necessarily correlate.*

*FNArena has offered this qualified explanation of the vagaries of short stock positions as a warning to* *subscribers not to jump to any conclusions or to make investment decisions based solely on these unqualified numbers. FNArena strongly suggests investors seek advice from their stock broker or financial adviser before acting upon any of the information provided herein.*

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*FNArena is proud about its track record and past achievements: Ten Years On*

WEEKLY REPORTS

# In Brief: Top Picks In Financials, Retail & Healthcare

Post earnings season brokers round up the summaries for a selection of what they like and what's not so hot for financials, the retail and healthcare sectors

**-Judo Capital packs some punch versus Macquarie Group**
**-Retailers flying above their competitors**
**-Healthcare down but not out**

By Danielle Ecuyer

Welcome back to In Brief with 2025 starting with a bang.

Quote of the Week comes from Sandy Pei, Senior Portfolio Manager for Asia ex-Japan at Federated Hermes summarising the *topic du jour* Tariffs!

*"Global trade is facing significant uncertainties. While the risks for China have been widely discussed, the potential impacts on other countries have not been fully considered in our view."*

Banks, David versus Goliath

In what Jarden describes as "*The tale of two mavericks*," the broker has initiated coverage on **Judo Capital** ((JDO)) and **Macquarie Group** ((MQG)) with a straight-talking contrast and comparison as to why the former offers more upside potential over the near term.

Following some misguided steps into commercial property lending, Judo's management has succeeded in executing a "restoration" of front book lending spreads with a return to label lending.

Jarden highlights the front book spread is back above 450bps-plus over one-month bank bill swap funding for lending to small-medium-sized enterprises ((SMEs)) in the $250k to $10m loan segment.

Judo is also positioning for a transition from minimum liquidity holdings to a liquidity coverage ratio, which could increase net interest margins by 30bps.

Banks typically do not operate in the sub-$15m loan category, affording Judo the opportunity to scale to a market share of 2% to 3% across assets and liabilities.

Jarden starts off with a Buy rating and a $2.60 target price. FNArena's consensus target price stands at $2.147, with three Buy-equivalent ratings, two Holds, and one Sell.

In contrast, Macquarie is highlighted as a "quality and unique asset" with a good medium-to-long-term structural outlook that is currently facing some near-term headwinds, Jarden notes.

After several earnings misses, the stock's valuation is viewed as too high relative to the earnings outlook. Concerns remain over the transition of the renewables business from the balance sheet to an asset management model, or, simply put:  the divestment of around $2.2bn of renewable assets.

The change is taking longer to progress and may be facing growing headwinds, including political pressures in the renewables space.

Capital markets improved in 2024 but have started under pressure in 2025. Jarden believes for the share price to really "fire," Australian equity and M&A activity would need to rebound strongly.

The broker is equally cautious about the commodity market outlook, which does not appear able to replicate the opportunities of 2023.

Macquarie starts off on Underweight with a $200 target price. FNArena's consensus target price is $225.714, with two Buy-equivalent ratings, two Holds, and one Sell.

Retailers battling competition, costs, and a picky consumer

Morgans and Jarden cast an analytical eye over consumer discretionary and retail stocks.

Morgans stresses ongoing cost-of-living pressures on consumers led to increased promotional activity towards the end of 2024. Sales advanced 6.5% year-on-year but were below expectations by -1.1%. Gross margins rose 10bps on average, with dividends slightly better than expected, up 7.6% on a medium basis.

The broker lowers FY25 and FY26 earnings forecasts by -1.7% and -1.6% due to larger downgrades affecting **Super Retail Group** ((SUL)) and, to a slightly lesser extent, **Adairs** ((ADH)) and **Accent Group** ((AX1)).

Forecasts for **Lovisa Holdings** ((LOV)) were lowered on a higher tax rate, while Morgans turned more positive on **JB Hi-Fi** ((JBH)) and **Universal Store** ((UNI)). Both Accent and **The Reject Shop** ((TRS)) were downgraded to Hold from Add.

Cost inflation was also observed, albeit down from peak levels, and mitigating the impact remains a focus for companies. Share price volatility was predominantly skewed to sell-offs, with a median price decline of -6% since the results.

The second half has commenced positively, and further rate cuts could boost consumer spending, says the broker.

Morgans is Buy-rated on Adairs, **Beacon Lighting** ((BLX)), Lovisa, **Step One Clothing** ((STP)) , Super Retail, and Universal Store.

Accent, **Baby Bunting** ((BBN)), **Breville Group** ((BRG)), JB Hi-Fi, and The Reject Shop all have Hold ratings.

Jarden viewed the basket of consumer stocks in its universe as reporting in-line results, with one-year forward EPS trimmed by over -5%, outstripping upgrades by 2.3 to one.

This is attributed to higher depreciation, amortisation, interest, and rent costs.

The start of the second half of 2025 has commenced well, with 55% of retailers reporting an acceleration in January and February trade. Capex commitments are being down scaled to lift return on capital invested, and the gap between stronger and weaker companies is widening. Super Retail is highlighted as an outlier on capex spending.

Amazon is viewed as a competitor to Catch and **Kogan** ((KGN)), and Jarden prefers Universal Store to Accent.

The 2025 outlook is noted as strong, with youth spending expected to re-accelerate, benefiting Universal Store, Super Retail, and Accent.

Online value remains a focus, with consumers looking for service, price, and range, favouring **Temple & Webster** ((TPW)), Amazon, Kmart inside **Wesfarmers** ((WES)), and Temu.

For the household replacement cycle, Jarden points to Harvey Norman ((HVN)), JB Hi-Fi, Wesfarmers, and **Metcash** ((MTS)) for hardware.

In food, competition is expected to rise, creating potential risks for **Woolworths Group** ((WOW)) and **Coles Group** ((COL)) if management actively targets health, beauty, and pets.

On balance, Jarden sees **Flight Centre** ((FLT)), Temple & Webster, Adairs, and Super Retail as the most attractive and underappreciated stocks post-results. Share prices that overreacted include **a2 Milk (**(A2M)), The Reject Shop, and Kogan.

Healthcare: Greenshoots sprout from challenges

The first-half 2025 results were among the *"toughest seasons"* for healthcare, says Wilsons, with more downgrades and "sidegrades" than ever.

