WEEK 36

STORIES TO READ FROM FNArena

Friday, 5 September 2025

Stockland Firing On All Cylinders

Rudi's View: Catalyst Metals, Dexus, Neuren, Stockland, ResMed & More

Dicker Data: Asia, SMBs, Margins & AI Megatrend

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AUSTRALIA

The Market In Numbers - 30 Aug 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	30 Aug 2025	Week To Date	Month To Date (Aug)	Quarter To Date (Jul-Sep)	Year To Date (2025)	Financial Year To Date (FY26)
NZ50	12930.730	-0.86%	0.83%	2.60%	-1.37%	2.60%
All Ordinaries	9243.00	0.09%	2.71%	5.36%	9.77%	5.36%
S&P ASX 200	8973.10	0.06%	2.63%	5.04%	9.98%	5.04%
S&P ASX 300	8913.90	0.10%	2.70%	5.19%	10.06%	5.19%
Communication Services	1922.40	-2.82%	1.63%	3.75%	18.13%	3.75%
Consumer Discretionary	4594.00	0.22%	7.44%	10.89%	17.46%	10.89%
Consumer Staples	12440.90	-1.45%	2.26%	2.66%	5.71%	2.66%
Energy	9315.20	1.29%	1.58%	7.38%	8.03%	7.38%
Financials	9718.40	-0.53%	3.04%	1.99%	12.82%	1.99%
Health Care	39358.80	-1.84%	-13.25%	-5.39%	-12.31%	-5.39%
Industrials	8710.90	-0.16%	2.69%	4.71%	13.92%	4.71%
Info Technology	2993.50	0.17%	-1.72%	3.20%	9.22%	3.20%
Materials	17984.70	2.62%	8.98%	13.41%	11.53%	13.41%
Real Estate	4184.00	0.42%	4.07%	7.32%	11.24%	7.32%
Utilities	10077.10	-0.92%	4.87%	10.23%	11.56%	10.23%
A-REITs	1924.70	0.47%	4.06%	7.47%	12.01%	7.47%
All Technology Index	4303.30	-0.01%	0.79%	6.41%	13.08%	6.41%
Banks	4123.40	-0.83%	3.91%	2.51%	14.34%	2.51%
Gold Index	12926.70	5.66%	20.10%	11.85%	53.46%	11.85%
Metals & Mining	6078.90	2.92%	11.71%	16.44%	15.67%	16.44%

The World

Index	30 Aug 2025	Week To Date	Month To Date (Aug)	Quarter To Date (Jul-Sep)	Year To Date (2025)	Financial Year To Date (FY26)
FTSE100	9187.34	-1.44%	0.60%	4.87%	12.41%	4.87%
DAX30	23902.21	-1.89%	-0.68%	-0.03%	20.06%	-0.03%
Hang Seng	25077.62	-1.03%	1.23%	4.18%	25.01%	4.18%
Nikkei 225	42718.47	0.20%	4.01%	5.51%	7.08%	5.51%
DJIA	45544.88	-0.19%	3.20%	3.29%	7.05%	3.29%
S&P500	6460.26	-0.10%	1.91%	4.11%	9.84%	4.11%
Nasdaq Comp	21455.55	-0.19%	1.58%	5.33%	11.11%	5.33%

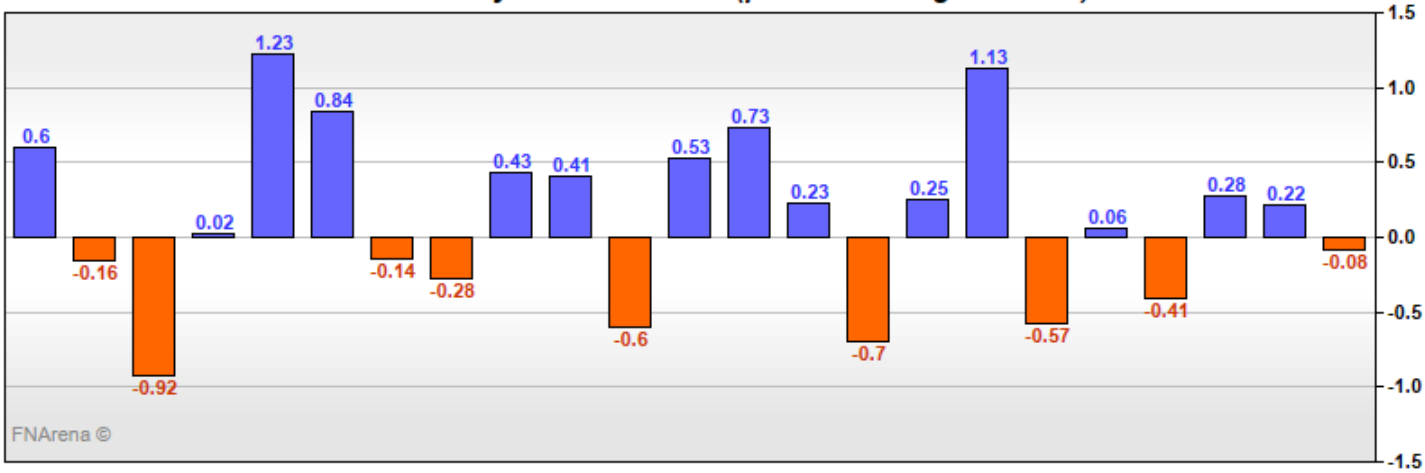
Metals & Minerals

Index	30 Aug 2025	Week To Date	Month To Date (Aug)	Quarter To Date (Jul-Sep)	Year To Date (2025)	Financial Year To Date (FY26)
Gold (oz)	3477.00	2.78%	4.48%	5.29%	32.37%	5.29%
Silver (oz)	39.24	3.02%	5.70%	8.39%	29.83%	8.39%
Copper (lb)	4.5433	2.09%	-1.87%	-10.84%	10.91%	-10.84%
Aluminium (lb)	1.1840	0.65%	0.09%	0.41%	3.58%	0.41%
Nickel (lb)	6.8126	1.66%	0.84%	-0.10%	-4.65%	-0.10%
Zinc (lb)	1.2659	0.80%	-0.22%	0.27%	-6.32%	0.27%
Uranium (lb) weekly	75.00	2.74%	5.63%	-4.64%	4.17%	-4.64%
Iron Ore (t)	101.71	0.14%	2.66%	7.64%	-2.05%	7.64%

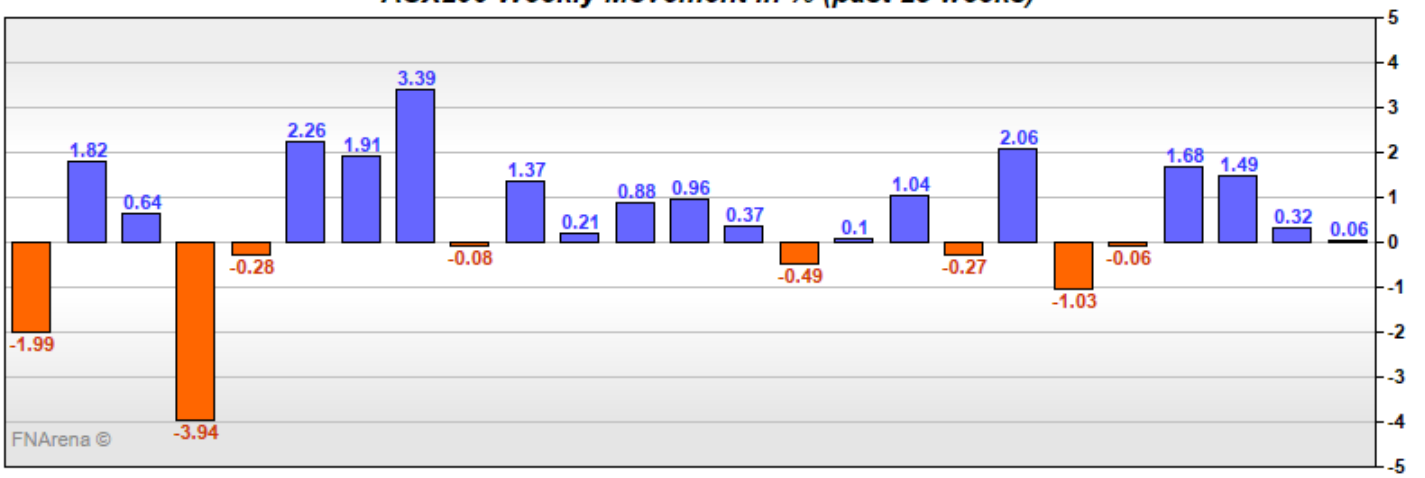
Energy

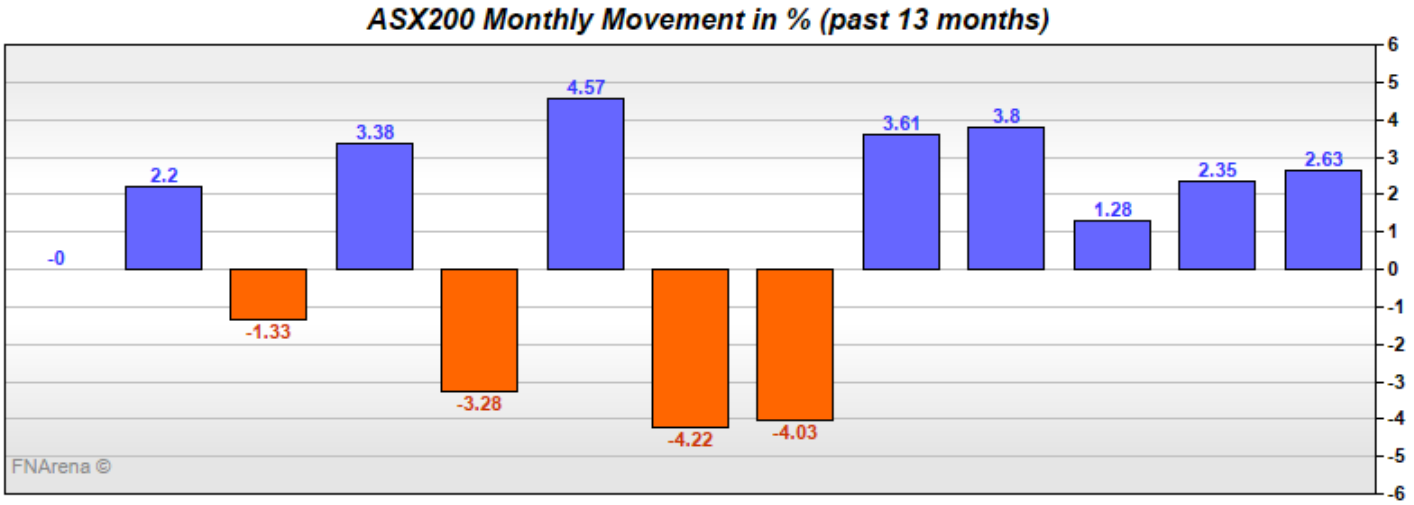
Index	30 Aug 2025	Week To Date	Month To Date (Aug)	Quarter To Date (Jul-Sep)	Year To Date (2025)	Financial Year To Date (FY26)
West Texas Crude	64.26	1.28%	-8.58%	-1.92%	-7.51%	-1.92%
Brent Crude	67.67	0.10%	-6.94%	1.30%	-6.74%	1.30%

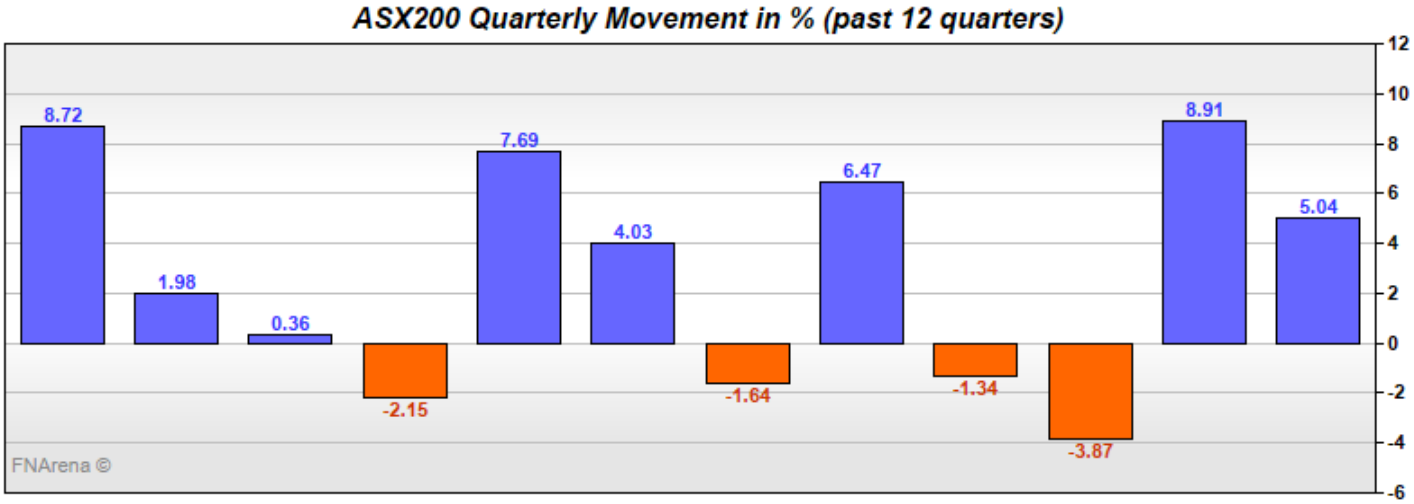
ASX200 Daily Movement in % (past 23 trading sessions)



ASX200 Weekly Movement in % (past 25 weeks)







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AUSTRALIA

Corporate Australia's Refinancing Challenge

A higher interest rate environment puts corporate balance sheets and cash flows back in focus as companies in need to refinance debt are facing an extra cost challenge.

Such environment creates extra risk for those under the pump or not well-prepared.

By Lily Brown

As the cheap debt taken on during the pandemic expires, new borrowing comes at much higher rates, with tighter lending and more investor scrutiny.

Property trusts, infrastructure firms, and high-yield borrowers feel this most. *State Street Global Advisors' 2025 outlook* says cooling inflation and rate cuts could set up a soft landing, but markets are still volatile and stocks and bonds are moving more in sync, so portfolios need careful positioning.

Credit already looks expensive at current spreads, even though company fundamentals are solid, creating a delicate balance for both issuers and investors.

Mapping the Maturity Wall

ASX-listed companies have a lot of debt coming due over the next three years. Some are well prepared; others less so. The largest infrastructure players have proactively addressed their near-term obligations, while property trusts present a more mixed picture.

APA Group ((APA)) recently extended $1.75bn in syndicated loans during 2025, pushing major maturities beyond FY26. However, given its scale and frequent refinancing requirements, APA remains one of the ASX's most significant recurring issuers.

Perpetual ((PPT)) has successfully refinanced its syndicated facilities, with no major maturities until January 2027 when a $400m bridge facility becomes due.

Among property trusts, the outlook varies considerably. Dexus Industria REIT ((DXI)) maintains no debt maturities until FY27, with a weighted average debt maturity of 3.3 years and majority hedged exposure providing stability.

Charter Hall Long WALE REIT ((CLW)) similarly benefits from a 3.6-year weighted average maturity with staggered obligations extending to FY27 and beyond.

The RBA notes higher-risk ASX firms may struggle to refinance in 2025–2026 as cheap pandemic-era debt is replaced at much higher rates. The share of vulnerable firms, measured by "distance to insolvency", is still elevated, especially for heavily indebted names.

Ratings paint a split landscape. Transurban ((TCL)) refinanced a $700m corporate maturity originally due 1H26, keeping a 6.7-year weighted average debt maturity and over 88% hedged exposure. Group debt is about $25.9bn, supported by investment-grade ratings (S&P: BBB+, Moody's: Baa1, Fitch: A-).

Big ASX companies generally have staggered maturities, strong liquidity, and investment-grade ratings that cut refinancing risk. The pressure is greatest on sub-investment-grade issuers or those with large chunks falling due in FY25–FY27.

Funding Evolution: Banks, Bonds and Hybrids

Refinancing playbooks have broadened. Companies are using more domestic bonds, longer bank facilities, and hybrids.