The commentary mentions a *sense of capitulation*, which is now seen as offering opportunities, with numerous research projects undertaken by the broker pointing to upside potential for **ResMed** ((RMD)), **Telix Pharmaceuticals** ((TLX)), **Clarity Pharmaceuticals** ((CU6)), **Clinuvel Pharmaceuticals** ((CUV)), **Integral Diagnostics** ((IDX)), and **CSL** ((CSL)).

Wilsons, rather tongue-in-cheek, explains not feeling any downgrade regret on **Ramsay Health Care** ((RHC)), rated Market Weight with a $38.50 target; **Cochlear** ((COH)), Market Weight with a $280 target; **Pro Medicus** ((PME)), Market Weight with a $297 target; or CSL, also Market Weight with a $250 target. ResMed, Market Weight with a $42.82 target, has moved into Overweight territory.

The broker is attracted to both radiopharma stocks, noting if Telix wins in PSMA (Prostate-Specific Membrane Antigen), then so does Clarity. Both are Overweight rated, with $35 and $8.40 target prices, respectively.

The top pick in pharma and biotech is **Neuren Pharmaceuticals** ((NEU)), rated Overweight with a $26.50 target. Clinuvel, also Overweight with a $30 target, could triple this year, Wilsons highlights, if the competitive anti-narrative around Disc Medicine's bitopertin EPP program is "debunked."

**Opthea** ((OPT)) is rated Market Weight with a $1 target.

In medtech, the analyst recommends sticking to straightforward devices and total addressable markets, with Overweight ratings on **Nanosonics** ((NAN)), target $6; **EBR Systems** ((EBR)), target $1.62; and **SomnoMed** ((SOM)), target 80c.

Regarding wound care, Wilsons is Overweight and convinced on **Aroa Biosurgery** ((ARX)), with a 75c target, but sees the sub-sector as challenged, with **Avita Medical** ((AVH)) and **PolyNovo** ((PNV)) both rated Market Weight, with respective targets of $3.20 and $1.85.

Healthcare services remain challenged, except for special situations. Integral Diagnostics and **Monash IVF** ((MVF)) are rated Overweight, with Integral's merger with Capitol seen as positive, supporting a $2.75 target price, while Monash follows Medicare volumes but is also a growing international business, with a $1.43 target.

WEEKLY REPORTS

# In Case You Missed It - BC Extra Upgrades & Downgrades - 07-03-25

## Broker Rating Changes (Post Thursday Last Week)

**Upgrade**

**AUSSIE BROADBAND LIMITED ((ABB)) Upgrade to Overweight from Market Weight by Wilsons**.B/H/S: 0/0/0

Following Aussie Broadband's 1H25 results, Wilsons believes the balance of risks is genuinely to the upside, and has upgraded the rating to Overweight from Market Weight.

Revenue grew 7% y/y to $589m due to mid-teens growth across three of the company's core segments and was in line with the broker's forecast but above consensus.

The company upgraded FY25 EBITDA guidance to $133-138m from $125-135m, with Wilsons positioned at the midpoint at $135m.

The broker observes the company's 2H-to-date net broadband connections were 14,129 which is 36% of forecast 2H total net additions of 39.7k.

Target price lifts to $5.08 from $3.62.

**ADAIRS LIMITED ((ADH)) Overweight by Jarden**.B/H/S: 0/0/0

Moelis notes Adairs' 1H25 revenue was broadly in line with consensus but within that Mocka beat forecasts, Adairs was in line and FoF missed due to weaker Victoria consumers.

Gross profit margin of 47.9% was lower than the 49% consensus.

Trading update for the first seven weeks of 2H showed group sales were up 9.2% y/y vs weak comps of -9.6%, with Adairs' revenue growth running ahead of consensus.

The broker lowered revenue forecasts and downgraded profit margins, but also lowered cost of doing business forecasts on benefits from Mocka investment earlier and reduction in inefficiencies at Adairs.

Overweight rating and target price is $2.59.

**CATALYST METALS LIMITED ((CYL)) Buy by Canaccord Genuity**.B/H/S: 0/0/0

Canaccord Genuity found the first half result from Catalyst Metals "clean" with revenue broadly in line and EBITDA slightly ahead. No dividend was declared with surplus cash to be used to fund growth and exploration.

The broker is increasingly confident in the company's ability to deliver on its three-year outlook and increases FY26-27 production forecasts by around 4%. Target is raised to $ 5.00 from $4.25 and the rating is upgraded to Buy from Speculative Buy.

**GENERATION DEVELOPMENT GROUP LIMITED ((GDG)) Upgrade to Buy from Hold by Petra Capital**.B/H/S: 0/0/0

Generation Development's half year result exceeded expectations, with strong revenue and (earnings) EBITDA growth in the Lonsec division, Petra Capital notes.

Revenue rose 23% and underlying net profit after tax advanced 50% to $12.4m. Genlife's revenue margin improved, with bonds written trending significantly higher on an annualised basis.

Active independent financial advisers transacting with Genlife increased 16% year-on-year, and new investment bonds grew 42%.

Lonsec's eanrings margin expanded to 42% from 38%, driven by higher LIS margins and stronger research division performance, the broker explains.

Petra Capital expects a higher dividend payout ratio from FY26, supported by the retirement of Lonsec debt and the achievement of earnout targets.

Target price rises $5.58 from $5.18, with a rating upgraded to Buy from Hold.

**INTEGRAL DIAGNOSTICS LIMITED ((IDX)) Upgrade to Buy from Hold by Canaccord Genuity**.B/H/S: 0/0/0

In its first results since acquiring Capitol Health, Integral Diagnostics posted an operating EBITDA margin that missed estimates.

Canaccord Genuity believes the resulting sell-off was unwarranted, particularly as there is a path to margin improvement on the acquisition.

There is also the prospect of -$10m in synergies most of which will be recognised in the first year, with the potential for longer term synergies not taken into account.

The broker raises its target to $2.90 from $2.50 and upgrades to Buy from Hold.

**NIB HOLDINGS LIMITED ((NHF)) Upgrade to Overweight from Neutral by Jarden**.B/H/S: 0/0/0

Jarden raises its target for nib Holdings to $7.00 from $6.70 and upgrades to Overweight from Neutral, assessing lower downside risks following a "solid" underlying 1H result.

The broker highlights a consensus-beating performance in the Australian Resident Health Insurance (ARHI) segment. Profit was in line with consensus due to one-off costs related to a productivity program and M&A integration.