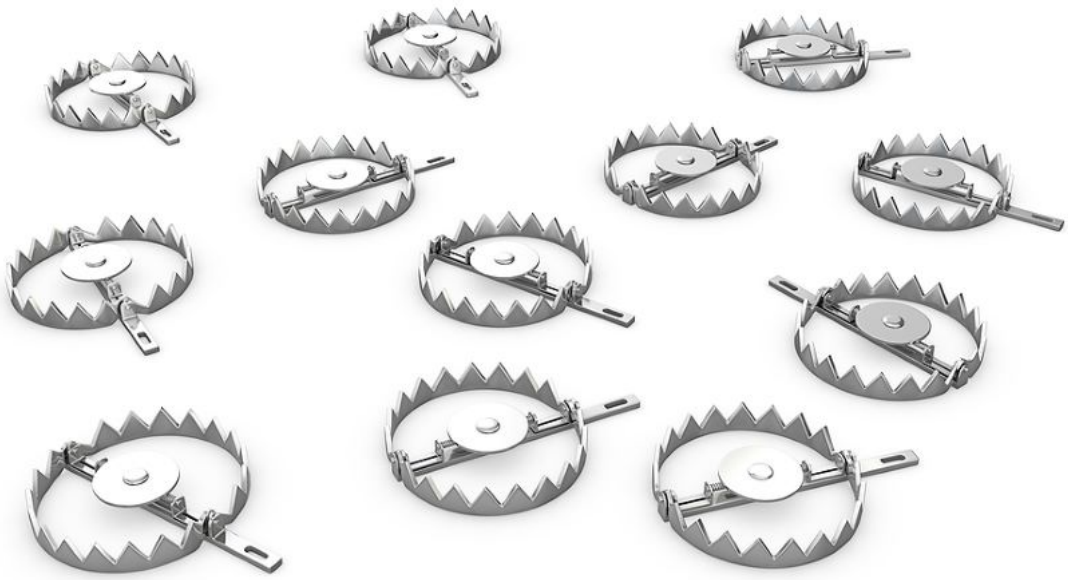
The biggest shift is onshore. Local bond markets are taking a larger share as lower currency and swap costs make AUD funding more attractive.

As Jimmy Choi, Head of Capital Markets at ANZ, puts it: "*many Australian companies that historically went offshore are now saying, 'Wow, I didn't know we could do this domestically.' Big companies with big balance sheets can now stay domestic. It's cheaper to fund; they don't have to do a cross-currency swap.*"

Banks are also extending and reshaping facilities. Austal ((ASB)) finished a full refinancing in June 2025, replacing a syndicated facility with $488m of bilateral credit lines offering 5-10 year tenors, fewer covenants, and better pricing, supporting both liquidity and growth.

Hybrids continue despite rule changes for bank AT1 instruments. As of April 2025, 53 ASX-listed hybrids had a combined market cap of $43.2bn. APRA's plan to phase out bank AT1 by 2032 shifts focus to Tier 2, but non-bank corporates still use hybrids to fine-tune capital.

Recent deals show depth and demand: Transurban Finance sold EUR650m of bonds in April 2025 (maturing 2035, 4.143% coupon) and issued multiple AUD bonds, while APA Group's $1.75bn syndicated loan extension highlights the scale of activity among infrastructure names.



Sector Vulnerability: Who Feels it Most?

Property trusts (REITs) face the sharpest pressure. Morgan Stanley and Real Capital Analytics point to US$115bn of global REIT debt maturing in 2025–2026. Refinancing costs are expected to rise from 4.0% to 5.5%, adding about US$2bn a year in interest. Office, infrastructure, and healthcare property sub-sectors are hit hardest.

Australian REITs also deal with structural outflows and index concentration. Morningstar finds advisers prefer private markets and global REITs over local listed options. Office and retail are especially vulnerable as higher cap rates weigh on values.

Infrastructure benefits from regulated or contracted cash flows, which helps; but maturities bunched in 2025–2027 create execution risk, especially if inflation-linked revenue doesn't fully offset higher interest costs.

Consumer discretionary companies with stretched balance sheets are highest risk. RBA analysis shows insolvencies rising mainly among smaller firms in slowdown-sensitive sectors, including consumer names with limited bank access.

Strategists line up with this view. Macquarie is defensive, "preferring exposures with structural or regulatory advantages (utilities, select insurers)" and staying "negative on those exposed to a slowdown, like consumer

cyclicals."

Coolabah Capital favours "liquid, high-grade Australian and global credit," adding "floating-rate and short-duration credit should outperform as rising funding costs make companies' balance sheet flexibility and access to liquidity vital."

What it Means for Equity Investors

Higher refinancing costs squeeze earnings and dividends. A move from 4.0% to 5.5% adds roughly US$2bn in annual interest for REITs globally, cutting distributable earnings and testing dividend sustainability.

Balance-sheet strength is the differentiator. Companies with conservative leverage, longer maturities, and strong liquidity can keep investing and ride out the cycle, often winning better tenant demand and investor support.

S&P Global Ratings notes, despite higher rates, funds from operations to debt for rated REITs is holding up on rental growth. Weaker operators often respond with asset sales, dividend cuts, and equity raises to protect credit metrics.

Investment screening increasingly focuses on staggered debt maturities, conservative loan-to-value ratios and strong cash flow generation. Dexus research shows firms that reduce debt and extend maturities keep stronger investment-grade metrics and better control refinancing risk.

Navigating the Debt Landscape

Australia's refinancing task has shifted from an era of ultra-low rates to a higher-cost world that demands tighter financial discipline. The biggest ASX names have moved early, diversifying funding, extending maturities, and keeping credit strong, making the gap between solid and weak balance sheets clearer than ever.

The next 2–3 years will test treasurers' ability to absorb higher funding costs while still investing and paying shareholders. Early action, diverse funding options, and conservative leverage will matter most.

For investors, balance-sheet health should sit alongside earnings and valuation. Companies that prepared by managing debt conservatively and pushing maturities out are more likely to come out ahead in this tougher environment.

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

AUSTRALIA

Stockland Firing On All Cylinders

Stockland posted a strong FY25 result and guidance, highlighting growth potential in residential and commercial property, while addressing funding concerns.

-Stockland posts FY25 and FY26 guidance beats
-Master-planned communities growth a highlight in residential
-Data centre partnerships to drive commercial
-Analysts praise a reduced dividend payout

By Greg Peel

Wilsons has released its summation of the August reporting season and subsequent changes to the stockbroker's Focus Portfolio based on what it labels "the good, the bad and the ugly". The "good" was added to the portfolio, the 'bad" had its portfolio weighting reduced, and the "ugly" has been removed.

The "ugly" was James Hardie ((JHX)). The "bad" was CSL ((CSL)). The "good" was Stockland ((SGP)).

Wilsons had previously flagged property developer/manager Stockland as the A-REIT offering the greatest exposure to Australia's housing market recovery, which was reflected in its strong FY25 result.

In FY25, Stockland generated funds from operations (FFO) up 2.7% year on year, which was slightly ahead of consensus expectations. The highlight of the result was the developer's master-planned communities (MPC) settlements, which grew 22% year on year to 6870 units, comfortably above guidance of 6200-6700 lots.

Management demonstrated its preference towards organic funding, with the combination of a lower dividend payout ratio (reduced from 75-85% to 60-80%), an active dividend reinvestment plan, and continued capital partnering.

FY26 guidance is for FFO growth of 6-9% year on year, and management flagged it expects MPC settlements of 7500-7800, which at the mid-point is 3% above consensus.

Residential Growth

Citi believes Stockland's June quarter residential sales number, and the FY25 settlement as well as FY26 settlement guidance, all point to an improved residential environment. With increased first home buyer support to be put in place by January 1, 2026, Stockland is considered well placed to grow residential and land lease earnings strongly.

A key takeaway for Jarden from the FY25 result was an accelerating growth profile with Stockland well positioned at the start of a more supportive residential cycle. This, combined with a strong, and growing, medium-term pipeline, should support ongoing growth in residential developments, Jarden suggests.

The growing contribution from the Lendlease Communities business (which Stockland acquired last November), and growing percentage of developments in the joint venture structure, should improve returns, earnings composition and the risk profile, in Jarden's view, which makes this a more attractive business throughout the cycle.

Looking ahead, further RBA rate cuts are anticipated, and with first home buyer support to be put in place, Citi believes Stockland's residential business is well set up to take advantage of the improved residential environment.

Importantly, notes Citi, Stockland is also benefitting positively from its Lendlease acquisition with better than feasibility pricing and volumes being seen this period.

In line with Wilsons' view, Stockland management pointed to house price and volume growth over the next twelve months across the Eastern Seaboard (NSW, Victoria and Queensland), supported by pent-up demand, interest rate cuts, government incentives supporting first home buyers and tight supply (particularly in NSW and Queensland).

With key forward indicators --including June quarter sales, enquiries and contracts on hand-- showing positive momentum into FY26, Wilsons expects Stockland to be a material beneficiary of an acceleration in house prices and turnover over the medium-term.

Commercial Growth

Another key takeaway for Jarden was the growing commercial development pipeline with focus on logistics and a new data centre partnership. Stockland has significantly grown its Logistics pipeline --now at $10bn-- through organic growth and new partnerships.

The company has forecast $162m in incremental spend for logistics projects under construction that are expected to complete in FY26 (estimated $316m end value). The new data centre partnership with EdgeConnex is not a complete surprise to Jarden, and could deliver attractive returns.

This growing commercial pipeline is not without execution risk, Jarden warns, but risk appears to be well managed through joint venture structures and a gradual roll-out.

Stockland has eight partnerships across sectors and strategies providing capital to grow and enhance return on capital employed via fees, Macquarie notes.

Stockland formed two new partnerships in the second half FY25: John Boyd Properties on the $3.5bn redevelopment of the 18.3ha Kogarah (Sydney) golf club and EdgeConnex to develop, own and operate Australian data centres, with seed asset Macquarie Park (Sydney) Stage 2 to offer more than 100MW of capacity in FY27.

The commercial development pipeline has expanded by $3bn over the last twelve months, and Citi sees upside catalysts over the next 12-18 months by further growth in the pipeline as data centre sites are secured and from profit generated from sell-downs to capital partners.

The Funding Issue

Funding is the key debate, Citi notes, but management believes capital efficient acquisitions, increased capital partnerships and a lower dividend payout ratio should help Stockland bridge the gap.

The developer has plenty of funding flexibility, Jarden suggests. While the market was getting more concerned about rising capex requirements, Stockland seems to be in a strong position with plenty of debt capacity, a growing list of joint venture partners, potential for further capital recycling, and an improving cost of equity if needs arise.

With this in mind, Jarden believes the cut to dividend payout targets makes sense.

The lower payout, with FY26 guidance reflecting a payout ratio of 69% of FFO, also makes sense to UBS in light

of substantial forward capital requirements across the business (funding recent logistics and residential acquisitions on deferred terms and/or with future capex).

Undervalued?

Jarden sees Stockland as well positioned for an accelerating earnings growth profile, with improving residential momentum and a growing residential and commercial development pipeline. Management is achieving this while diversifying and improving its earnings composition, closely managing its risk profile and benefiting from a wide range of funding options over the medium term.

While this has driven a gradual re-rating over the last two to three years, its twelve-month forward price to adjusted FFO multiple (19.0x) remains at a discount to most large-cap REITs, especially when combined with earnings growth and quality. Jarden sees further evidence of improving market conditions and execution in its pipeline as a catalyst for further share price strength.

Wilsons quotes a price to FFO multiple of 17x (not “adjusted”), noting FFO is the REIT sector’s preferred measure of cash flows, which is slightly below the ASX 200 A-REIT average of 18x. This apparent discount contrasts with Stockland’s superior growth outlook, with a three-year FFO (or earnings per share) compound annual growth rate of 9% (with upside risks from housing tailwinds), compared to the sector average of 5%.

Jarden has an Overweight rating (one behind Buy), lifting its target to $6.80 from $6.35.

Citi re-iterates its Buy rating, seeing the business as materially improving providing access to residential and logistics/data center tailwinds. Citi’s target rises to $6.90 from $6.00.

Stockland is executing on its strategy, has an attractive earnings growth profile and the new partnerships are accretive, Macquarie concludes. But Macquarie maintains Neutral on valuation grounds, with a target increase to $5.90 from $5.20.

UBS has a Neutral rating and $5.55 target.

Ord Minnett (Hold) raised its target to $5.35 from $5.00 in early July, but has not yet responded to Stockland’s result. Nor has Morgan Stanley (Overweight), who last updated in June.

At that point, Morgan Stanley lifted its target to $6.75 from $6.50.

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AUSTRALIA

August In Review: Banks & Golds Drive Rally

Despite at times a bruising August reporting season, the index topped new all time highs for a fifth straight month of gains.

-ASX200 added 3.10% (total return) in August
-Reporting season splits the market, yet index lifts again with several record rises
-Large-cap stalwarts falter as small caps, gold, and banks drive August gains
-Investor sentiment lifts on rate cuts, consumer rebound, and small-cap strength
-Can investors "Buy Now, Earn Later" approach be sustained into September?

By Danielle Ecuyer

Favourites falter as investors rotate into value and resources

One could be forgiven for thinking the changing dynamics of world trade and global uncertainty created a clear fault line in stock and sector performances during August.

Large-cap stalwarts, traditionally viewed as safe havens of quality and defensiveness, were caught up in challenges and earnings disappointments that undermined their premium status.

Think CSL ((CSL)), down -21.4%, Woolworths Group ((WOW)), down -15.9%, James Hardie Industries ((JHX)), down -24.5%, and AGL Energy ((AGL)), down -12.7% on disappointing earnings reports and FY26 guidances.

Despite these major disappointments, the S&P/ASX200 rose 2.63% over the month, a fifth rise in succession since April Liberation Day lows, for a total return of 3.1%.

The Australian market trailed the Nikkei, up 4.01%, and the Dow Jones Industrial Average, up 3.20%, not a bad performance considering the challenges thrown up by corporate Australia reporting.

Morgan Stanley highlights FY25 earnings growth settled at a negative -3.1%. The **FNArena Corporate Results Monitor** (https://fnarena.com/index.php/reporting_season/) with 373 stocks covered came in with 20.9% Beats and 29.5% Misses; 48 upgrades and 81 downgrades, compared to August 2024 (384 stocks) with 27% Beats and 37% Misses; 45 upgrades and 54 downgrades.

Both August result seasons are among the worst in the twelve year history of FNArena's Monitor, showcasing a large gap in favour of net disappointments while most seasons generate a higher percentage in 'beats'.

Small Caps outperformed by 5.9ppts versus their large-cap peers, driven in part by favourable (domestic and international) policy backdrops. Think defence and mining services as two examples.

Value rose 10% and small caps lifted 6.3%, which included small-cap miners/materials. Gold played its part, shining brightly over August. Although the gold price only rose 4.48% or US$130/oz, small-cap gold miners rallied 41% and materials as a sector rose 15.1%, a major contributor to index performance at 357bps, with 260bps generated from the golds.

Overall, the gold sector advanced 20%, reflecting quite some relative leverage to the actual gold price.

Healthcare's underperformance continued into August

Healthcare continued the year-to-date malaise; the sector crashing -13.25% led by CSL's -21%-plus drawdown and Telix Pharmaceuticals ((TLX)) shares diving -30.64%.

The former remains challenged by the ghosts of covid on Behring's plasma margins. The US movement against vaccines has led management to target a spin-off of Seqirus in 2026, while Telix remains caught in the crosshairs of the SEC and higher investment spending.

Ramsay Health Care ((RHC)) and Sonic Healthcare ((SHL)) also weighed on the index, down -13% and -15%, respectively.

Technology also detracted from the market's performance, with Information Technology down -1.72% and the All Technology index rising only 0.79%.

A US$2.50 lift (2.66%) in the iron ore price boosted materials, up 8.98%, while the uranium price moved higher by 5.63%, taking the more recently sold-off uranium stocks for a month-end rally.

Lithium and rare earths also shot back into favour, with shares in Pilbara Minerals ((PLS)) up over 52% and Lynas Rare Earths ((LYC)) up 32%.

Materials contributed 165.8bps and Financials 126.2bps to the ASX200 index performance, underwriting the bulk of the rise. Healthcare detracted by -127.1bps.

Within that context, BHP Group added 75.9bps (up 10%), and the big three Banks, Westpac ((WBC)), National Australia Bank ((NAB)), ANZ Bank ((ANZ)), and Wesfarmers ((WES)) were the combined top five stocks that contributed to index gains, Morgan Stanley reports.

Big banks are back with a bang

Total shareholder return of the major banks came in at 7.7%, outperforming the ASX200 by 3.1%, excluding CommBank, which underperformed.