Also, the combination of an ARHI margin recovery and easing inflationary pressures in the hospital book offers increased confidence in management's ability to meet long-term margin targets, suggest the analysts.

**PROPEL FUNERAL PARTNERS LIMITED ((PFP)) Upgrade to Buy from Hold by Moelis**.B/H/S: 0/0/0

Moelis notes Propel Funeral Partners' 1H25 revenue and EBITDA missed its forecast but remains more positive on the outlook.

The company retains a funding capacity of $144m. The broker believes, as organic volumes continue to be positive and funding capacity is deployed, top-line growth and modest operating leverage will drive EPS growth.

The broker highlights 2H of the calendar year 2024 death registration data in NSW, VIC, QLD showed 4.8% growth y/y, boosting confidence in the company returning to 2% potential growth from 2H25.

Target price cut to $6.1 from $6.2, and rating upgraded to Buy from Hold

**Downgrade**

**GTN LIMITED ((GTN)) Downgrade to Hold from Buy by Canaccord Genuity**.B/H/S: 0/0/0

Despite GTN's 2% year on year increase in revenue, adjusted earnings declined as costs rose across the business, Canaccord Genuity notes. Capital management is the watchword now as GTN seeks to maximise cash returns to shareholders.

With a very particular governance structure representing one group of investors at board level, Canaccord downgrades to Hold from Buy and cuts its target price to 55c from 75c.

**IDP EDUCATION LIMITED ((IEL)) Downgrade to Neutral from Buy by Goldman Sachs**.B/H/S: 0/0/0

IDP Education's first-half FY25 result missed expectations, with industry headwinds and political uncertainty weighing on earnings, Goldman Sachs notes.

Revenue, EBIT, and NPAT fell short of consensus by -4%, -11%, and -15%, respectively, as weaker International English Language Testing Systems (IELTS) and student placement volumes offset price increases.

IELTS revenue declined -22%, with India volumes down -55%, while student placement revenue fell -15%, with significant declines in Canada, Australia, and the UK. Cost management helped offset some margin pressure, with overheads reduced by -9%.

Goldman Sachs lowers its FY25 to FY27 net profit after tax forecasts by -17%, -10%, and -6%, citing lower volume and margin expectations.

Target price drops to $11.10 from $19.00. Goldman Sachs downgrades the stock to Neutral from Buy.

**INGENIA COMMUNITIES GROUP ((INA)) Downgrade to Overweight from Buy by Jarden.**B/H/S: 0/0/0

Ingenia Communities is executing well, Jarden observes, with first half results ahead of expectations. The risk to new FY25 guidance appears to the upside as volume and margins continue to expand.

The broker also welcomes management's view that organic growth will take precedence over potential industry consolidation.

As the shares are up 25% over the year to date Jarden downgrades to Overweight from Buy. Target is raised to $6.40 from $5.70.

**MAYNE PHARMA GROUP LIMITED ((MYX)) Downgrade to Market Weight from Overweight by Wilsons.**B/H/S: 0/0/0

Wilsons lifts Mayne Pharma's target price to $7.40 from $5.95 to align with Cosette Pharma's bid price. Rating is lowered to Market Weight from Overweight.

The broker notes Mayne's 1H25 result was pre-flagged but the composition was better than expected. The broker was surprised with how effective the channel strategy worked for the Dermatology business

The broker raised FY25 revenue and EBIDTA estimates following the 7% beat in the 1H. The analyst sees the Cosette bid as a fair price for the company.

**NUIX LIMITED ((NXL)) Downgrade to Hold from Buy by Moelis.**B/H/S: 0/0/0

Nuix's 1H25 annualised contract value (ACV) rose 8.3% y/y in line with the 8-9% guidance provided in late January, but Moelis highlights the 1H growth translates to an annualised rate of 4.5%. This compares with 14% ACV growth over FY24.

The broker notes Nuix's challenge in 1H was a slower uptake of Neo among existing clients. The company also reported higher amortisation in 1H and the analyst in turn accelerated the amortisation profile, leading to larger reductions in bottom line forecasts.

The broker also tempered growth estimates after the 1H result and outlook. Target price drops to $4.95 from $6.09, and rating downgraded to Hold from Buy.

**POLYNOVO LIMITED ((PNV)) Downgrade to Market Weight from Overweight by Wilsons.**B/H/S: 0/0/0

PolyNovo's 1H25 revenue miss vs Wilsons was reported in January, so the disappointment in the result was underlying EBITDA of $2.6M which was lower than the broker's $4.6m forecast.

Both overall and US sales were lower than the broker's estimate, leading to -3-5% revenue cuts in FY25-27. EBITDA estimates are down -29-15%, with the -29% adjustment for FY25 due to the -$2.0m 1H25 miss and an additional -$2m opex in 2H.

Target price cut to $1.85 from $3.00 mainly due to a lower multiple of 8x FY26 forecast EV/revenue. Rating downgraded to Market Weight from Overweight.

**READYTECH HOLDINGS LIMITED ((RDY)) Downgrade to Neutral from Overweight by Jarden.**B/H/S: 0/0/0

ReadyTech Holdings delivered underlying EBITDA of $18.2m in the first half, missing Jarden's estimates. Local government revenue was disappointing as product delays slowed down customer transition.

The broker continues to envisage the company having an opportunity to take share in enterprise although the deals are "lumpy".

More evidence of an acceleration in revenue is required before the broker becomes positive, although there is potential to re-rate if the significant pipeline can be executed.

Rating is downgraded to Neutral from Overweight. Target is lowered to $3.05 from $3.54.

**SMARTGROUP CORPORATION LIMITED ((SIQ)) Downgrade to Hold from Buy by Canaccord Genuity.**B/H/S:

0/0/0

Canaccord Genuity notes Smartgroup Corp's FY24 result was strong, with the highlight being the 2H EBITDA margin of around 40%.

The broker reckons there is strong existing momentum, but going forward the backdrop for novated leases looks challenging with EV sales growth already weak in the final months of 2024.

Added to that is customer uncertainty regarding interest rates and the PHEV exemption due to expire in March, the broker highlights.

The broker cut FY25-26 revenue forecasts but expects the company to maintain a 40% EBITDA margin on lower expenses.

Target price rises to $8.7 from $8.5. Rating downgraded to Hold from Buy.

| Order | Company | New Rating | Old Rating | Broker |
|---|---|---|---|---|
| Upgrade | | | | |
| 1 | ADAIRS LIMITED | Buy | Neutral | Jarden |
| 2 | AUSSIE BROADBAND LIMITED | Buy | Neutral | Wilsons |
| 3 | CATALYST METALS LIMITED | Buy | Buy | Canaccord Genuity |
| 4 | GENERATION DEVELOPMENT GROUP LIMITED | Buy | Neutral | Petra Capital |
| 5 | INTEGRAL DIAGNOSTICS LIMITED | Buy | Neutral | Canaccord Genuity |
| 6 | NIB HOLDINGS LIMITED | Buy | Neutral | Jarden |
| 7 | PROPEL FUNERAL PARTNERS LIMITED | Buy | Neutral | Moelis |
| Downgrade | | | | |
| 8 | GTN LIMITED | Neutral | Buy | Canaccord Genuity |
| 9 | IDP EDUCATION LIMITED | Neutral | Buy | Goldman Sachs |
| 10 | INGENIA COMMUNITIES GROUP | Buy | Buy | Jarden |
| 11 | MAYNE PHARMA GROUP LIMITED | Neutral | Buy | Wilsons |
| 12 | NUIX LIMITED | Neutral | Buy | Moelis |
| 13 | POLYNOVO LIMITED | Neutral | Buy | Wilsons |
| 14 | READYTECH HOLDINGS LIMITED | Neutral | Buy | Jarden |
| 15 | SMARTGROUP CORPORATION LIMITED | Neutral | Buy | Canaccord Genuity |

# Price Target Changes (Post Thursday Last Week)

| | Company | Last Price | Broker | New Target | Old Target | Change |
|---|---|---|---|---|---|---|
| 29M | 29Metals | $0.18 | Canaccord Genuity | 0.15 | 0.16 | -6.25% |
| 360 | Life360 | $21.83 | Goldman Sachs | 27.00 | 21.85 | 23.57% |
| ABB | Aussie Broadband | $3.73 | Goldman Sachs | 3.90 | 3.80 | 2.63% |
| | | | Jarden | 4.35 | 4.00 | 8.75% |
| | | | Wilsons | 5.08 | 3.62 | 40.33% |
| ACF | Acrow | $1.07 | Moelis | 1.39 | 1.41 | -1.42% |
| ADH | Adairs | $2.23 | Canaccord Genuity | 3.25 | 2.80 | 16.07% |
| | | | Jarden | 2.59 | 2.04 | 26.96% |
| AEL | Amplitude Energy | $0.20 | Canaccord Genuity | 0.35 | 0.33 | 6.06% |
| | | | Wilsons | 0.21 | 0.24 | -12.50% |
| ALD | Ampol | $24.68 | Goldman Sachs | 31.70 | 32.00 | -0.94% |
| APA | APA Group | $7.38 | Jarden | 8.50 | 8.30 | 2.41% |
| APE | Eagers Automotive | $14.98 | Jarden | 14.05 | 12.60 | 11.51% |
| | | | Wilsons | 14.99 | 10.87 | 37.90% |
| APX | Appen | $1.30 | Canaccord Genuity | 2.60 | 2.35 | 10.64% |
| ASG | Autosports Group | $1.86 | Jarden | 2.40 | 2.50 | -4.00% |
| ATA | Atturra | $0.84 | Moelis | 1.07 | 1.31 | -18.32% |
| AUB | AUB Group | $29.86 | Goldman Sachs | 37.00 | 34.00 | 8.82% |
| | | | Jarden | 37.30 | 33.75 | 10.52% |
| AVA | Ava Risk | $0.11 | Canaccord Genuity | 0.22 | 0.30 | -26.67% |
| AX1 | Accent Group | $1.86 | Jarden | 2.06 | 2.10 | -1.90% |
| AZJ | Aurizon Holdings | $3.14 | Goldman Sachs | 3.70 | 4.05 | -8.64% |