Westpac shares rallied 14.2% on better-than-expected revenue growth and higher-than-anticipated margins in 3Q25. NAB and ANZ shares rallied 10% and 9.6%, respectively. To sharpen the focus, NAB's share price is now back to levels not seen since 2007 and Westpac since 2015.

As expressed by Morgan Stanley, the domestic backdrop and operating trends were positive on strong loan growth and fewer headwinds to margins.

There has been a slight discernible shift in Morgan Stanley's sentiment towards Australian Banks. The analyst believes there is an improved operating environment for the sector with minimal earnings risk and "healthy" balance sheets, factors which should support the banks trading at valuation multiples above post-covid averages.

NAB is the broker's preferred major, offering the optimal mix of growth and returns. ANZ is second preferred, as it is trading on a larger-than-usual valuation discount.

CommBank is not expected to be able to achieve the earnings growth to support its elevated valuation.

Green shoots of a consumer cyclical recovery

The RBA's August 12 -25bps rate cut this August reporting season stood in contrast to July's surprise 'hawkish' Hold on rates.

A notable turnaround in consumer-related sales over 4Q25 earnings results was evidenced, including an acceleration of sales momentum into FY26 year-to-date like-for-like sales.

The turnaround buoyed investor sentiment that lower interest rates were finally impacting positively on consumer sentiment, which was apparent in multiple earnings updates from discretionary retailers.

The sector rose 7.5%, with Autos up 15% as AP Eagers Automotive shares rallied 45%. Other highlights included Harvey Norman ((HVN)), Universal Stores ((UNI)), Lovisa Holdings ((LOV)) up 30%, Nick Scali ((NCK)) up 26%, Super Retail Group ((SUL)) and JB HiFi ((JBH)) up 12%.

Although the durability of the domestic consumer recovery remains open to debate, for August at least, the cyclical recovery was not in doubt, with a basket of related stocks rising 8.8%.

Other points worth noting were one-time favourite building-related companies Reece ((REH)) and James Hardie; both reflecting the challenges relating to the US housing and restoration & renovations markets, as well as sluggish results from Australia and New Zealand.

Investors must be starting to question when lower interest rates in A&NZ will flow through to this beleaguered sector. More positive signals were included in market updates from developers Stockland ((SGP)), GPT Group ((GPT)), and others.

August index record, but where now for September?

Most notably, the ASX200 index breached the 9,000 level on August 21 to 9054, but September, as highlighted by Macquarie, is on average the most volatile month of each calendar year, with possible follow-through into October.

November tends to be the year's best performing and retail investors are flagged by the broker as likely to

support a year-end rally.

Macquarie points to a net EPS beat in August of 11% led by small industrials. Despite the large-cap sell-offs, the multiple new index highs over August were attributed not to earnings improvements but to global liquidity and the prospect of more interest rate cuts.

By factor, MSCI Australia Value rose 7.1% in August, outperforming its opposite by 10% as Growth fell -2.9%, Momentum added 4.9%, and High Dividend Yield 5.3%. Quality as a factor only rose by 1.3% over the month.

Since 2015, the ASX200 total return for September has been positive in 2024 (3%), 2019 (1.8%), and 2016 (0.5%), with 2023 the worst (-6.2%), followed by 2020 (-3.7%).

As at the end of August, Macquarie's FOMO meter stood at 0.79, up from 0.76 in July, described by Macquarie analysts as "positive, but not too positive".

As aptly described by Morgan Stanley, investors have adopted a **"Buy Now, Earn Later"** approach.

The forward price-to-earnings multiple reached a new high of 19.9x for the ASX200 despite earnings growth lagging. FY26 earnings sit at "modest" 4.5% growth; only time will tell if the low bar can be breached.

Morgan Stanley believes at this stage outlook statements are not challenging the conservative approach at this point of the cycle.

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

Company	Change	Company	Change
IEL - IDP EDUCATION LIMITED	57.87	TLX - TELIX PHARMACEUTICALS LIMITED	-30.64
PLS - PILBARA MINERALS LIMITED	52.17	JHX - JAMES HARDIE INDUSTRIES PLC	-24.55
LYC - LYNAS RARE EARTHS LIMITED	32.47	CSL - CSL LIMITED	-21.41
MIN - MINERAL RESOURCES LIMITED	30.81	REH - REECE LIMITED	-17.94
EVN - EVOLUTION MINING LIMITED	21.80	AGL - AGL ENERGY LIMITED	-15.33

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

Company	Change	Company	Change
IEL - IDP EDUCATION LIMITED	57.87	TLX - TELIX PHARMACEUTICALS LIMITED	-30.64
PLS - PILBARA MINERALS LIMITED	52.17	JHX - JAMES HARDIE INDUSTRIES PLC	-24.55
CDA - CODAN LIMITED	47.40	ING - INGHAMS GROUP LIMITED	-21.68
VAU - VAULT MINERALS LIMITED	45.95	CSL - CSL LIMITED	-21.41
APE - EAGERS AUTOMOTIVE LIMITED	40.93	REH - REECE LIMITED	-17.94

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

Company	Change	Company	Change
CRN - CORONADO GLOBAL RESOURCES INC	85.00	SKC - SKYCITY ENTERTAINMENT GROUP LIMITED	-32.26
IEL - IDP EDUCATION LIMITED	57.87	CU6 - CLARITY PHARMACEUTICALS LIMITED	-31.81
PLS - PILBARA MINERALS LIMITED	52.17	TLX - TELIX PHARMACEUTICALS LIMITED	-30.64
CDA - CODAN LIMITED	47.40	JHX - JAMES HARDIE INDUSTRIES PLC	-24.55
VAU - VAULT MINERALS LIMITED	45.95	AD8 - AUDINATE GROUP LIMITED	-23.25

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

Company	Change	Company	Change
4DX - 4DMEDICAL LIMITED	137.50	AD8 - AUDINATE GROUP LIMITED	-23.25
CDA - CODAN LIMITED	47.40	WTC - WISETECH GLOBAL LIMITED	-14.73
SDR - SITEMINDER LIMITED	32.63	MAQ - MACQUARIE TECHNOLOGY GROUP LIMITED	-12.35
IFM - INFOMEDIA LIMITED	29.23	XRO - XERO LIMITED	-9.61
TYR - TYRO PAYMENTS LIMITED	29.17	CPU - COMPUTERSHARE LIMITED	-9.44

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

Australia & NZ

Index	31 Aug 2025	Month Of Aug	Quarter To Date (Jul-Sep)	Year To Date (2025)
NZ50	12930.730	0.83%	2.60%	-1.37%
All Ordinaries	9243.00	2.71%	5.36%	9.77%
S&P ASX 200	8973.10	2.63%	5.04%	9.98%
S&P ASX 300	8913.90	2.70%	5.19%	10.06%
Communication Services	1922.40	1.63%	3.75%	18.13%
Consumer Discretionary	4594.00	7.44%	10.89%	17.46%
Consumer Staples	12440.90	2.26%	2.66%	5.71%
Energy	9315.20	1.58%	7.38%	8.03%
Financials	9718.40	3.04%	1.99%	12.82%
Health Care	39358.80	-13.25%	-5.39%	-12.31%
Industrials	8710.90	2.69%	4.71%	13.92%
Info Technology	2993.50	-1.72%	3.20%	9.22%
Materials	17984.70	8.98%	13.41%	11.53%
Real Estate	4184.00	4.07%	7.32%	11.24%
Utilities	10077.10	4.87%	10.23%	11.56%
A-REITs	1924.70	4.06%	7.47%	12.01%
All Technology Index	4303.30	0.79%	6.41%	13.08%
Banks	4123.40	3.91%	2.51%	14.34%
Gold Index	12926.70	20.10%	11.85%	53.46%
Metals & Mining	6078.90	11.71%	16.44%	15.67%

The World

Index	31 Aug 2025	Month Of Aug	Quarter To Date (Jul-Sep)	Year To Date (2025)
FTSE100	9187.34	0.60%	4.87%	12.41%
DAX30	23902.21	-0.68%	-0.03%	20.06%
Hang Seng	25077.62	1.23%	4.18%	25.01%
Nikkei 225	42718.47	4.01%	5.51%	7.08%
DJIA	45544.88	3.20%	3.29%	7.05%
S&P500	6460.26	1.91%	4.11%	9.84%
Nasdaq Comp	21455.55	1.58%	5.33%	11.11%

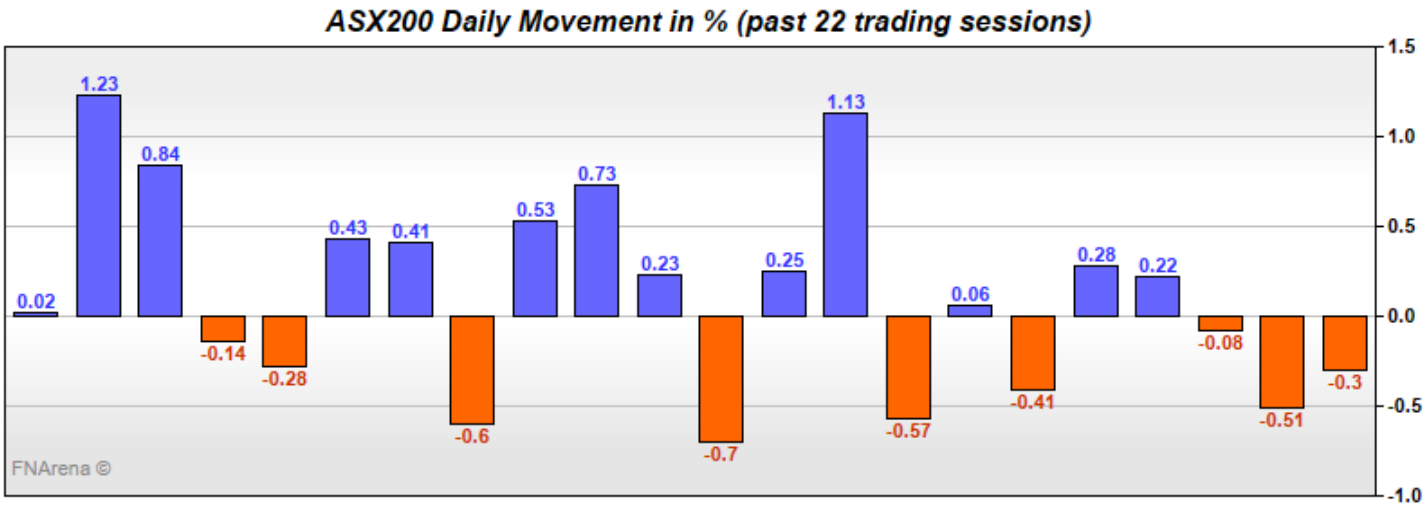
Metals & Minerals

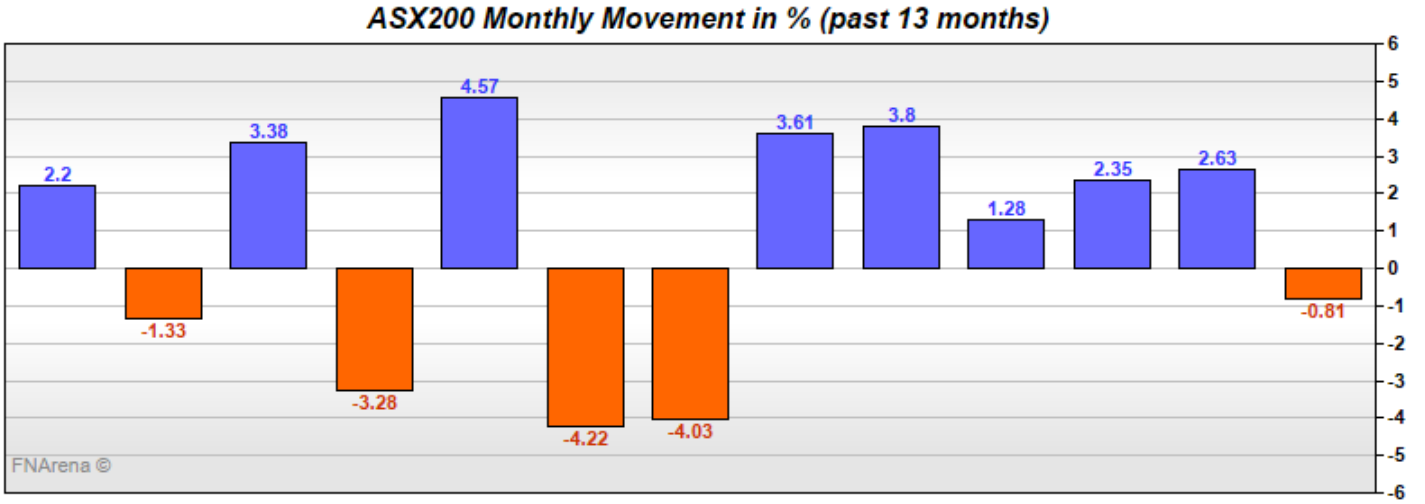
Index	31 Aug 2025	Month Of Aug	Quarter To Date (Jul-Sep)	Year To Date (2025)
Gold (oz)	3477.00	4.48%	5.29%	32.37%
Silver (oz)	39.24	5.70%	8.39%	29.83%
Copper (lb)	4.5433	-1.87%	-10.84%	10.91%
Aluminium (lb)	1.1840	0.09%	0.41%	3.58%
Nickel (lb)	6.8126	0.84%	-0.10%	-4.65%
Zinc (lb)	1.2659	-0.22%	0.27%	-6.32%
Uranium (lb) weekly	75.00	5.63%	-4.64%	4.17%
Iron Ore (t)	101.71	2.66%	7.64%	-2.05%

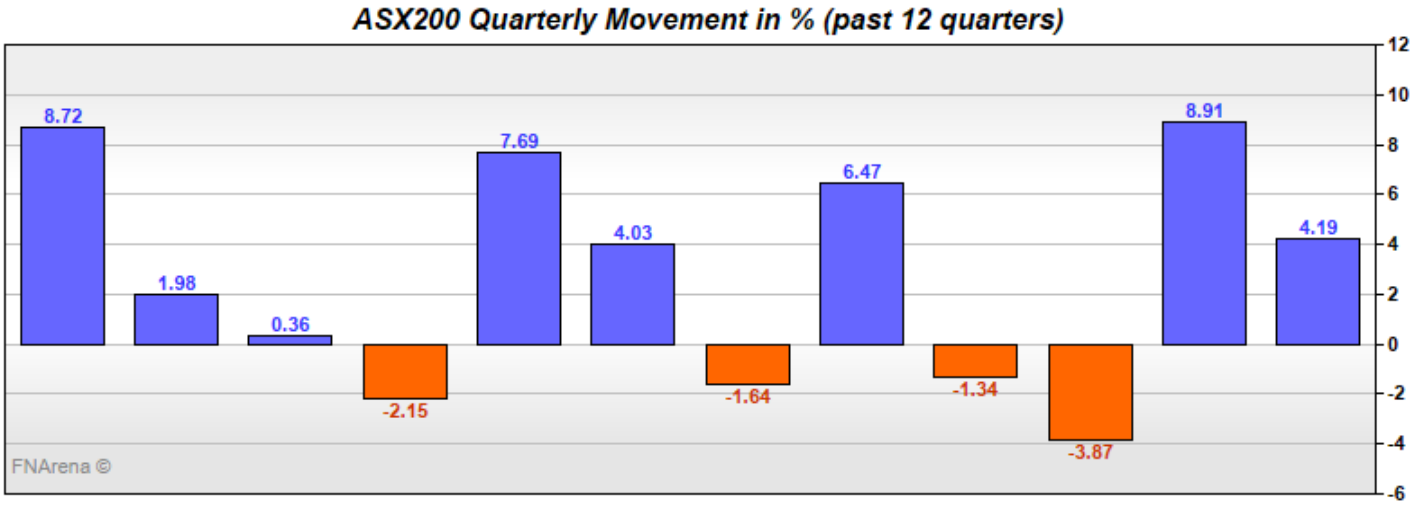
Energy

Index	31 Aug 2025	Month Of Aug	Quarter To Date (Jul-Sep)	Year To Date (2025)
West Texas Crude	64.26	-8.58%	-1.92%	-7.51%
Brent Crude	67.67	-6.94%	1.30%	-6.74%

Editor's Note when viewing the graphics below: all updates include early trading sessions in September.







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AUSTRALIA

BNPL: What New Rules Mean For Investors

A new regulatory landscape is separating the wheat from the chaff inside the Australian BNPL sector and not every competitor will come out a winner.