| | | | | | | |
|---|---|---|---|---|---|---|
| BAP | Bapcor | $5.08 | Canaccord Genuity | 4.99 | 4.80 | 3.96% |
| | | | Goldman Sachs | 5.40 | 5.20 | 3.85% |
| BGL | Bellevue Gold | $1.31 | Jarden | 1.01 | 1.00 | 1.00% |
| CDP | Carindale Property Trust | $4.80 | Moelis | 6.21 | 6.22 | -0.16% |
| CIP | Centuria Industrial REIT | $2.97 | Jarden | 3.30 | 3.65 | -9.59% |
| CNI | Centuria Capital | $1.59 | Moelis | 1.95 | 1.94 | 0.52% |
| COL | Coles Group | $18.62 | Goldman Sachs | 19.00 | 18.50 | 2.70% |
| | | | Jarden | 19.50 | 16.90 | 15.38% |
| CUV | Clinuvel Pharmaceuticals | $12.00 | Wilsons | 30.00 | 30.16 | -0.53% |
| CVN | Carnarvon Energy | $0.11 | Jarden | 0.16 | 0.21 | -23.81% |
| CYL | Catalyst Metals | $4.12 | Canaccord Genuity | 5.00 | 4.00 | 25.00% |
| DDR | Dicker Data | $8.62 | Jarden | 10.88 | 10.60 | 2.64% |
| | | | Wilsons | 11.07 | 11.29 | -1.95% |
| DMP | Domino's Pizza Enterprises | $26.56 | Goldman Sachs | 37.30 | 38.30 | -2.61% |
| | | | Jarden | 39.00 | 41.00 | -4.88% |
| DUG | Dug Technology | $1.19 | Wilsons | 1.83 | 3.23 | -43.34% |
| EDV | Endeavour Group | $4.12 | Jarden | 4.30 | 5.00 | -14.00% |
| EGH | Eureka Group | $0.56 | Moelis | 0.69 | 0.70 | -1.43% |
| EML | EML Payments | $0.99 | Wilsons | 1.47 | 1.20 | 22.50% |
| EVO | Embark Early Education | $0.77 | Canaccord Genuity | 1.04 | 1.02 | 1.96% |
| EVS | EnviroSuite | $0.09 | Moelis | N/A | 0.06 | -100.00% |
| EVT | EVT Ltd | $13.94 | Jarden | 15.88 | 12.29 | 29.21% |
| FCL | Fineos Corp | $1.70 | Moelis | 2.17 | 1.80 | 20.56% |
| FLT | Flight Centre Travel | $15.18 | Canaccord Genuity | 17.10 | 16.65 | 2.70% |
| | | | Jarden | 22.50 | 23.10 | -2.60% |
| | | | Wilsons | 21.40 | 22.29 | -3.99% |
| FWD | Fleetwood | $2.38 | Moelis | 2.57 | 2.20 | 16.82% |
| GDG | Generation Development | $4.81 | Petra Capital | 5.58 | 5.18 | 7.72% |
| GEM | G8 Education | $1.30 | Canaccord Genuity | 1.51 | 1.46 | 3.42% |
| | | | Moelis | 1.52 | 1.46 | 4.11% |
| GTN | GTN | $0.55 | Canaccord Genuity | 0.55 | 0.65 | -15.38% |
| HLI | Helia Group | $5.95 | Goldman Sachs | 4.99 | 4.52 | 10.40% |
| HLO | Helloworld Travel | $1.71 | Jarden | 2.60 | 3.10 | -16.13% |
| HLS | Healius | $1.43 | Jarden | 1.18 | 1.25 | -5.60% |
| IDX | Integral Diagnostics | $2.25 | Canaccord Genuity | 2.90 | 2.50 | 16.00% |
| | | | Jarden | 3.51 | 3.68 | -4.62% |
| | | | Wilsons | 2.75 | 2.88 | -4.51% |
| IEL | IDP Education | $9.17 | Goldman Sachs | 11.10 | 19.00 | -41.58% |
| | | | Jarden | 17.35 | 19.60 | -11.48% |
| INA | Ingenia Communities | $5.50 | Jarden | 6.40 | 5.50 | 16.36% |
| ING | Inghams Group | $3.39 | Jarden | 3.70 | 3.65 | 1.37% |
| IPG | IPD Group | $4.04 | Moelis | 5.33 | 5.76 | -7.47% |
| IPH | IPH Ltd | $4.75 | Jarden | 8.45 | 9.15 | -7.65% |
| IRE | Iress | $8.19 | Wilsons | 10.00 | 11.00 | -9.09% |
| JIN | Jumbo Interactive | $10.70 | Jarden | 14.20 | 15.00 | -5.33% |
| JLG | Johns Lyng | $2.71 | Moelis | 3.34 | 5.11 | -34.64% |
| KAR | Karoon Energy | $1.55 | Jarden | 2.05 | 1.95 | 5.13% |
| | | | Wilsons | 2.04 | 2.64 | -22.73% |
| KGN | Kogan.com | $4.75 | Canaccord Genuity | 8.20 | 8.00 | 2.50% |
| | | | Jarden | 4.05 | 4.55 | -10.99% |
| LIC | Lifestyle Communities | $7.68 | Canaccord Genuity | 8.99 | 9.75 | -7.79% |
| | | | Jarden | 8.60 | 11.70 | -26.50% |
| | | | Moelis | 11.50 | 13.10 | -12.21% |
| LNW | Light & Wonder | $164.73 | Goldman Sachs | 184.60 | 172.40 | 7.08% |
| | | | Jarden | 200.00 | 196.00 | 2.04% |
| LOV | Lovisa Holdings | $25.97 | Canaccord Genuity | 28.70 | 31.20 | -8.01% |
| | | | Jarden | 29.02 | 29.03 | -0.03% |
| LRK | Lark Distilling Co | $1.00 | Moelis | 1.20 | 1.25 | -4.00% |
| LYC | Lynas Rare Earths | $7.20 | Goldman Sachs | 7.00 | 7.40 | -5.41% |
| MAC | MAC Copper | $16.30 | Canaccord Genuity | 21.00 | 21.25 | -1.18% |
| | | | Moelis | 24.00 | 25.00 | -4.00% |
| MAD | Mader Group | $5.87 | Moelis | 6.83 | 6.52 | 4.75% |

| | | | | | | |
|---|---|---|---|---|---|---|
| MAQ | Macquarie Technology | $67.43 | Goldman Sachs | 80.00 | 84.90 | -5.77% |
| | | | Wilsons | 89.75 | 97.27 | -7.73% |
| MDR | MedAdvisor | $0.13 | Moelis | 0.19 | 0.21 | -9.52% |
| MMI | Metro Mining | $0.05 | Petra Capital | 0.13 | 0.09 | 42.86% |
| MND | Monadelphous Group | $15.51 | Goldman Sachs | 15.40 | 13.40 | 14.93% |
| MPL | Medibank Private | $4.32 | Goldman Sachs | 4.40 | 4.00 | 10.00% |
| | | | Jarden | 4.40 | 3.95 | 11.39% |
| MTO | Motorcycle Holdings | $1.99 | Moelis | 2.85 | 2.60 | 9.62% |
| | | | Wilsons | 2.01 | 1.59 | 26.42% |
| MYX | Mayne Pharma | $7.23 | Wilsons | 7.40 | 5.95 | 24.37% |
| NDO | Nido Education | $0.90 | Canaccord Genuity | 1.09 | 1.12 | -2.68% |
| | | | Moelis | 1.21 | 1.26 | -3.97% |
| NEC | Nine Entertainment | $1.63 | Goldman Sachs | 1.80 | 1.65 | 9.09% |
| | | | Jarden | 1.85 | 1.50 | 23.33% |
| NEM | Newmont Corp | $69.28 | Goldman Sachs | 78.50 | 76.20 | 3.02% |
| NHF | nib Holdings | $6.53 | Goldman Sachs | 7.00 | 6.50 | 7.69% |
| | | | Jarden | 7.00 | 7.20 | -2.78% |
| NIC | Nickel Industries | $0.76 | Canaccord Genuity | 0.80 | 0.85 | -5.88% |
| NSR | National Storage REIT | $2.12 | Moelis | 2.37 | 2.40 | -1.25% |
| NUC | Nuchev Pty | $0.15 | Wilsons | 0.14 | 0.19 | -26.32% |
| NWH | NRW Holdings | $2.86 | Moelis | 3.56 | 3.91 | -8.95% |
| NXL | Nuix | $3.22 | Moelis | 4.95 | 6.09 | -18.72% |
| NXT | NextDC | $13.89 | Goldman Sachs | 17.10 | 18.50 | -7.57% |
| | | | Wilsons | 18.15 | 18.90 | -3.97% |
| OBM | Ora Banda Mining | $0.97 | Moelis | 0.89 | 0.83 | 7.23% |
| OCL | Objective Corp | $14.80 | Goldman Sachs | 14.10 | 13.75 | 2.55% |
| | | | Moelis | 17.71 | 17.60 | 0.62% |
| OML | oOh!media | $1.49 | Canaccord Genuity | 2.00 | 1.90 | 5.26% |
| PDN | Paladin Energy | $6.72 | Canaccord Genuity | 14.80 | 15.20 | -2.63% |
| PFP | Propel Funeral Partners | $5.25 | Moelis | 6.10 | 6.20 | -1.61% |
| PLS | Pilbara Minerals | $1.87 | Jarden | 2.50 | 2.60 | -3.85% |
| PNV | PolyNovo | $1.34 | Wilsons | 1.85 | 3.00 | -38.33% |
| PPE | PeopleIN | $0.95 | Wilsons | 1.19 | 1.03 | 15.53% |
| PPM | Pepper Money | $1.50 | Goldman Sachs | 1.63 | 1.55 | 5.16% |
| | | | Jarden | 1.65 | 1.60 | 3.12% |
| PPS | Praemium | $0.74 | Wilsons | 0.89 | 0.73 | 21.92% |
| PPT | Perpetual | $19.40 | Jarden | 25.30 | 24.05 | 5.20% |
| PRN | Perenti | $1.30 | Canaccord Genuity | 1.35 | 1.28 | 5.47% |
| | | | Moelis | 1.30 | 1.29 | 0.78% |
| PRU | Perseus Mining | $3.06 | Canaccord Genuity | 4.00 | 4.15 | -3.61% |
| PTM | Platinum Asset Management | $0.56 | Goldman Sachs | 0.65 | 0.75 | -13.33% |
| | | | Jarden | 0.69 | 0.92 | -25.00% |
| PWR | Peter Warren Automotive | $1.45 | Jarden | 1.45 | 1.90 | -23.68% |
| PXA | Pexa Group | $11.65 | Goldman Sachs | 14.50 | 16.00 | -9.38% |
| | | | Jarden | 15.55 | 15.30 | 1.63% |
| QAL | Qualitas | $2.67 | Jarden | 4.00 | 3.75 | 6.67% |
| QAN | Qantas Airways | $10.12 | Jarden | 9.75 | 7.10 | 37.32% |
| QBE | QBE Insurance | $20.75 | Jarden | 23.65 | 21.80 | 8.49% |
| QOR | Qoria | $0.43 | Wilsons | 0.69 | 0.57 | 21.05% |
| RDY | ReadyTech Holdings | $2.79 | Jarden | 3.05 | 3.54 | -13.84% |
| | | | Wilsons | 3.43 | 3.70 | -7.30% |
| REG | Regis Healthcare | $6.58 | Jarden | 7.56 | 7.10 | 6.48% |
| REH | Reece | $16.75 | Goldman Sachs | 19.50 | 22.80 | -14.47% |
| RHC | Ramsay Health Care | $34.58 | Jarden | 44.44 | 48.22 | -7.84% |
| | | | Wilsons | 38.50 | 51.61 | -25.40% |
| RMC | Resimac Group | $0.90 | Jarden | 0.95 | 0.98 | -3.06% |
| RUL | RPMGlobal | $2.67 | Moelis | 3.26 | 2.82 | 15.60% |
| RWL | Rubicon Water | $0.28 | Wilsons | 0.46 | 0.41 | 12.20% |
| SCG | Scentre Group | $3.32 | Jarden | 3.95 | 3.90 | 1.28% |
| SDF | Steadfast Group | $5.43 | Jarden | 6.60 | 6.55 | 0.76% |
| SDR | SiteMinder | $4.80 | Goldman Sachs | 5.90 | 6.10 | -3.28% |
| | | | Jarden | 6.75 | 7.48 | -9.76% |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | Wilsons | 7.22 | 7.60 | -5.00% |
| SGM | Sims | $13.90 | Goldman Sachs | 14.80 | 15.50 | -4.52% |
| | | | Jarden | 14.80 | 12.70 | 16.54% |
| SHJ | Shine Justice | $0.69 | Moelis | 0.81 | 0.93 | -12.90% |
| SIQ | Smartgroup Corp | $7.90 | Canaccord Genuity | 8.70 | 8.50 | 2.35% |
| SNL | Supply Network | $34.42 | Moelis | 39.10 | 30.50 | 28.20% |
| STK | Strickland Metals | $0.08 | Canaccord Genuity | 0.18 | 0.17 | 5.88% |
| STX | Strike Energy | $0.18 | Wilsons | 0.29 | 0.31 | -6.45% |
| SVR | Solvar | $1.34 | Canaccord Genuity | 1.80 | 1.50 | 20.00% |
| SYL | Symal Group | $1.99 | Jarden | 2.30 | 2.15 | 6.98% |
| THL | Tourism Holdings Rentals | $1.64 | Wilsons | 1.53 | 1.90 | -19.47% |
| TLX | Telix Pharmaceuticals | $27.85 | Jarden | 29.14 | 22.59 | 29.00% |
| TPG | TPG Telecom | $4.42 | Jarden | 5.20 | 5.25 | -0.95% |
| TYR | Tyro Payments | $0.81 | Wilsons | 1.15 | 1.18 | -2.54% |
| VAU | Vault Minerals | $0.41 | Moelis | 0.59 | 0.57 | 3.51% |
| VEA | Viva Energy | $1.64 | Goldman Sachs | 3.05 | 3.25 | -6.15% |
| WDS | Woodside Energy | $22.90 | Jarden | 27.00 | 26.60 | 1.50% |
| WES | Wesfarmers | $71.63 | Jarden | 67.50 | 61.00 | 10.66% |
| WGX | Westgold Resources | $2.50 | Canaccord Genuity | 4.15 | 4.20 | -1.19% |
| WOW | Woolworths Group | $28.58 | Jarden | 37.00 | 36.70 | 0.82% |
| WTC | WiseTech Global | $90.00 | Goldman Sachs | 128.00 | 142.00 | -9.86% |
| | | | Jarden | 100.00 | 116.00 | -13.79% |
| Company | | Last Price | Broker | New Target | Old Target | Change |

# More Highlights

# 360    LIFE360 INC

**Software & Services Overnight Price: $22.40**

Goldman Sachs rates ((360)) as Buy (1)

Life360 posted a fourth quarter outcome that exceeded guidance and expectations. Goldman Sachs notes a step up in marketing and investment expenditure, consistent with the company's conservative approach to setting initial guidance.