-BNPL services now regulated as credit in Australia
-The era of explosive growth now in the past
-Margins under pressure, but Zip Co found growth in the US
-Sector probably cum shake-out and consolidation

By Jason Collins

In Australia, Buy Now, Pay Later (BNPL), once touted as 'interest-free' shopping, is facing considerable regulatory reckoning, and it has been a long time coming.

In 2023, the Australian Federal Government announced BNPL products would be regulated as credit products, with Australian Minister Jones stating,

"If it looks like a duck, walks like a duck, sounds like a duck, it is a duck - and it should be regulated as a credit product".

In March 2024, an exposure draft bill was released for public consultation. This bill regulated BNPL as "low-cost credit contracts" under the National Consumer Credit Protection Act (NCCP). Shortly afterwards, in June, the bill was introduced to local Parliament, and in December, the law was passed, embedding BNPL within Australian credit regulation frameworks.

However, it wasn't until June 10th, 2025, that the new rules took effect, impacting Australian BNPL providers in full force. The NCCP has effectively closed the often-exploited loophole that allowed Australian providers to operate outside of traditional lending laws.

Many believe this marks the end of the BNPL sector's era of frictionless "free" credit, leading to considerable implications for companies like Afterpay, now part of Block ((XYZ)), and Zip Co ((ZIP)), as well as their investors.

For Zip Co, the implications are especially interesting, considering this company has staged a remarkable ASX turnaround, with shares soaring in excess of 250% since April lows.

This share price comeback has been inspired by rapid expansion in the US business and disciplined capital management. With positive gains on the horizon for Zip Co, investor confidence in the BNPL market has been reignited -- at least for some.

Today's article will examine the new rules and their implications for investors, as well as how Afterpay and Zip Co are responding to the tighter regulations. The table at the bottom lines up key ASX-listed BNPL services providers.

New Rules Rein in BNPL Lending

BNPL services providers experienced explosive growth between 2016 and 2021, offering on-the-spot, interest-free loans with minimal checks. Unsurprisingly, this lending model was popular among younger shoppers and those with thin credit files.

To put this into perspective, Australia has around 7 million active BNPL accounts, which is considerable for a population of approximately 26 million; however, it is questionable how many of these accounts are actually active.

There's no debate, today growth is much reduced. The new rule changes and increased scrutiny have led to a significant slowdown in activity.

One of the biggest changes is any Australian company offering BNPL must carry an Australian Credit License alongside membership of the Australian Financial Complaints Authority (AFCA) dispute resolution scheme. They must also be supervised by ASIC while complying with reporting, dispute resolution, and compliance obligations.

Another rule is that providers are now required to verify their customers' financial situations and assess creditworthiness before extending credit. To better evaluate creditworthiness, mandatory credit bureau checks are necessary to ensure borrowers can repay their BNPL installment plans. Then there are fee and charge restriction rules.

Caps on fees of $200 in year one and $125 in later years, plus limits on default fees, now prevent BPNL from being more expensive than comparable low-cost credit. Additionally, penalty fees must now be proportionate and reasonable.

When it comes to responsible lending and hardship obligations, lenders are now required to comply with responsible lending provisions in the NCCP. Moreover, borrowers who are experiencing financial hardship must have access to flexible repayment arrangements.

The new rules also grant ASIC enforcement powers, including the ability to suspend or penalise non-compliant BNPL providers.

Afterpay and Zip Co Adapt to Tighter Regulation

With these new rules in place and tighter regulations, leaders in the space, such as Zip Co and Afterpay/Block, alongside other companies, are finding they must adapt.

According to multiple sources, both Afterpay and Zip Co are supportive of the reforms and eager to remain compliant. Afterpay's parent Block noted it "welcomes the certainty" of clear rules for BNPL, and Zip Co has been a "longstanding advocate for fit-for-purpose regulation" in this sector. Here's how they are adapting:

Afterpay

Afterpay, *the* pioneer of BNPL in Australia, built its user base on seamless instant credit approval, which is now no longer permitted.

To adapt, the company has now begun conducting credit checks for all new customers and, when raising spending limits, marking a pivot to a responsible lending model. Fortunately, for Afterpay, it has the scale and resources to integrate new compliance measures.

In addition, the head of policy for Afterpay said he "welcome[d] consistency and transparency across the sector," arguing the proper consumer protections benefit everyone, demonstrating the company's willingness to change.

Afterpay is also further positioning itself as a responsible lender by framing the rule and oversight changes as an opportunity to better balance compliance and customer experience, even though these extra steps may deter some shoppers at the margin.

Zip Co

Rival Zip Co has claimed that it has already been operating under stricter lending practices. Zip's co-founder, Peter Gary, stated the new standards "are aligned with Zip's existing practices." Unlike Afterpay, Zip Co had already held a credit license.

It had also already conducted credit and affordability checks on all its customers even before the new rules took effect, with its flagship products Zip Pay and Zip Money. This underscores Zip Co's strategy of focusing on credit quality over raw user growth, a move that investors have been urging as the company pursues profitability.

Based on this, the company is finding it easier to transition to the new framework for credit lending, as it was closer to a traditional credit provider from the outset. In fact, it might even level the playing field for the company by eliminating the advantage other companies had by onboarding clients without any vetting.

Additionally, the company's sharp ASX share-price rally, supported by US demand that lifted total transaction volume by more than 40%, has prompted upgraded earnings guidance and underscored its renewed discipline.

This is paying off, as the company was previously in talks about a potential buyout. However, Zip Co has now taken this option off the table in light of its stronger credit discipline, which has led to its recent successes alongside management's confidence in the resilience of the evolving US market.

Investor Considerations: Profitability, Margins, and Market Outlook

With BNPLs facing stricter oversight and legalities, it's natural for investors to be concerned about putting their money into these companies.

Profitability Challenges

The BNPL business model, as a sector, has yet to prove it can be consistently profitable. This is likely because for years, many providers prioritised user growth over earnings, resulting in exponential losses.

For example, amid losses, Zip Co's share price fell approximately -95% from its peak between 2021 and 2023, forcing the company to quickly exit 10 of its 14 international markets to conserve funds.

Fortunately, since then Zip Co's sharp recovery and reestablished confidence, thanks to its transaction volumes,

earnings increases, and US market strengths, has seen it become one of the ASX's top performers.

Afterpay hasn't been as lucky lately. Amid mounting losses reported recently, more than 10% of its users were advised to close their BNPL accounts, usually when trying to qualify for a mortgage.

Many of these individuals were offered credit cards instead, which underscores the growing financial pressure and shifting financial attitudes from traditional lenders. Ultimately, for Afterpay, which still commands one of the largest BNPL user bases in the world, and for its competitor Zip Co, the challenge now is navigating the regulated path to sustained profitability.

With these two case studies in mind, it's evident the tighter lending rules are slowing customer acquisition and transaction volumes since more applicants are being denied credit. For Zip, improved loan quality and disciplined US growth could help sustain its recovery and justify investor optimism.

For Afterpay, recent user attrition highlights how regulatory pressure and lender attitudes may weigh more heavily, leaving the jury still out on whether stronger credit checks will offset cooler growth.

Investors in Australia and globally will be watching closely to see how the sector at large navigates the regulated path to profitability.

Expected Margin Compression

It's expected the newly minted rules will place significant pressure on BNPL profit margins from multiple angles. For example, compliance costs associated with licensing, customer credit assessments, and regulatory reporting will contribute to higher operating overheads.

In addition, the Australian Reserve Bank is reviewing whether BNPL companies can pass on merchant fees, which is also cause for concern as its decision could further squeeze profit margins.

Although the merchant fees, which range from 3% to 4% of each purchase value, generate most BNPL revenue, these fees could discourage BNPL use or lead consumers to demand lower discount rates.

Market Consolidation

With the regulatory compliance challenges, shake-outs will likely be accelerated in the crowded BPNL sector.

Smaller unprofitable players will find it quite challenging, if not impossible, to meet the new licensing requirements and responsible lending standards. A prime example is Openpay.

Openpay was an ASX-listed BNPL that collapsed into receivership in early 2023 when the company was unable to raise capital to cover mounting losses.

Additionally, observers have also noted rising competition and operating costs --which we touched on earlier-- are forcing smaller BNPL companies out of the market or to merge with bigger businesses.

For instance, fringe players like Humm Group ((HUM)) have scaled back their ambitions, and in the past 18 months, Zip Co has drastically reduced its workforce to cut costs, but it's not bleak news all around.

The upside for investors is the BNPL market is likely to consolidate around a few dominant providers who are perfectly positioned to capture whatever growth remains in the space.

For example, for Zip, this positioning is strengthened by its thriving US operation and improved balance sheet, which have already translated into stronger share market momentum.

Overall, it's believed a more concentrated market will potentially improve profitability in the long run; however, until then, volatility is expected to remain.

Business Model Sustainability

Considering all that is now known about the new rules for BNPLs and their implications for investors in terms of profitability, margin compression, and sustainable marketability, it's only natural to wonder if the business model is sustainable.

There are arguments for both sides, with bulls arguing the regulation ultimately legitimizes BNPL companies. Legitimisation will likely prompt banks and larger financial players to acquire or partner with the best BNPL platforms. Should this happen, it could mean BNPLs could expand services into longer-term financing,

subscription models, or even integration with banking apps.

There is also a view that millennial and Gen Z consumers genuinely prefer BNPL for its budgeting convenience, suggesting enduring demand if providers can offer it responsibly.

On the other hand, critics have pointed out much of the profit acquired by BNPLs came from lending to subprime borrowers who were unable to access different forms of credit. With restrictions tightening, BNPL volumes in the segment are declining, a trend already evident.

Additionally, big banks and tech firms like Apple and PayPal are entering installment payments, which is eroding the novelty of stand-alone BNPL services.

BNPLs are likely to need to broaden their revenue streams beyond simple fees and late charges, and may even have to charge interest on longer-term plans or monthly account fees to remain sustainable.

Such moves could deter consumers and ultimately lead to unsustainability.

Bottom Line

The BNPL transition to a regulated financial service looks to be a 'double-edged sword' for investors. Experts agree greater consumer protections and oversight will likely reduce the risk of spectacular credit losses, potentially making the sector more sustainable in the long run.

In the near term, previously unchecked growth is disappearing rapidly, with key players scrambling to secure a marketplace while fringe companies suffer. Additionally, profit margins are very clearly under pressure, and only the most resilient and adaptive players are likely to survive the coming shake-out.

Key ASX-listed providers of BNPL services

Company	ASX ticker	Category	Product(s)	Availability / Status	Notes	Official product page
Block, Inc.	SQ2	Consumer BNPL	Afterpay (Pay in 4 over 6 weeks)	Active	Australian-facing Afterpay product; pay-in-4 instalments, online & in-store.	https://www.afterpay.com/en-AU
Zip Co	ZIP	Consumer BNPL	Zip Pay; Zip Plus; Zip Money	Active	Zip Pay small-ticket; Zip Plus higher limits; Zip Money bigger purchases.	https://zip.co/au
hummgroup	HUM	Consumer BNPL (higher-ticket)	humm (regulated BNPL from 10 Jun 2025); historical 'Big things'	Active; 'Little things' discontinued from 8 Feb 2024	BNPL now under credit licence; key changes from 10 Jun 2025; focus on higher-ticket	https://www.shophumm.com/au/
Commonwealth Bank	CBA	Consumer BNPL (bank-issued)	StepPay (BNPL card)	Active	Pay-in-4 with no interest or monthly fees; Mastercard acceptance.	https://www.commbank.com.au/banking/buy-now-pay-later/steppay.html
National Australia Bank	NAB	Consumer BNPL (bank-issued)	NAB Now Pay Later	Active	Split purchases into four fortnightly instalments, interest-free.	https://www.nab.com.au/personal/buy-now-pay-later
Suncorp Group	SUN	Consumer BNPL (bank-issued)	PayLater	Closed to new applications from 14 Apr 2025; existing customers only	BNPL facility discontinued for new customers; support continues for existing users.	https://www.suncorpbank.com.au/help-support/paylater.html
Plenti Group	PLT	Vertical / merchant BNPL	Zero-interest payment plans (renewable energy/home improvements)	Active	Merchant programs enabling interest-free instalments for solar, batteries,	https://www.plenti.com.au/newsroom/renewable-energy-interest-free-finance/
Spenda	SPX	B2B BNPL / invoice instalments	Spenda Invigo Pay Later (B2B)	Active	B2B instalments integrated into Spenda payments suite via Invigo acquisition.	https://support.spenda.co/portal/en/kb/spenda/other-products/bnpl
QuickFee	QFE	B2B / professional services instalments	Pay Over Time (installment plans)	Active	Allows clients to pay invoices over 3–12 months while firms get paid upfront.	https://quickfee.com/product/pay-over-time/

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

RUDI'S VIEWS

Rudi's View: A Glass Half-Full Outlook

By Rudi Filapek-Vandyck, Editor

A Glass Half-Full Outlook

By Rudi Filapek-Vandyck, Editor

Dividends included, the Australian share market gained 3.10% throughout the local August results season, so it must have been one cracker of a performance put in by corporate Australia.

Share price moves dominate investor views and experiences, but we all know there can be multiple factors and drivers impacting.

Even in results season, the main game is not only about corporate earnings and dividends.

New Records in August

Last month, investor judgment wasn't so much about what companies had achieved, but whether there were enough reasons to confidently assume things are getting better.

Two sectors unequivocally said 'yes, the outlook is brightening'. Those sectors are consumer discretionary and contract services providers. Think Harvey Norman ((HVN)) and Adairs ((ADH)), but also SRG Global ((SRG)), Macmahon Holdings ((MAH)), and numerous others.

Similar positive signalling came from builders and property developers, but mostly in relationship to domestic markets, not if the main course is the US.

This discrepancy explains the opposing share price responses between Stockland ((SGP)) and Wagners Holding Co ((WGN)) on one hand and James Hardie ((JHX)), Reece ((REH)) and Reliance Worldwide ((RWC)) on the opposing side.

Apart from US headwinds, which also hit several companies in the healthcare sector, persistent sluggish dynamics in Victoria and in New Zealand continued to feature.

Contrary to share prices pushing the ASX200 to a new all-time record high above 9000 towards the end of the season, downgrades to earnings forecasts have dominated the month.

Consensus forecasts placed the average EPS at minus -1.8% pre-August and by the end of the month that number has shrunk to -3%.

All in all, August results have shaved off around -1% from FY26 forecasts too, with consensus now projecting 4.5% growth ahead for the new financial year.

But share prices generally and the major local index specifically moved in the other direction; up. The end outcome is the Australian share market's forward-looking Price-Earnings (PE) ratio ended August at 19.9x, a multiple usually reserved for US equities.

No double-guessing why market watchers and commentators are feeling increasingly uncomfortable with the market's relentless uptrend. Where have all the earnings gone? Arent they supposed to underpin this next bull market?

In Anticipation Of Better Times Ahead

Negative, suggest strategists at Macquarie, share market momentum is being fed more by general liquidity and by the prospect of more rate cuts.

Certainly, such factors are supportive too, as does the fact US indices keep setting fresh new record upon new record this year.

I'd also add the importance of portfolio positioning and of general sentiment.

Previously, the share market's uptrend had predominantly been the prerogative of large caps and of Growth stocks, AI-related or otherwise.

The Small Ordinaries, for instance, had underperformed the ASX100 for four years in a row (2021-24) and investors clearly were fed up with the narrow basket of continuous Winners and looking for a broader base to take this market to the next level.

Viewed from this angle, August delivered in spades. The Small Ordinaries surged 8.18% during the month (total return 8.41%), leaving all other indices at a significant distance.

Over three months this index is up 11.84%, over six months it's up 15.13% and over twelve months the gain has now extended to 20.15% (23.40% including dividends).

Small caps are back in vogue. And so are many of the stocks that could not attract much attention post-2022.

How better to illustrate this reversal in market momentum than through the 60% rally for shares in IDP Education ((IEL))? Since late 2021 that share price had only known one direction, and it was down.

Financials and Materials performed well, with gold miners in particular stealing the show, but lithium's comeback didn't falter either.

As portfolios rotated, somebody had to lose out. No surprise, given the previous lead in the narrow based uptrend, Technology became August's main victim, followed by Healthcare and Staples.

Shares in Vault Minerals ((VAU)) are up by more than 40%, closely followed by gains in 29Metals ((29M)).

It wasn't all black and white though and individual performances did give companies the opportunity to sail against the broader trends.

Note the big jump in the share price of NextDC ((NXT)), for example, but also the sell-off in response to CommBank's ((CBA)) result and to Bank of Queensland's ((BOQ)) market update, while numerous turnarounds and promises failed to materialise, as is usually the case.