FY25 guidance is for revenue of US$450-480m and adjusted EBITDA of US$65-75m. The company has also reaffirmed aspirations for advertising revenue to match subscription revenue over the longer term.

The broker reiterates a Buy rating and raises the target to $27 from $25.

This report was published on February 28, 2025.

Target price is **$27.00** Current Price is **$22.40** Difference: **$4.6**
If **360** meets the Goldman Sachs target it will return approximately **21%** (excluding dividends, fees and charges).
Current consensus price target is **$27.16**, suggesting upside of **21.3%**(ex-dividends)
The company's fiscal year ends in December.

**Forecast for FY25:**

Goldman Sachs forecasts a full year **FY25** dividend of **0.00** cents and EPS of **42.81** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **52.33**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **58.8**, implying annual growth of **N/A**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **38.1**.

**Forecast for FY26:**

Goldman Sachs forecasts a full year **FY26** EPS of **64.21** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **34.89**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **56.2**, implying annual growth of **-4.4%**.
Current consensus DPS estimate is **N/A**, implying a prospective dividend yield of **N/A**.
Current consensus EPS estimate suggests the PER is **39.8**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# ACF ACROW LIMITED

**Building Products & Services Overnight Price: $1.04**

Moelis rates ((ACF)) as Buy (1)

Moelis notes Acrow's 1H25 result met expectations and was in line with the company's guidance, and the highlight was rapid growth in Industrial Access segment.

The division saw 119% y/y growth to $63m from organic and MI Scaffold, which was acquired in November 2023.

The company's hire contracts rose 39% y/y with the current pipeline also up 39% to $210m. The company maintained FY25 guidance.

The broker made modest downward revisions to FY25-27 EPS forecasts on higher interest expense from an increase in net debt to $92m in December from $69m in June.

Target price is $1.39. Buy.

This report was published on February 27, 2025.

Target price is **$1.39** Current Price is **$1.04** Difference: **$0.345**
If **ACF** meets the Moelis target it will return approximately **33%** (excluding dividends, fees and charges).
Current consensus price target is **$1.30**, suggesting upside of **25.3%**(ex-dividends)
The company's fiscal year ends in June.

**Forecast for FY25:**

Moelis forecasts a full year **FY25** dividend of **6.10** cents and EPS of **11.60** cents.
At the last closing share price the estimated dividend yield is **5.84%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.01**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **10.9**, implying annual growth of **22.9%**.
Current consensus DPS estimate is **6.1**, implying a prospective dividend yield of **5.9%**.
Current consensus EPS estimate suggests the PER is **9.5**.

**Forecast for FY26:**

Moelis forecasts a full year **FY26** dividend of **6.30** cents and EPS of **12.50** cents.
At the last closing share price the estimated dividend yield is **6.03%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.36**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **12.3**, implying annual growth of **12.8%**.
Current consensus DPS estimate is **7.1**, implying a prospective dividend yield of **6.8%**.
Current consensus EPS estimate suggests the PER is **8.5**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three

sources

# CDP CARINDALE PROPERTY TRUST

**REITs Overnight Price: $4.72**

Moelis rates ((CDP)) as Buy (1)

Moelis believes Carindale Property Trust's 1H25 result showed the resilience of the asset with moving annual turnover rising 1.7% y/y in calendar 2025. Gearing fell slightly to 28.9% due to the dividend reinvestment plan, valuation increase and payout ratio of 78.5%.

The broker considers the REIT to be a standout value investment given its deep discount to NTA, 6.1% distribution yield and strong operating performance.

Target price is $6.21 and rating retained at Buy.

This report was published on March 4, 2025.

Target price is **$6.21** Current Price is **$4.72** Difference: **$1.49**
If **CDP** meets the Moelis target it will return approximately **32%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY24:**

> Moelis forecasts a full year **FY24** dividend of **27.10** cents and EPS of **35.40** cents.
> At the last closing share price the estimated dividend yield is **5.74%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.33**.

**Forecast for FY25:**

> Moelis forecasts a full year **FY25** dividend of **28.50** cents and EPS of **36.10** cents.
> At the last closing share price the estimated dividend yield is **6.04%**.
> At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.07**.

All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# CUV CLINUVEL PHARMACEUTICALS LIMITED

**Pharmaceuticals & Biotech/Lifesciences Overnight Price: $13.03**

Wilsons rates ((CUV)) as Overweight (1)

Clinuvel Pharmaceuticals delivered a first half result that was "pleasing" and exceeded expectations, as Wilsons notes Scenesse supported 10% sales growth and a 29% lift in profit.

The broker believes the results should renew faith in the EPP business, despite would-be competitor Disc Medicine's attempts to pursue accelerated approval for bitopertin that has recently weighed on Clinuvel Pharmaceuticals' share price.

Overweight rating and target reduced to $30.00 from $30.16.

This report was published on February 28, 2025.

Target price is **$30.00** Current Price is **$13.03** Difference: **$16.97**
If **CUV** meets the Wilsons target it will return approximately **130%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY25:**

> Wilsons forecasts a full year **FY25** dividend of **6.00** cents and EPS of **72.70** cents.
> At the last closing share price the estimated dividend yield is **0.46%**.

At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **17.92**.

**Forecast for FY26:**

Wilsons forecasts a full year **FY26** dividend of **7.00** cents and EPS of **71.50** cents.
At the last closing share price the estimated dividend yield is **0.54%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.22**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# EOS ELECTRO OPTIC SYSTEMS HOLDINGS LIMITED

**Hardware & Equipment Overnight Price: $1.12**

Canaccord Genuity rates ((EOS)) as Buy (1)

Electro Optic Systems pre-released the majority of its key metrics at its Dec Q update, leaving few surprises in its FY24 results. Revenue and earnings beat Canaccord Genuity's forecasts.

No explicit guidance was provided, but management acknowledged that to achieve flat revenue growth in FY25, additional contracts would need to be converted to confirmed orders throughout the year and expects a second-half weighting to revenue.

The company reported a contracted backlog of $136m, with a large proportion expected to unwind in FY25. Laser weapons and counter-satellite capabilities provide future growth opportunities, the broker notes.

Buy and $1.90 target retained.