This season's big disappointments included AGL Energy ((AGL)), Amcor ((AMC)), CSL ((CSL)), James Hardie ((JHX)) and Woolworths Group ((WOW)), but also Audinate Group ((AD8)), Avita Medical ((AVH)), Domino's Pizza ((DMP)), Ebos Group ((EBO)), EVT Ltd ((EVT)), HMC Capital ((HMC)) and DigiCo Infrastructure REIT ((DGT)), IPH Ltd ((IPH)), Ramsay Health Care ((RHC)), ReadyTech Holdings ((RDY)), and Sonic Healthcare ((SHL)).

Note the prominent presence of healthcare companies in that list which also saw the likes of Cochlear ((COH)), Medical Developments International ((MVP)), Micro-X ((MX1)), Monash IVF ((MVF)), Paragon Care ((PGC)) and Telix Pharmaceuticals ((TLX)) release disappointing updates.

It remains remarkable how what once was Australia's super-duper cannot fail, consistently outperforming sector is today but a shadow of its former self, unable to string two halves together of strong (out)performances.

Shareholders in ResMed ((RMD)) and Pro Medicus ((PME)) must be thinking they've won the lottery.

More Misses, But Who Cares?

One popular method to judge the season (apart from observing share price moves) is by measuring whether financial results 'beat' or 'missed' against forecasts.

On this simple benchmark both UBS and Morgan Stanley report the August balance is about 33% for each, which is not great as there should be more 'beats' -- and usually that is the case.

FNArena's Monitor not only measures a larger number of companies (we combine eight brokers monitored daily) but we also take a broader view, including outlook guidance and other metrics outside of earnings, profits or dividends that equally drive analysts' forecasts and forward-looking valuations.

On this broader methodology, more appposite and accurate we feel, this year's August results season has been the worst since 2013, when FNArena's Monitor started.

Out of 373 results, only 78 or circa 21% has genuinely outperformed forecasts and forced analysts to increase forecasts and valuations.

Never in the twelve years of history of the Monitor has any percentage of 'beats' come out this low, and against low expectations too (note the -1.8% forecast beforehand).

The previous low was 24% registered in August 2019, when the domestic economy was almost literally grasping at straws ahead of banks and cyclicals reducing their dividend payments to shareholders.

The key difference between today and back then, of course, is the RBA has cut the cash rate three times this year, and there's general anticipation of at least one more cut forthcoming.

One of the notable observations during August results was how many references were made to RBA rate cuts when predicting better operational momentum ahead for companies ranging from Eagers Automotive ((APE)), to Coles Group ((COL)), to Stockland ((SGP)), Accent Group ((AX1)), and others.

On FNArena's assessment, a little less than half of all results merely met expectations, with 110 results or 29.5% disappointing. The latter percentage is high, but not extraordinary.

The over-ruling impression is corporate Australia is still very much limping forward, but greenshoots are emerging and investors have been prepared to take a leap in anticipation of better conditions ahead by 2026.

Greenshoots Emerging

Those greenshoots included a pick-up in consumer spending, mostly apparent through trading updates from the first seven weeks into FY26, and improving momentum in local building activity.

Rising costs remain in many cases the all-important threat on the horizon.

In terms of re-ratings and de-ratings, as well as downgrades and upgrades to forecasts, the net outcome has still been slightly more negative than positive, reports UBS.

FNArena's monitoring too has noted significantly more downgrades in ratings throughout the month (81 downgrades versus 48 upgrades); this is probably equally in response to a market setting fresh all-time record

highs and share prices often rallying on 'good enough' results.

Real estate and Financials are the sectors that enjoyed most of the positive adjustments, even though discretionary retailers caught everyone's eye in the month.

This was thanks to smaller caps including Zip Co ((ZIP)), Australian Finance Group ((AFG)) and Bendigo and Adelaide Bank ((BEN)) forcing analysts forecasts higher, as did the likes of Centuria Capital Group ((CNI)), Charter Hall ((CHC)), and Cromwell Property Group ((CMW)).

The Energy and Materials sectors saw most market updates followed up with forecast downgrades, though this may not necessarily been apparent from simply watching share prices.

Small Cap industrials excelled in both directions with companies like Redox ((RDX)) and Kelsian Group ((KLS)) joining contract services providers on the positive side, while deep cuts were reserved for the likes of Johns Lyng ((JLG)), Reece, Reliance Worldwide, and Aurizon Holdings ((AZJ)).

I intend to dig deeper into results for individual companies in Thursday's Part Two, Rudi's View update.

Early trading in September suggests the market's mindset remains set on portfolio rotation into the New Winners (i.e. yesteryear's laggards of resources and smaller caps).

Historically, September and October can be tricky months to navigate, but with so many changes occurring and plenty of potential catalysts either way, it's probably not too much of a luxury to hold some of the portfolio in cash.

To be followed up on Thursday.

FNArena's Corporate Results Monitor: https://fnarena.com/index.php/reporting_season/

Do note: paying subscribers have access to all reviews, stats and data from all previous seasons going back to August 2013.

Review All-Weather Model Portfolio

The financial year ending on June 30th 2025 featured the return of Donald Trump in the White House and of extreme market volatility.

The second half of the year also saw doubt creeping into general sentiment towards AI and demand for data centres.

All in all, a gain of 13.85% (pre-fees) for the twelve months is not something to be unhappy about, right?

FY25 review of the All-Weather Model Portfolio: https://fnarena.com/index.php/download-article/?n=4B38C0EF-A173-8CE6-736A7AFC7B19FC49

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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A subscription to FNArena (6 or 12 months) comes with an archive of Special Reports (21 since 2006); examples below.

(This story was written on Tuesday, 2nd September 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: Catalyst Metals, Dexus, Neuren, Stockland, ResMed & More

In today's update:

-Another August Record: Volatility!
-Greenshoots For Resi
-A-REITs Are Winners
-Gold Bull Awakens
-No Change At Morgan Stanley
-Healthcare Needs A Cure

By Rudi Filapek-Vandyck, Editor

When I finished writing Weekly Insights on Tuesday afternoon, it was my intention to dig deeper into individual companies and performances during the August results season, but time has not worked in my favour on Thursday.

So that idea has now shifted to the next Weekly Insights coming Monday. Meanwhile, below are some of the cherries from analysts' conclusions and responses post August results.

Another August Record; Voilatility!

If your impression is that volatility for Australian equity has seldom been as high during results season as in the past month, you're most likely on the mark.

Some statistics gathered by analysts at **Wilsons**:

-Average post-result intraday trading range 7.7% (a record)
-Circa 50% of ASX200 constituents experienced share price moves of 5% or more
-Some 30% of on-the-day share price moves exceeded 10%

Among the heaviest hit were large caps James Hardie ((JHX)), down -25%, CSL ((CSL)), down -21%, WiseTech Global ((WTC)), down -15%, Amcor ((AMC)), down -11%, and Woolworths Group ((WOW)), down -9%.

August results triggered a number of changes for Wilsons' **Focus Portfolio**.

On reduced confidence, exposure to CSL has been downgraded (by half) while no confidence was left after James Hardie's newest debacle, so all shares in that company have been divested.

Winners already in the Portfolio that saw their weighting increased; Goodman Group ((GMG)), ResMed ((RMD)) and Pinnacle Investment Management ((PNI)).

Post August, the Portfolio's largest overweight positions are ANZ Bank ((ANZ)), ResMed, Pinnacle Investment Management and Goodman Group.

Other high conviction holdings currently include Stockland ((SGP)), CAR Group ((CAR)), WiseTech Global ((WTC)), Xero ((XRO)), The Lottery Corp ((TLC)), and Brambles ((BXB)).

From a sector perspective, the Focus Portfolio's largest overweights are in Consumer Services, Technology and Real Estate.

Banks remain underweighted through no exposure to CommBank ((CBA)) or National Australia Bank ((NAB)),

with the analysts referring to valuation concerns and uncompelling growth.

Greenshoots For Resi

One of the greenshoots that emerged from the August reporting season is a renewed uptrend in residential property development and the general consensus seems to be that Stockland ((SGP)) is the best option available on the ASX to seek leverage to the theme.

As mentioned above, Wilsons' Model Portfolio added the stock following the release of FY25 financials in August. Sector analysts at **Morgan Stanley** too have articulated their preference for Stockland over Mirvac Group ((MGR)), though both should be natural beneficiaries.

Depending on how strong exactly the sector upswing will prove to be, and further RBA rate cuts might prove influential in this regard, but Morgan Stanley suggests both companies should achieve guidance for the year ahead, with risk to the upside.

Stockland is preferred because it has a relatively higher exposure to the residential segment, construction risk is deemed lower and the shares are trading on a cheaper valuation.

A-REITs Are Winners

Another sector that marked August as a true 'come back' experience are **ASX-listed REITs**. Jarden's sector analysts report "there is much to be excited about".

Not unimportant: **Jarden** is counting on two further RBA rate cuts over the coming 6-9 months.

Among the positives cited are transaction volumes picking up, cap rates starting to move down while rental/price growth, helped by limited supply across most asset classes, is driving up asset values. Also: balance sheets across the sector are in good shape and most REITs have a range of capital management options to fund the next leg of the growth cycle.

Jarden's post-August sector update includes no fewer than 16 fresh price targets and four rating changes. The over-riding conclusion is there should be ample of opportunity to achieve double-digit gains from the sector in the year ahead.

Firstly, the rating changes. Ingenia Communities ((INA)) has been upgraded to Buy from Overweight. Both Abacus Storage King ((ASK)) and Charter Hall Retail REIT ((CQR)) have been upgraded to Overweight from Neutral. Overweight sits in between Buy and Neutral.

The one downgrade went to HMC Capital ((HMC)), former highflyer whose market update flopped in August, with Jarden's rating falling to Neutral from Overweight.

Now over to the sector team's preferences. At this point of the cycle, Jarden continues to like active fund managers in the sector, which in this case reflects well on both Goodman Group ((GMG)) and Charter Hall ((CHC)).

For exposure to residential property through REITs, Jarden's favourite is Ingenia Communities. Again (see also above), Stockland is preferred over Mirvac.

Jarden also likes Self-storage and Arena REIT ((ARF)).

Are all rated Buy:

-Goodman Group
-Ingenia Communities
-National Storage ((NSR))
-HomeCo Daily Needs REIT ((HDN))

Seven more REITs are rated Overweight. Seven others are rated Neutral.

This leaves the following on Underweight:

-Dexus ((DXS))
-Lifestyle Communities ((LIC))
-BWP Trust ((BWP))
-Centuria Office ((COF))
-Charter Hall long WALE ((CLW))

Jarden has currently no Sell ratings in this sector.

Sector analysts at **UBS** are a little less bullish, but still positively biased overall. UBS finds the sector is now much more "fairly" valued, following a positive August experience, but further upside can definitely be achieved on the back of RBA rate cuts or stronger earnings growth "if accretive acquisitions can be equity funded".

UBS has Sell ratings for Vicinity Centres ((VCX)) and Charter Hall. While Goodman Group's FY25 update didn't quite meet high expectations, the shares are still expected to find solid support.

The one key negative market update last month is identified as the one delivered by Centuria Office. Key standout results, as far as UBS is concerned, were released by Centuria Capital Group ((CNI)), Stockland, Lifestyle Communities, and GPT Group ((GPT)).

This broker's Key Buy ratings are reserved for Dexus, Lifestyle Communities, Centuria Industrial REIT ((CIP)), BWP Trust, and National Storage.

Gold Bull Awakens

The local gold mining sector crowned itself as one of the stand-out performers in August. A renewed uptrend for the price of bullion provided the necessary trigger as the world's anxiety grows (yet again) about how governments in Europe and inside the Whitehouse plan to finance their budget deficits.

Analysts at **Morgans** see plenty of evidence a fresh bull market for the sector is unfolding. Among the signals: significant capital flowing into small and micro-cap equity exposures.

Morgans has lifted its long-term bullion price forecast to US$2500/oz from US$2200.

And now for the tricky part; amongst the many (and strong) share price rallies, which ASX-listed gold miner/explorer/developer is still a comfortable Buy?

Morgans prefers Northern Star ((NST)) over Newmont Corp ((NEM)), Catalyst Metals ((CYL)) among MidCappers, and rates alternative favourites Meeka Metals ((MEK)) and Minerals 260 ((MI6)) both as Speculative Buys.

A few days ahead of Morgans' update, gold sector analysts at **Macquarie** had equally switched their preference among large caps to Northern Star from Newmont.

Among MidCaps, Macquarie prefers Genesis Minerals ((GMD)) and Vault Minerals ((VAU)).

Only one Underperform rating is currently active at Macquarie and it's reserved for Evolution Mining ((EVN)).

No Change At Morgan Stanley

In contrast with Wilsons' Focus List (above), **Morgan Stanley's Australia Macro+ Focus List** has seen no changes since April this year.

Hence, the ten stocks included remain (note the continuous inclusion of James Hardie):

-Aristocrat Leisure ((ALL))
-ANZ Bank
-Car Group
-Goodman Group
-GPT Group
-James Hardie
-Orica ((ORI))
-Santos ((STO))

-Suncorp Group ((SUN))
-Xero

Healthcare Needs A Cure

The title of most disappointing sector in August goes to Healthcare and analysts at **Wilsons**, for one, report they cannot remember a time when the disparity between companies in the sector they like or dislike has been as stark as post August 2025.

Wilsons number one sector favourite --"far and away"-- is ResMed, with Fisher & Paykel Healthcare ((FPH)) a distant second.

During August, Wilsons upgraded Pro Medicus ((PME)) to Overweight. Cochlear ((COH)) is believed to be cum downgrade.

And while the analysts are happy to keep CSL on Marketweight, they'd hoped to become more positive on each of Ramsay Health Care ((RHC)), Monash IVF ((MVF)) and Healius ((HLS)), but were disappointed, yet again.

Other favourites are Neuren Pharmaceuticals ((NEU)), Clarity Pharmaceuticals ((CU6)), Clinical Labs ((ACL)), and Somnomed ((SOM)).

Healthcare sector analysts at **Canaccord Genuity** have identified their candidates for a re-rating over the year ahead. Ahead of the plans to merge with Wilsons, Canaccord's focus is still very much on the smaller end of the ASX.

Key stocks to potentially re-rate over the next 6 months:

-Botanix Pharmaceuticals ((BOT))
-Clarity Pharmaceuticals
-Integral Diagnostics ((IDX))
-PYC Therapeutics ((PYC))

Key stocks to potentially re-rate over the next 12 months:
-EBR Systems ((EBR))
-Immutep ((IMM))
-Imricor Medical Systems ((IMR))
-Neuren Pharmaceuticals

P.S. Whenever **RBC Capital** releases a list of international key picks for exposure to energy it standard features Woodside Energy ((WDS)). That has not changed.

(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.)

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.

P.S. II - *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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SMALL CAPS

Re-Rating Aussie Broadband's Growth Outlook

While FY25 results and FY26 guidance from Aussie Broadband pleased analysts, a newly announced wholesale deal takes centre stage.

-Aussie Broadband 'beats' on FY25 and FY26 guidance
-Broadband market share set to jump on new wholesale deal
-Cost and productivity gains, loss-making Buddy sold
-Valuation discount to Superloop excessive, says Wilsons

By Mark Woodruff

FY25 results for Australian telco challenger Aussie Broadband ((ABB)) beat market expectations, with FY26 earnings guidance signalling a substantial step up from the year past.

Adding further momentum, management announced a significant new wholesale agreement with two challenger telcos and confirmed the divestment of the company's loss-making budget brand, Buddy.

Jarden adds the financial update equally featured stronger-than-expected cost and productivity discipline.

Management removed -$11m of staff costs no longer required for revenue-generating activities (stranded labour) and delivered $6m of Symbio synergies.

Aussie Broadband is positioned as a customer-centric integrator, sitting on top of the National Broadband Network (NBN) foundation, and augmenting its market positioning with its own network assets and services rather than bypassing the NBN.

The core business spans multiple segments: Residential (broadband internet for households, often bundled with VoIP phone and mobile plans), Business/Enterprise & Government (connectivity and managed network solutions for organisations), and Wholesale services, which provides network and voice services to other telcos and partners.

While Residential broadband accounted for about 57% of FY25 revenue, management is steadily diversifying: business and enterprise clients contributed circa 17% of revenue in FY25, and wholesale/voice operations (including Symbio) make up a growing share.

While the company ranks as the fourth largest retail service provider (RSP) in Australia overall, it is the third largest for higher-speed plans, where demand is expected to grow steadily.