This report was published on March 4, 2025.

Target price is **$1.90** Current Price is **$1.12** Difference: **$0.78**
If **EOS** meets the Canaccord Genuity target it will return approximately **70%** (excluding dividends, fees and charges).
The company's fiscal year ends in December.

**Forecast for FY25:**

Canaccord Genuity forecasts a full year **FY25** dividend of **0.00** cents and EPS of **minus 15.90** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 7.04**.

**Forecast for FY26:**

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 9.60** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 11.67**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# IMB INTELLIGENT MONITORING GROUP LIMITED

**Overnight Price: $0.52**

Moelis rates ((IMB)) as Buy (1)

No material surprises from Intelligent Monitoring Group's 1H25 result, with EBITDA of $17.5m appearing on track with the company's reaffirmed FY25 guidance of over $38m. Including acquisitions, the company has guided to over $40m EBITDA.

The broker notes ADT Commercial's revenue improved materially and there's significant opportunity in the new video guarding product.

The broker expects the new debt package, effective in March, to reduce the effective interest rate to 7% from 15% and drive underlying profit.

The new debt package could also help facilitate further M&A, the broker believes. Target price of 91c and Buy rating are unchanged.

This report was published on February 28, 2025.

Target price is **$0.91** Current Price is **$0.52** Difference: **$0.39**
If **IMB** meets the Moelis target it will return approximately **75%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY25:**

Moelis forecasts a full year **FY25** dividend of **0.00** cents and EPS of **1.80** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **28.89**.

**Forecast for FY26:**

Moelis forecasts a full year **FY26** dividend of **0.00** cents and EPS of **5.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **9.45**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# KAR KAROON ENERGY LIMITED

**Crude Oil Overnight Price: $1.53**

Jarden rates ((KAR)) as Buy (1)

Karoon Energy announced an agreement to purchase a floating production storage and offloading (FPSO) vessel at a price below Jarden's expectation.

The company also stated M&A plans are on the back burner, with the current focus on operating the FPSO and pursuing organic growth opportunities.

The broker's valuation has increased by 8c after incorporating the FPSO into its forecasts. The analyst expects the company to restart its US$50m share buyback and follow it up with another US$75m buyback.

The FY24 headline result and dividend beat the broker's forecast. Target price rises to $2.05 from $1.95. Buy rating remains.

This report was published on February 28, 2025.

Target price is **$2.05** Current Price is **$1.53** Difference: **$0.515**
If **KAR** meets the Jarden target it will return approximately **34%** (excluding dividends, fees and charges).
Current consensus price target is **$2.23**, suggesting upside of **47.7%**(ex-dividends)
The company's fiscal year ends in December.

**Forecast for FY25:**

Jarden forecasts a full year **FY25** dividend of **6.57** cents and EPS of **24.61** cents.
At the last closing share price the estimated dividend yield is **4.28%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **6.24**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **23.6**, implying annual growth of **N/A**.

Current consensus DPS estimate is **7.4**, implying a prospective dividend yield of **4.9%**.
Current consensus EPS estimate suggests the PER is **6.4**.

**Forecast for FY26:**

Jarden forecasts a full year **FY26** dividend of **7.80** cents and EPS of **31.04** cents.
At the last closing share price the estimated dividend yield is **5.08%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **4.95**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **26.4**, implying annual growth of **11.9%**.
Current consensus DPS estimate is **7.0**, implying a prospective dividend yield of **4.6%**.
Current consensus EPS estimate suggests the PER is **5.7**.

This company reports in **USD**. All estimates have been converted into AUD by FNArena at present FX values.
Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# NSR NATIONAL STORAGE REIT

**REITs Overnight Price: $2.14**

Jarden rates ((NSR)) as Overweight (2)

National Storage REIT has an appealing asset class in its development strategy and Jarden believes medium-term earnings growth will be supported by an expansion of the development pipeline rather than simply increasing revenue through the stabilised portfolio.

After underperforming over the past 6-12 months and trading at a -13% discount to NTA, the broker believes the shares continue to offer an attractive risk/reward profile. Overweight maintained. Target is $2.75.

This report was published on February 26, 2025.

Target price is **$2.75** Current Price is **$2.14** Difference: **$0.61**
If **NSR** meets the Jarden target it will return approximately **29%** (excluding dividends, fees and charges).
Current consensus price target is **$2.52**, suggesting upside of **18.7%**(ex-dividends)
The company's fiscal year ends in June.

**Forecast for FY25:**

Jarden forecasts a full year **FY25** dividend of **11.20** cents and EPS of **11.00** cents.
At the last closing share price the estimated dividend yield is **5.23%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.45**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **11.9**, implying annual growth of **-29.6%**.
Current consensus DPS estimate is **11.2**, implying a prospective dividend yield of **5.3%**.
Current consensus EPS estimate suggests the PER is **17.8**.

**Forecast for FY26:**

Jarden forecasts a full year **FY26** dividend of **11.90** cents and EPS of **11.80** cents.
At the last closing share price the estimated dividend yield is **5.56%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.14**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **12.4**, implying annual growth of **4.2%**.
Current consensus DPS estimate is **11.9**, implying a prospective dividend yield of **5.6%**.
Current consensus EPS estimate suggests the PER is **17.1**.

Market Sentiment: **0.3**

All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

# QAL QUALITAS LIMITED

**Wealth Management & Investments Overnight Price: $2.78**

Jarden rates ((QAL)) as Buy (1)

Qualitas posted a "high-quality" first half result that was ahead of expectations, Jarden asserts, noting FY25 net profit guidance has been reiterated at $49-55m.

The broker makes upgrades to estimates, supported by higher base management fees, stronger principal income and slightly higher funds management margins.

The Buy rating is reiterated as the business is considered well-placed to continue its strong track record and the target is raised to $4.00 from $3.80.

This report was published on February 26, 2025.

Target price is **$4.00** Current Price is **$2.78** Difference: **$1.22**
If **QAL** meets the Jarden target it will return approximately **44%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

**Forecast for FY25:**

Jarden forecasts a full year **FY25** dividend of **11.10** cents and EPS of **11.80** cents.
At the last closing share price the estimated dividend yield is **3.99%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **23.56**.

**Forecast for FY26:**

Jarden forecasts a full year **FY26** dividend of **13.60** cents and EPS of **14.50** cents.
At the last closing share price the estimated dividend yield is **4.89%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.17**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

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