FY25 results

Analysts at Wilsons highlight broad-based growth in FY25, with Residential, Business and Government & Enterprise all growing between 11-16%, while Wholesale grew 23% and Symbio was flat (pro-forma).

Macquarie points to the strength of Aussie's core Residential business from NBN churn, with Residential gross profit growth of 15% year on year, with other segments performing relatively in-line.

Also, the earnings contribution from Enterprise & Government is beginning to reflect recent investment. This segment is seen as a key growth pillar going forward by Ord Minnett.

Underlying earnings in FY25 for all three segments combined grew by 14.7% on FY24 to $138.2m, the top end of the guidance range, with management citing diversified segments and products as the foundation for 18.7% revenue growth.

Underlying profit (NPATA) rose by 6.5% to 55.8m.

FY26 earnings guidance for between $157-$167m implies an increase of 13.6-20.8% on FY25.

Capex in FY26 will be between -$55-$60m, which at the midpoint is -$19.5m lower than in FY25, likely due to

excess capacity becoming available on the network following the migration of Origin Energy ((ORG)) whitelabel customers, suggests Wilsons.

Other FY25 highlights include 788,000 broadband connections across the group, a rise of 104,000 from June 2024, along with a 35,000 increase to 216,000 customers in mobile services.

New Wholesale agreement

The new wholesale agreement announced by Aussie Broadband is a six-year deal to provide NBN network services to More Telecom and its jointly operated company, Tangerine Telecom.

More will migrate its network across to Aussie Broadband from Vocus Communications, set to complete in 2H FY26, with a meaningful contribution to Aussie's earnings crystallising from FY27.

As the new agreement potentially fills the void left by the loss of Origin Energy as a major wholesale customer (that deal was scooped up by competitor Superloop ((SLC)) in 2024), the broker is upbeat around Aussie's growth trajectory particularly given More's exclusive partnership with CommBank ((CBA)) which owns around 40% of More.

Management expects the agreement to contribute circa $12m of annualised underlying earnings (EBITDA) based on 290,000 connections.

During FY25, Aussie attained an 8.4% broadband market share of on-net NBN services.

At 8.4%, Wilsons notes by adding the More/Tangerine broadband subscriber numbers, that **market share will approach circa 11%, fast approaching Optus at around 13%.**

Given the potential for More/Tangerine's growth over time, the analysts suggest the Aussie one-year forward EV/EBITDA valuation multiple of 8.7 times should begin to approximate Superloop's multiple of around 13.2 times.

Put another way, the valuation discount to Superloop is seen as excessive given the More Telecom contract provides a similar growth opportunity as was the case with the Origin Energy contract.

Macquarie agrees the new Wholesale win is a re-rate catalyst, suggesting further share price upside from a multiple re-rate. This broker sees scope for further customer additions and notes enhanced diversification.

Speed changes & Aussie vs Superloop

Citi believes Aussie is likely to be a net beneficiary of upcoming speed changes to be implemented in mid-September which should more than offset headwinds from elevated churn after widespread promotions across the industry.

In anticipation of these changes, Aussie launched its "Pro" range of services last August for 250/100, 500/200 and 1,000/400 (download/upload, Mbps) speed tiers to build both brand and awareness.

UBS recently noted both Aussie and Superloop offer defensive cash earnings growth at attractive growth-adjusted valuations, making them suitable to hold both in a portfolio.

On this broker's valuation metrics, Aussie Broadband and Superloop are similarly priced, but UBS now reverts back to favouring Superloop, citing the competitor's stronger organic growth and upside from Smart Communities.

In FY25, leverage decreased by -0.2 times to 0.9 times, well below Aussie management's target of between 1.75-2.50 times. Macquarie believes balance sheet deployment into M&A is possible. This is why an expansion of the existing share buyback is considered unlikely.

The board declared a final fully franked dividend of 2.4 cents.

Aussie Broadband further explained

Aussie's fixed-line internet is primarily delivered via the NBN and certain alternative fiber networks (e.g. OptiComm), complemented by mobile services through an Optus Mobile Virtual Network Operator (MVNO) agreement, leveraging Optus' 4G and 5G networks.

Telstra Group ((TLS)), Optus and TPG Telecom ((TPG)) operate as Mobile Network Operators (MNOs), with market shares of around 42%, 28% and 17%, respectively, owning and managing their own extensive telecommunications infrastructure.

Symbio

Communication SaaS provider Symbio remains core to management's growth aspirations in the Wholesale segment.

In February last year, Symbio was acquired to supplement existing offerings by focusing on unified communications, voice, and messaging services. An earlier integration of Over The Wire bolstered offerings in managed security and cloud hosting.

Management describes a "successful" integration of Symbio with $6m of synergies in FY25. For the period, Symbio delivered earnings of $39.4m, 35% growth on a pro forma basis.

Outlook

Macquarie sees further share price upside from a multiple re-rate (10%), driven by More/Tangerine contract earnings, which have a lower cost of customer acquisition. Customer growth is robust, and the balance sheet is underutilised, the broker notes.

The average target price in the FNArena database for Aussie Broadband jumped to $5.95 from $4.76 following FY25 results, implying circa 16% upside to yesterday's $5.14 share price.

Four daily covered brokers all rate the stock a Buy. On the back of recent share price strength, Ord Minnett has downgraded to Accumulate, midway between Buy and Hold in its rating hierarchy.

Outside of daily coverage, Wilsons (target $6.85) is Overweight-rated and Jarden has downgraded to Neutral from Overweight after raising its target to $5.30 from $4.50.

Key downside risks, according to Jarden, include increasing price competition from incumbents and the use of alternate technology types such as Fixed Wireless Access (FWA).

The latter is a type of broadband technology which delivers high-speed internet using wireless radio links instead of fixed-line connections like fibre or copper.

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

SMALL CAPS

Dicker Data: Asia, SMBs, Margins & AI Megatrend

Interim results and 2025 guidance for Dicker Data pleased. A recovery in SMB business spending could present upside risk for margins.

-Dicker Data's interim results and FY25 guidance beat expectations
-Strengthening profit margin supports guidance for further margin increase
-Outlook centres around early-stage Asian expansion, cybersecurity growth, and AI PCs
-Macquarie notes rising mid-market competition

By Mark Woodruff

Interim results for specialist hardware distributor and SME services provider Dicker Data ((DDR)) exceeded market expectations, while the 2025 guidance range for profit before tax came in ahead of consensus.

Pleasingly, the profit before tax (PBT) margin improved to 3.3% in May/June, up from 2.9% in the first four months, giving credibility to the initial 2025 guidance of 3.2-3.4%, suggests Morgan Stanley.

Dicker Data offers a broad range of hardware, software, cloud services, cybersecurity, and emerging technology products on behalf of over 70 global and local vendors. The company sells exclusively to a network of thousands of IT resellers and integrators (over 10,000 active partners across Australia and New Zealand) rather than to end-users.

Key vendor partnerships include many of the world's leading technology brands. Well-known brand names such as Microsoft, HP, Cisco, Lenovo, and Dell are consistently among Dicker Data's top five vendors by sales.

This channel-focused model, combined with value-added services (like pre-sales engineering and training), has positioned Dicker Data as a leading value-added distributor in the A&NZ Information Technology markets.

Interim gross revenue increased by 15.7% to $1,840.50m driven by an accelerated PC refresh, supported by Windows 10 end of support, explained management, and meaningful large-scale AI-related transactions invoiced during the period.

The Windows 10 operating system will end from October, and AI-enabled devices are steadily emerging as the next essential upgrade for consumers and businesses alike.

In the first half, Dicker Data was selected (in partnership with Dell Technologies) to supply the technology for Australia's first sovereign AI compute facility, known as the A1-F1 "AI factory" in Melbourne.

The first stage of this AI datacentre project was delivered during the period and made a significant contribution to revenue.

AI demand, driven primarily by data centres rather than end-user devices, represents incremental growth on top of existing infrastructure needs, explains Wilsons.

The broker adds the scale of hardware required is vastly larger than today's data centres and it involves high-end, premium-priced equipment that directly benefits Dicker Data.

In other words, enterprises and cloud providers still need the usual servers, networking, and storage, but AI adds an entirely new layer of requirements.

The key caveat is timing, note the analysts, meaningful orders will only flow once new data centres are constructed and operational.

According to data from Microsoft, Dicker Data continued to lead the Australian device market in the first half of 2025, with June marking the tenth consecutive month of growth in device sales.

Margins to turnaround?

Unfortunately, small to medium-sized business (SMB) device sales have remained soft. This previously prompted a strategic switch by management to focus on lower-margin enterprise customers.

As noted above and previously explained at https://fnarena.com/index.php/2025/07/02/rudis-view-dicker-data-stock-in-focus/ Dicker Data is formally known as a specialist IT hardware distributor, but its offering extends well beyond hardware.

By working through resellers, the company has traditionally focused on small to mid-sized enterprises, providing tailored support rather than chasing large-volume retail contracts.

While global distributors like Ingram Micro compete for bulk deals with Harvey Norman ((HVN)) and JB Hi-Fi ((JBH)), Dicker Data aims to help smaller businesses migrate to the cloud, strengthen their cybersecurity, and access a broader suite of IT solutions.

In early 2025, the company inked a new distribution agreement with CrowdStrike, a global cybersecurity leader, giving Dicker Data's partners access to CrowdStrike's Falcon endpoint security platform.

According to UBS, cyber software is "booming" with CrowdStrike still ramping-up, helping underpin the broker's "solid outlook" for Dicker Data.

Other vendors added by Dicker Data in the past year include BMC Software (enterprise IT software solutions) and VAST Data (data storage technology) to bolster the Advanced Solutions lineup. In the Consumer and Retail Technology segment, Dicker Data also brought audio and gaming brands like Urbanista and Glorious Gaming.

These additional services are key to the higher margin the company enjoys.

As a result of ongoing soft conditions for smaller-sized businesses, the interim gross revenue margin of 9.1% was weaker than the 9.85% in FY24, attributed to a larger proportion of sales into enterprise customers with lower margins.

Notably, enterprise hardware deals (including AI-focused infrastructure sales) boosted revenue but carry thinner margins than your typical SMB transaction.

UBS estimates the company's sales mix is now roughly 10% small business, 70% mid-market and 20% enterprise, compared with 20% small business and 10% enterprise previously. This shift implies to the broker around -$300m in lost small business sales.

Investors will be pleased to hear management is focused on optimising product mix and cost efficiencies to protect margin.

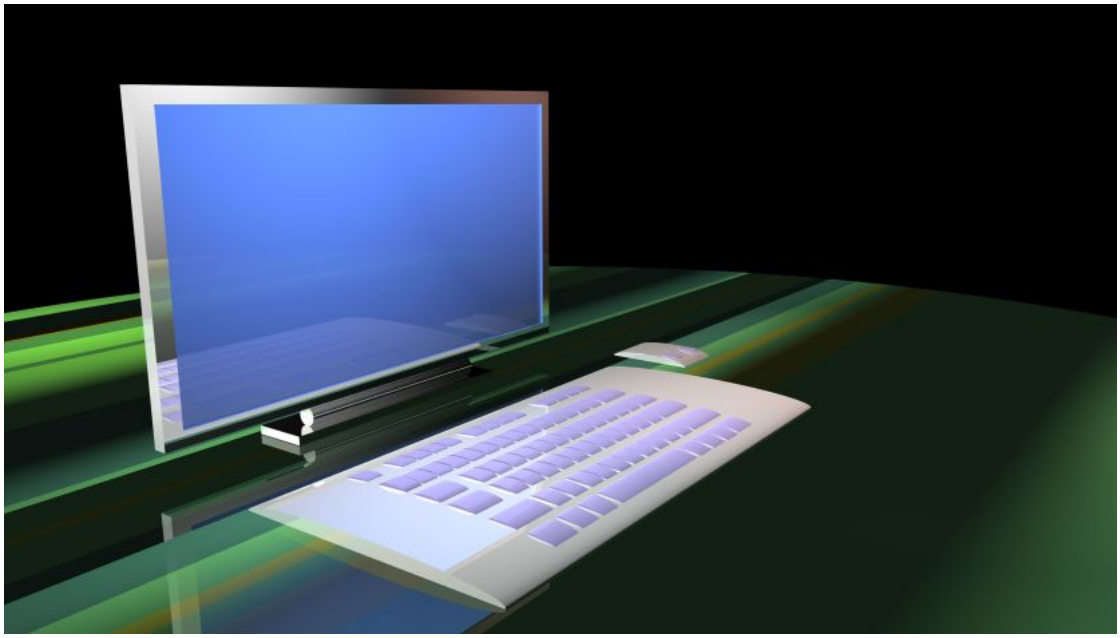
Jarden sees a recovery of SMB business presenting upside risk to its forecasts through gross margin improvement. Interest deleverage is also likely to drive margin increase, suggest the analysts.

The company's provision of credit services results in a sizeable debt burden, making its earnings highly sensitive to interest rate movements, which directly affect the cost of carrying that debt.

Jarden also expects a New Zealand economic recovery to provide positive leverage and support margin improvement.

The board declared a quarterly dividend of 11 cents, taking the total dividend for the first half to 22 cents.

Dicker Data is fairly unique in that it distributes 100% of its earnings or free cash flow to shareholders, paid quarterly and fully franked.



More on FY25 results

Earnings (EBITDA) and net profit before tax (PBT) rose by 9.4% and 11.4%, respectively, to $75.4m and $56.6m.

FY25 guidance is for gross revenue of between $3.7-3.8bn (a 10-13% increase on FY24) and a net pre-tax profit number in the range of $120-124m.

According to Executive Chair Fiona Brown “execution across all segments was pleasing, with each key product category growing in the first half”.

By country, the Australian and New Zealand businesses delivered respective gross revenue increases of 18% and 4.9% to $1,548.90m and $291.7m.

Outlook

Some investors may feel uneasy following founder David Dicker’s resignation as CEO and his full exit from the share register in late August. Offering stability, co-founder Fiona Brown (David’s spouse and long-serving Executive Director) has stepped in as Executive Chair, while day-to-day operations are overseen by a three-member team of experienced Dicker Data executives.

Neutral-rated Macquarie notes rising mid-market competition, including one-tier reseller models like Data#3 ((DTL)) after Microsoft’s Enterprise Incentive changes in January this year, poses a medium-term risk. Offsetting this, early-stage Asian expansion, cybersecurity growth (CrowdStrike), and AI PCs provide margin-accretive tailwinds.

Following interim results, the average target of three daily monitored brokers in the FNArena database increased to $9.98 from $9.65, implying around 2.4% upside to the share price at the time of writing.

Morgan Stanley and UBS have Buy (or equivalent) ratings while Macquarie is currently Neutral.

Outside of daily coverage, Wilsons eased its target to $11.06 from $11.07, maintaining an Overweight rating, while Buy-rated Jarden increased its target to $11.20 from $11.00.

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

Weekly Ratings, Targets, Forecast Changes - 29-08-25

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 August 25 to Friday August 29, 2025
Total Upgrades: 25
Total Downgrades: 44
Net Ratings Breakdown: Buy 58.45%; Hold 32.70%; Sell 8.85%

In the last week of the reporting season, ending Friday, August 29, 2025, FNArena tracked twenty-five upgrades and forty-four downgrades for ASX-listed companies from brokers monitored daily.

During results season, this article aims to provide commentary on the tables below while also complementing **FNArena's Corporate Results Monitor,** which keeps track of all the beats, misses, and in-line results at https://fnarena.com/index.php/reporting_season/

In common with the Monitor, the positive change to average earnings table reflects earnings 'beats' for 29Metals, Mineral Resources and Neuren Pharmaceuticals and 'misses' for Megaport, Telix Pharmaceuticals, Monash IVF, and Aurelia Metals.

As was the case in the prior week, the size of percentage rises in average target prices outweighed reductions.

Positive changes to average targets also arose from earnings 'beats' by Zip Co, Codan, Tabcorp Holdings, Aussie Broadband, Eagers Automotive, Lovisa Holdings, and Cobram Estate Olives.

Negative changes to targets reflect disappointments from Reece, Guzman y Gomez, Inghams Group, Domino's Pizza Enterprises, and Woolworths Group.

Zip Co's average target price rose by 37%, the largest move, after EPS forecasts for FY26 and FY27 of three daily covered brokers in the FNArena database jumped by 33% and 66%, respectively.

On the flipside, Reece suffered the largest fall in consensus target after its earnings forecast for FY26 was reduced by just over -14%.

Seven of the ten upward revisions to targets align with results that beat expectations, while the same ratio of downward revisions corresponds to disappointments.

Increases in earnings forecasts outpaced reductions. It should be noted, however, we are no longer comparing apples with apples, as some of the upward moves stem from brokers rolling forward their financial models to FY26 forecasts (companies having released FY25 financials).

The earnings tables show the biggest increase to forecasts was reserved for Lynas Rare Earths, despite a

reporting seasons 'miss' (see Monitor for commentary), while Megaport received the largest decrease in earnings forecasts.

Lithium miners IGO Ltd and Pilbara Minerals appear in the earnings upgrade table, despite disappointing against expectations in the reporting season, helped by higher commodity pricing forecasts by UBS.

This broker has yet again raised its forecasts for lithium to US$1,250/1,150/1,350/t for 2026-28 versus spot of US$940/t "driven by Chinese supply disruptions and potential for more".

Pilbara Minerals remains Macquarie's preferred lithium producer given its operating leverage and solid balance sheet. This analyst sees upside from both productivity improvements and cost-out programs at the Pilgan operation, the company’s flagship mine located at Pilgangoora in Western Australia’s Pilbara region.

At first glance, the positions of Paladin Energy and Stanmore Resources in the earnings upgrade table appear at odds with their respective reporting of financials.

Positively, management at Paladin assigned a valuation of US$1.325bn to the company’s Patterson Lake South project, prompting Shaw and Partners to upgrade its own valuation to US$1.088bn from US$917m.

Also, UBS has turned incrementally more bullish on uranium, suggesting the U3O8 spot price has plateaued near US$75/lb and fundamentals are improving.

Ord Minnett considers Paladin its top uranium growth pick under the broker’s coverage on the ASX, with production forecast to reach circa 17mlb annually by FY33, a 24% compound growth rate from FY25.

For Stanmore Resources, here the percentage uptick in average earnings forecast was exaggerated by the small forecast numbers involved.

Ord Minnett noted profit was better than expected due to lower depreciation, while cash of US$181m was in line with debt at US$272m, slightly lower than anticipated.

Apparent aberrations in the earnings downgrade table relate to NextDC, Cobram Estate Olives, and Perseus Mining, which all exceeded expectations during reporting season.

NextDC’s FY25 results were positively received, with the majority of earnings upgrades by brokers relating to FY27 due to a faster than expected ramp up in billing. Shorter-term, higher spending weighs on forecasts.

Similarly, the positives for Cobram Estate Olives are expected further out. In the US, pricing and mix are expected to provide tailwinds, noted Shaw and Partners, with significant supply expected from FY27-29 from maturing groves. The company’s average target price increased by nearly 20% last week in anticipation.

For Perseus Mining, UBS explained FY26 will be an investment year with lower production, higher costs, and negative free cash flow due to funding of the Central Ashanti Mine in Ghana and the Nyanzaga gold project in Tanzania.

Separate to reporting season, management at Nufarm (September year-end) issued a trading update where metrics came in slightly below consensus across most measures, noted Macquarie, including leverage guidance, net debt, and implied earnings.

Operationally, the analyst assured investors conditions are broadly unchanged versus the first half, with AgChem earnings momentum continuing amidst margin improvement across "most markets".

Bell Potter also noted Nufarm’s balance sheet is trending better on leverage despite higher absolute debt, leaving its 12-month target price unchanged at $3.45.

Sigma Healthcare received two upgrades by separate brokers following its maiden FY25 result as a merged entity with Chemist Warehouse which represents a full twelve months’ contribution from Chemist Warehouse and four and a half months of Sigma.

Store count and synergies grew as explained at
https://fnarena.com/index.php/2025/08/29/sigma-healthcares-four-pillars-of-growth/

Following an earnings beat, the average target for Lovisa Holdings rose by around 20%, but the retailer received three downgrades from brokers upon a rapidly surging share price.

Elsewhere, Fortescue and Lynas Rare Earths received respectively three and two downgrades, after their respective earnings releases disappointed.

Total Buy ratings in the database comprises 58.45% of the total, versus 32.70% on Neutral/Hold, while Sell ratings account for the remaining 8.85%.

Upgrade

ALCIDION GROUP LIMITED ((ALC)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 1/0/0

Alcidion Group's FY25 revenue of $40.8m rose 10% year-on-year, in line with Bell Potter's forecasts, driven by the $8.4m upfront licence fee from the National Crime Information Center (NCIC) contract.

Earnings (EBITDA) of $4.8m delivered a $9.4m turnaround from FY24, beating both guidance (of above $4.5m) and the broker's $4.7m forecast, supported by higher margins and a $0.9m currency benefit.

The group ended June with $17.7m cash and no debt, delivering its maiden profit on the back of the NCIC hospital contract, explain the analysts.

FY26 guidance includes being earnings and operating cash flow positive in FY26 and recognition of $140m contracted revenue through to 2030.

The broker makes modest forecast reductions, raising forecasts for operating expenses and depreciation. The target price remains unchanged at 13c. Bell Potter upgrades to a Buy rating from Hold.

ALKANE RESOURCES LIMITED ((ALK)) Accumulate by Ord Minnett .B/H/S: 2/0/0

Alkane Resources delivered a slightly softer FY25 result than expected by Ord Minnett, with earnings (EBITDA) of $93m compared to the broker's $103m forecast due to higher administrative and operating costs.

The accounts reflected Alkane only, with the merger with Canadian-based Mandalay Resources completed after June 30.

The broker believes attention now shifts to the combined outlook due in September, with expectations for 157koz of gold in FY26 at costs (AISC) of -$2,921/oz and -$32m of growth capex. Production is forecast to rise to 175koz in FY27.

The analysts' earnings forecasts have been lowered to account for higher costs and increased depreciation assumptions at Tomingley, though this is offset by a lower tax figure.

Ord Minnett's $1.00 target price and Accumulate rating remain unchanged.

ACCENT GROUP LIMITED ((AX1)) Upgrade to Buy from Hold by Morgans .B/H/S: 5/0/0

Accent Group's FY25 EBIT was down -0.2% but came at the upper end of the $108-111m guidance, Morgans notes. Sales growth in 2H was down -1.7% y/y but had worsened in the final 3 weeks to -6% decline from -2.5% in the 23 weeks prior.

On the positive side, sales momentum improved in FY26 with a 0.8% y/y rise in the first seven weeks. However, the FY26 EBIT guidance of high to mid-single digit growth disappointed.

The broker cut FY26 EBIT forecast by -2% to match the guidance, estimating -3% lower revenue on lower store openings.

Target price trimmed to $1.65 from $1.85. Rating upgraded to Buy from Hold.

BEACON LIGHTING GROUP LIMITED ((BLX)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 3/0/0

Beacon Lighting missed FY25 earnings expectations with net profit after tax below Morgans' estimate by -6.6% and -2.3% lower than consensus. Like for like sales of 1.5% growth came in under forecast by -2%.

Sales accelerated into 4Q25, the analyst suggests around 3% growth with mixed performance across states. Qld, WA and SA robust, and NSW, VIC soft. Trade sales were a positive, up 24% and representing 40% of "all relevant sales" for FY25.

Gross margin rose 20bps to 69%, a beat as the mix switched to trade and was viewed as a good result given promotional activity.

Morgans lowers its net profit after tax forecasts by -9% and -7% for higher D&A and interest cost assumptions.

The company is well positioned for a turnaround in consumer sentiment, and with only 6% of the $2bn trade market for lighting & fans there is considerable scope for market share growth.

Stock is upgraded to Accumulate from Hold. Target rises to $3.80 from $3.55.

BRAMBLES LIMITED ((BXB)) Upgrade to Hold from Trim by Morgans .B/H/S: 2/4/0

Morgans described Brambles' FY25 result as solid, delivered amid a challenging macroeconomic backdrop

especially in the US. Sales missed the broker's forecast by -1% but EBIT was 2% ahead.

Like-for-like volumes fell -1% y/y but the momentum improved in 4Q25, with net new business growth of 3%. The broker expects this to bode well for FY26 outlook.

For FY26, the company expects 3-5% sales growth in constant forex terms, and the broker is forecasting 4%. The broker reckons margin expansion remains key with FY28 margin improvement upgraded to 300bps vs FY24 from 200bps before.

The broker lifted FY26-28 EBIT forecast by 5-7% on higher confidence in the company's execution. Rating rises to Hold from Trim.

Target increases to $25.70 from $19.75.

COLES GROUP LIMITED ((COL)) Upgrade to Buy from Hold by Bell Potter .B/H/S: 6/1/0

Coles Group's FY25 underlying net profit of $1.104bn beat Bell Potter's forecast of $1.077bn. Revenue and EBITDA were largely in line.

The broker notes the underlying result absorbed -$111m in supply chain implementation and duplication costs, and non-recurring revenue linked to liquor.

Supermarket like-for-like sales grew 4.7% y/y in the first 8 weeks of FY26 while liquor business saw flat growth. Store numbers are expected to increase by 10 while liquor store numbers are expected to decline by -6.

FY26 net profit forecast unchanged but FY27 lowered by -3%.

Target rises to $24.40 from $22.10 on roll-forward and lower net debt. Rating upgraded to Buy from Hold.

DOWNER EDI LIMITED ((DOW)) Upgrade to Accumulate from Hold by Ord Minnett .B/H/S: 1/2/0

Following Downer EDI's FY25 results, Ord Minnett raises its target to $7.70 from $6.80 and upgrades to Accumulate from Hold.

The company reported operating earnings ahead of the broker's forecast as $100m in cost savings drove 1.15 percentage points of margin expansion.

A higher dividend payout was declared and a $230m buyback announced.

Management expects FY26 revenue to be flat to -3% due reduced work on the Queensland train manufacturing project and the end of a Victorian contract. This will be partially offset by stronger margins, the broker believes.

DURATEC LIMITED ((DUR)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 3/0/0

Ord Minnett notes Duratec's FY25 revenue came at the bottom end of guidance range and missed its forecast, but EBITDA of $53m was ahead of its $50.6m forecast. Gross profit margin expansion of 130bps aided the beat.

Cash conversion was 98%, helping boost the net cash position to $48.6m, beating the broker's $35.6m forecast.

The highlight was commentary on order book which stood at $390m excluding MSE revenue and eight current ECI projects that could add another $500m. Pipeline was strong at $4.16bn.

Target rises to $1.95 from $1.80. Rating upgraded to Buy from Accumulate.

EVT LIMITED ((EVT)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 3/0/0

EVT Ltd reported a 13% rise in net profit after tax to $39.3m, which missed Ord Minnett's forecast of $43.9m, with management stressing the cinemas business performed well against a lack of blockbuster releases and cyclone disruptions.

The cinema line-up for FY26 is looking much better, but as the analyst states, forecasting this division remains challenging.

Hotels remain a bright spot, with a positive medium-term outlook. The higher construction costs post-covid should boost the value of existing hotels, with higher room rates.

Fair value for its property portfolio was unchanged at $2.3bn, with asset sales of -$310m since the previous estimate.

Ord Minnett lowers its EPS estimates by -10% for FY26 and -12% for FY27. The target slips to $17.09 from $18.94.

The stock is upgraded to Buy from Accumulate, given the fall in the share price and an ongoing positive 12-month outlook.

GOODMAN GROUP ((GMG)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 4/2/0

Goodman Group's FY25 operating EPS (OEPS) grew 9.8% y/y, beating guidance but was in line with Morgans' forecast and the consensus.

FY26 guidance is for 9% OEPS growth which the broker thinks is conservative as the REIT typically upgrades guidance through the year, though it didn't do so in FY25.

The broker notes data centres now account for 57% of work in progress, expecting this to drive production rate over the medium term, while noting commencement yields are 9.2% vs portfolio average of 7.5%.

The backdrop for logistics is soft but supported by supply constraints in key markets. The broker cut FY26 OEPS forecast by -1% and FY27 by -4%.

Target rises to $38.40 from $37.20 on lower cost of debt assumption. Rating upgraded to Accumulate from Hold.

HELLOWORLD TRAVEL LIMITED ((HLO)) Upgrade to Buy from Hold by Morgans .B/H/S: 2/1/0

"Through the worst of it" is how Morgans describes Helloworld Travel's FY25 results. Earnings (EBITDA) fell -16.2% on FY24, but a stronger 2H25 beat expectations.

Commentary explains the company was impacted by market volatility and economic uncertainty in FY25, as well as an unfavourable mix of more short/medium haul to Asia versus long haul to Europe against a year earlier.

No FY26 guidance was offered, but a stronger year is expected. The company pointed to strong forward bookings for the second half of 2025 and into 2026. Air bookings for FY26 departures are up 11% on the prior year.

Helloworld is expecting industry consolidation and will acquire the remaining 50% stake in Mobile Travel Agents.

Morgans raises its earnings (EBITDA) forecasts by 14.6% for FY26 and 14.1% for FY27. The stock is upgraded to Buy from Hold, with the target raised to $2.32 from $1.76.

IGO LIMITED ((IGO)) Upgrade to Neutral from Sell by UBS .B/H/S: 2/1/3

UBS has yet again raised its price forecasts for lithium to US$1,250/1,150/1,350/t for 2026-28 versus spot of US$940/t "driven by Chinese supply disruptions and likely potential for more".

The broker's price target for IGO Ltd has improved to $5.75 from $4.80. Upgrade to Neutral from Sell.

See also IGO downgrade.

INGHAMS GROUP LIMITED ((ING)) Upgrade to Hold from Trim by Morgans .B/H/S: 0/4/0

Inghams Group's FY25 result missed consensus and came at the lower end of guidance following a tough 4Q25 for reasons including loss of Woolworths ((WOW)) contract, shift to lower margin customers and cost-of-living pressures.

The bright spot was New Zealand which saw 12.6% EBITDA growth. FY26 EBITDA guidance for $215-230m is -3-9% below FY25 and well below consensus.

The guidance assumes modest growth in core poultry volume, a slight fall in net selling prices and rise in operating costs. 1H26 is expected to be weak but a rebound is assumed in 2H on early signs of stronger demand from retailer chicken promotions.

FY26 EBITDA forecast downgraded by -11.5% to the bottom end of guidance. Target cut to $3.03 from $3.58. Rating upgraded to Hold from Trim.

LOVISA HOLDINGS LIMITED ((LOV)) Upgrade to Neutral from Sell by Citi .B/H/S: 1/6/0

Lovisa Holdings' FY25 net profit of $86.3m missed Citi's forecast by -5% and consensus by -5.4%, and final dividend of 27c also missed both.

Costs were higher than expected and the broker is forecasting 20% increase in cost of doing business in FY26. Operating leverage will remain an uncertainty until the company is able to extract significant leverage on its fixed cost base, commentary suggests.

A key positive is acceleration in global store rollouts, which makes it difficult to underweight the stock, the broker reckons.

Emerging Australia/NZ competition is a risk, but offset by strength in rest of the world, and potential upside catalyst comes from Claire's situation. FY26 net profit forecast trimmed by -1% but FY27 increased by 3%.

Target lifted to $42.50 from $22.98 on change in valuation methodology to high-growth offshore names. Rating upgraded to Neutral from Sell.

See also LOV downgrade.

MINERAL RESOURCES LIMITED ((MIN)) Upgrade to Buy from Sell by UBS .B/H/S: 4/1/2

UBS double-upgrades Mineral Resources to Buy from Sell following upgrades to its lithium price forecast, reflecting expectations for strict execution of Chinese mining right investigations and resultant supply disruption.

The company's other operational assumptions are unchanged.

After integrating the revised price deck, UBS earnings forecasts rise 51%, 40% and 41% across FY26-28. Target rises to $40.40 from 37.40.

See also MIN downgrade.

NATIONAL AUSTRALIA BANK LIMITED ((NAB)) Upgrade to Overweight from Equal-weight by Morgan Stanley .B/H/S: 1/2/2

ANZ Bank ((ANZ)) did not release a trading update for 3Q25, but Morgan Stanley believes the recent operating trends for the bank have been as positive as for Westpac ((WBC)) and National Australia Bank.

The analyst considers the operating environment has improved for the banks, with low earnings risk and good balance sheets which are healthy and should underpin trading valuation multiples above post-COVID averages.

National Australia Bank is the preferred, while Westpac moves to the least preferred after Commbank ((CBA)).

Target price is raised to $42.50 from $39.80. The stock is upgraded to Overweight from Equal-weight.

Industry View: In-Line.

NIB HOLDINGS LIMITED ((NHF)) Upgrade to Buy from Neutral by Citi .B/H/S: 2/3/1

Following on from yesterday's FY25 result by nib Holdings, Citi raises its target to $8.90 from $6.95 and upgrades to Buy from Neutral.

The stock has rebounded from its lows yet remains reasonably valued, according to the analysts, with a clearer earnings outlook. There is also considered to be potential for a capital boost from the possible sale of nib Travel.

A summary of Citi's initial take on FY25 results follows.

At first take, nib Holdings reported robust FY25 EPS with underlying net profit of $239m, slightly better than consensus at $237m. nib NZ realised a loss of -$2.9m, which was less than the analyst and consensus forecast at -$12m, with 2H25 profit a surprise of $7.2m.

arhi net margins were 7.3% versus guidance at 6%-7%, with gross arhi margin down -120bps on the prior period to 18%. Net margins met expectations.

A final 16c dividend was better than expected by 2c and equals a 71% payout ratio versus the 60%-70% target range.

Citi views the result as strong, with arhi margin boosted by reserve releases but slightly below expectations. The stock is seen as likely to trade sideways on the FY25 result.

See also NHF downgrade.

PILBARA MINERALS LIMITED ((PLS)) Upgrade to Neutral from Sell by UBS .B/H/S: 3/3/1

UBS has yet again raised its price forecasts for lithium to US$1,250/1,150/1,350/t for 2026-28 versus spot of US$940/t "driven by Chinese supply disruptions and likely potential for more".

Pilbara Minerals is considered the best placed for investors ready to play the cycle. Having previously stuck

with a Sell rating, today that rating has been upgraded to Neutral.

Price target shifts to $2.30 from $1.60.

See also PLS downgrade.

QANTAS AIRWAYS LIMITED ((QAN)) Upgrade to Buy from Accumulate by Ord Minnett .B/H/S: 3/3/0

While FY25 profit before tax for Qantas Airways was in line with market expectations, it slightly missed Ord Minnett's forecast.

The airline issued upbeat FY26 guidance, according to the broker. Revenue per available seat kilometre (RASK) is rexpected to grow 3-5% domestically and 2-3% internationally, both stronger than anticipated.

Domestic RASK is supported by high load factors, mining demand and better yield management, explains the analyst, while international RASK benefits from capacity rebuild and improved performance. Strong travel demand is expected to continue into 1H26.

The target price increases to $13.80 from $11.40, and Ord Minnett upgrades to Buy from Accumulate.

REECE LIMITED ((REH)) Upgrade to Equal-weight from Underweight by Morgan Stanley .B/H/S: 1/3/1

Following a further review of Reece's FY25 results, Morgan Stanley lowers its target to $12 from $17 and upgrades to Equal-weight from Underweight as risk/reward is now more balanced. Industry view: In-Line.

While near-term housing weakness persists, the broker notes the company's long-term growth outlook and value proposition remain attractive.

A summary of the broker's preliminary views on results day is outlined below.

Reece reported FY25 earnings (EBIT) of $548m, -20% year-on-year and at the bottom end of its guided range of $548-558m, observes Morgan Stanley.

Revenue of $8.98bn was down -1% versus the prior year but 2% ahead of consensus, while EPS of 49c fell -25% and was -3% below the broker's forecast.

Earnings from A&NZ fell -17% to $339m and were -3% below the analysts' forecast, while US EBIT declined -23% to $209m but was slightly ahead of expectation.

Both regions continue to face soft housing markets, highlights the broker, with activity expected to remain subdued near term.

Management sees a slow recovery in housing, with affordability issues constraining the US market for the next 12 months.

See also REH downgrade.

SIGMA HEALTHCARE LIMITED ((SIG)) Upgrade to Hold from Sell by Bell Potter and Upgrade to Accumulate from Hold by Morgans.B/H/S: 3/2/1

Bell Potter raises its target for Sigma Healthcare to $2.85 from $2.00 and upgrades to Hold from Sell in the wake of FY25 results. The broker's FY26 EPS forecast is raised by 16% due to a better gross margin forecast and lower debt.

Sigma reported FY25 proforma revenue of $9.6bn, within 1% of the analysts' forecast, while earnings (EBIT) of $903.4m were modestly below expectations.

Operating cash flow (OCF) was around $600m, with free cash flow of $590m against gross debt of $890m. Net debt of $752m was -$550m lower than the broker had expected, providing a material uplift to Bell Potter's FY26 EPS growth and equity valuation.

The broker notes like-for-like Chemist Warehouse network sales growth of 10.9% in FY25, with momentum continuing into July. It's felt store network expansion in Australia and overseas remains on track, supported by under-utilised distribution centre capacity.

Management's guidance for synergy cost savings has been upgraded to $100m annually by FY28-29 from $60m, though system integration complexity limits the pace of delivery, cautions Bell Potter.

Following Sigma Healthcare's FY25 results, Morgans raises its target to $3.39 from $3.12 and upgrades to Accumulate from Hold.

Outcomes were broadly in line with the broker's expectations, with revenue up 82% to $6.0bn and EBIT of

$834.5m, slightly above the broker's forecast but just below consensus.

Like-for-like sales across the Chemist Warehouse network rose 11.3%, while profit increased 40% to $579.1m, supported by strong free cash flow (FCF) of $546m. explains Morgans.

A final dividend of 1.3c was declared, and net debt of $752.2m came in below the company's stated range.

The broker highlights synergy targets have been materially upgraded to $100m per year by 2028, up from $60m, primarily from supply chain and corporate cost savings. One-off costs to achieve these synergies will also increase to around -$95-100m.

Management noted FY26 has started strongly with double-digit like-for-like sales growth.

TABCORP HOLDINGS LIMITED ((TAH)) Upgrade to Accumulate from Hold by Morgans .B/H/S: 3/1/0

Tabcorp Holdings' FY25 results beat Morgans' expectations, with Wagering and Media revenue slightly below forecast but offset by $39m in cost savings, 30% above guidance.

The broker raises its target to $1.02 from 75c and upgrades its rating to Accumulate from Hold.

Product initiatives and a 20% lift in digital retail turnover partly offset softer wagering trends, explains Morgans, while Gaming Services is expected to deliver low single-digit growth.

Profit was supported by the first positive equity contribution from Dabble, observes the analyst, while the new Victorian licence delivered $83.7m in earnings (EBITDA).

A 2c unfranked dividend was declared, well above Morgans' forecast, and leverage improved to 1.6 times.

Management guides to FY26 capex of -$120-140m and depreciation and amortisation of -$215-225m, while highlighting national tote reform as a strategic ambition.

TOURISM HOLDINGS LIMITED ((THL)) Upgrade to Buy from Hold by Morgans .B/H/S: 2/1/0

Tourism Holdings Rentals is upgraded to Buy from Hold, with a rise in target price to $2.65 from $2.33.

The company announced FY25 results which largely met revenue guidance, Morgans explains, with 2H25 marked by political and economic uncertainty, which weighed on consumer confidence and impacted RV sales and margins.

Underlying net profit after tax fell -45% on the prior year, yet the Board declared a higher than expected dividend of NZD4c per share as a mark of confidence in the outlook and the company's future.

No formal FY26 guidance was offered, although FY25 was highlighted as a low point, with market conditions seeming to have stabilised. A net profit after tax goal of plus NZ$100m over the next 3-4 years was reiterated.

Morgans raises its EPS forecasts by 1.6% for FY26 and 13.9% for FY27, due to more robust than expected business unit performance.

WESFARMERS LIMITED ((WES)) Upgrade to Neutral from Sell by Citi .B/H/S: 0/3/1

Following a complete review of Wesfarmers' FY25 result, Citi upgraded EBIT forecasts for FY26-27 by around 3%.

The broker notes valuation is high but with no obvious earnings catalyst to justify a Sell rating, it is upgrading the rating to Neutral. Target price rises to $90 from $60.

In the initial review, Citi commented:

Wesfarmers reported FY25 Group EBIT (incl. associates) of $4,186m, in-line with both its own and consensus expectations.

Bunnings and Kmart each beat EBIT forecasts, though slightly. A final dividend of 110 cps was declared, slightly below Citi's 12c estimate.

Additionally, a capital management distribution of $1.50 per share was announced.

The broker finds it an in-line result but doubts whether the reasonable trading update is good enough considering the very strong price action into the result.

The capital management initiative should be taken well, the report concludes.

Downgrade

AUSSIE BROADBAND LIMITED ((ABB)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 5/0/0

Ord Minnett downgrades Aussie Broadband to Accumulate from Buy, due to the recent share price strength.

The analyst raises the target to $5.72 from $4.55, post the telco beating FY25 earnings expectations with EBITDA up 15% and EPS of 15.5c, which was down -4% but above forecast.

FY26 guidance stands at earnings (EBITDA) of $157m-$167m, a 5% upgrade at the midpoint relative to previous forecasts, with a new wholesale agreement to benefit FY27 earnings.

The analyst views FY25 as a turning point, with better earnings quality and lifting return on equity.

The announced sale of loss-making Buddy Telco underpins a notable rise in the analyst's earnings forecasts by removing assumed losses of around -$8m in FY26 and circa -$4m in FY27.

AIR NEW ZEALAND LIMITED ((AIZ)) Downgrade to Sell from Neutral by UBS .B/H/S: 1/0/1

Air New Zealand's FY25 release has triggered a downgrade from UBS to Sell from Neutral. Then broker's valuation has shrunk to NZ55c from NZ63c prior.

Higher operating costs and depreciation have triggered a chainsaw treatment for earnings and dividend forecasts. The broker is also citing delayed capacity recovery and higher airport charges into FY28–FY30.

As for the result itself, FY25 underlying pre-tax profit came in at NZ$189m, broadly in line with UBS, as aircraft availability issues and higher non-fuel costs were partly offset by NZ$129m in engine compensation.

The NZ$62m buyback continues.

UBS adds the shares are still trading at a P/E premium to Qantas and Virgin.

EAGERS AUTOMOTIVE LIMITED ((APE)) Downgrade to Hold from Accumulate by Ord Minnett .B/H/S: 3/3/1

In Ord Minnett's view, Eagers Automotive delivered "strong" 1H25 profit before tax, 7% above the broker's forecast, with revenue of $6.5bn also 'beating' by 9%.

Management now expects revenue growth in 2025 to exceed the original $1bn uplift target, with sales growth closer to $1.8bn.

Eagers sold 34% of all new energy vehicles (NEVs) in Australia in the half, highlights Ord Minnett, reinforcing the company's market leadership.

Order write was 10% above deliveries, with the order bank around four times pre-covid levels, highlight the analysts. Operating expenses as a percentage of revenue fell to 12.1%, while new vehicle market share reached 13.8%.

Margins eased to 16.7% from 18% due to mix, notes the broker, while EasyAuto123 posted a 45% lift in profit.

The target price is raised to $23.50 from $15. Ord Minnett downgrades to a Hold rating from Accumulate on valuation grounds.

ABACUS STORAGE KING ((ASK)) Downgrade to Neutral from Buy by Citi .B/H/S: 0/3/0

The independent board committee at Abacus Storage King has been informed the consortium of Public Storage and Ki Corporation has withdrawn its proposal to acquire the remaining stapled securities in Abacus Storage King.

This development is likely to create short-term downside for the share price, in Citi's view, with the M&A offer no longer on the table.

Self-storage in Australia remains an attractive sector for global capital providers, highlights the broker, supported by strong long-term growth fundamentals.

In Citi's view, a key hurdle for the deal was the need for a higher offer price above net tangible assets (NTA) to secure minority shareholder support.

The broker lowers its target to $1.50 from $1.73 and downgrades to Neutral from Buy.

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

Bendigo & Adelaide Bank reported cash earnings which broadly met Ord Minnett's expectations, boosted by write-backs of credit impairments. The net interest margin was flat at 1.88%, and guidance for FY26 focused on retaining a flat margin.

The bank aims to cut its funding costs via growth in low-rate deposits, which should result in growth of pre-provision operating profit, the analyst explains, due to operating leverage.

The final dividend was as expected. Ord Minnett raises its EPS forecast by 3.8% for FY26 and 1.1% for FY27, which boosts the target price to $11 from $10.50.

The stock is downgraded to Lighten from Hold, as the price has risen by around 7% in August alone.

CLINUVEL PHARMACEUTICALS LIMITED ((CUV)) Downgrade to Hold from Speculative Buy by Morgans .B/H/S: 2/1/0

Morgans downgrades Clinuvel Pharmaceuticals to Hold from Speculative Buy and cuts the target price to $14 from $15 post a slight miss of FY25 results. The company has also been unable to switch the narrative around capital management and disclosures, which places a cap on any upside, and overall the result was a miss and disappointing.

The analyst views the report as "uninspiring" with "pedestrian" commercial sales growth of 6.4% against the global growth in patient numbers and doses, along with US accredited centres at 104 from 85 a year ago.

Positively, the cash pile continued to grow at $224.1m from $198m in 1H25, with the buyback set at only $250k and no increase in dividend. There is a lack of action on capital management and reliance on deposit yields rather than returns on shareholder investment.

Interest income now represents around 18.6% of profits.

DATA#3 LIMITED. ((DTL)) Downgrade to Neutral from Buy by UBS .B/H/S: 2/2/0

UBS has downgraded Data#3 to Neutral from Buy with an increased price target; $8.70 versus $8.10 prior.

The company's FY25 landed ahead at pre-tax profit --beating the broker's estimate by some 7%-- as near-flat opex delivered a 2H beat despite softer Services and the Microsoft reseller-incentive transition weighing on gross profit.

The broker expects a markedly 2H-skewed FY26, with Software rebounding after a weak 1H to drive 8% gross margin growth; cost control endures, while non-staff investments lift opex modestly.

EPS forecasts are lifted +6%/+5%/+4% for FY26–FY28, with DPS +7%/+5%/+4%, while circa -$3m lower interest income limits FY26 pre-tax profit growth to 3%, the broker suggests.

ENDEAVOUR GROUP LIMITED ((EDV)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 0/6/1

Endeavour Group reported slightly weaker than expected FY25 results, with group earnings (EBIT) falling -12%, below Morgans' forecast by -3% and consensus by -2%. Underlying net profit declined by -17%, another miss.

Hotel earnings slightly improved, but soft consumer spending weighed on retail earnings. Looking for positives, the analyst noted robust cash conversion of 110%, up from 108%, due to good working capital management.

The first seven weeks of FY26 have seen Dan Murphy's and BWS sales down -1.3%, with hotels up 4.4%, due to higher transaction volumes.

Commentary suggests a lower interest rate environment should support the consumer over the next 12 months. The strategy under new CEO, Jayne Hrdlicka, remains unknown, with her tenure starting on January 1, 2026.

Target lowered to $4.15 from $4.35. The stock is downgraded to Hold from Accumulate, with limited upside risks seen. Portfolio review is due 2H26.

FORTESCUE LIMITED ((FMG)) Downgrade to Accumulate from Buy by Ord Minnett and Downgrade to Trim from Hold by Morgans and Downgrade to Sell from Hold by Bell Potter .B/H/S: 2/1/3

Fortescue reported FY25 results slightly below consensus as D&A charges were higher, along with larger than expected tax expenses. The final dividend was as anticipated.

Guidance for FY26 production was unchanged, along with unit costs and capex from the June quarter report.

Management highlighted capex would remain elevated as it invests to reach net zero by FY30, including replacing its vehicle fleets.

Post the FY25 results and the seasonal decline in Chinese steel output, Ord Minnett has downgraded its EPS forecast by -5.8% for FY26 and -7% for FY27.

The stock is downgraded to Accumulate from Buy due to the valuation. Target unchanged at $20.

On further analysis, Morgans tweaks its EPS estimates for FY26/FY27 and downgrades the stock to Trim from Hold.

Target moves to $16.60 from $16.50.

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The one comment that stands out from Morgans' early response to Fortescue's FY25 release is: "FMG unfortunately is demonstrating it cannot execute on a magnetite project in its backyard but expects the market to be confident it can deliver capital-intensive global energy innovation with a commercial return – still a bridge too far."

The broker points out energy projects remain an important drag at -US$900m capex/opex guided in FY26, despite little prospect for a meaningful return.

No double guessing, Morgans is not a fan of the company's strategy outside of the iron ore business.

The FY25 itself is labeled "solid", but then the share price valuation is seen as too rich.

Fortescue's FY25 revenue and EBITDA were a slight beat to Bell Potter's forecasts and the consensus.

Commentary suggests context is important as expectations were set low and revenue/EBITDA/net profit were all materially lower y/y.

Record production, good cost control and favourable exchange rate moves were not enough to offset lower realised iron ore price, which was down -18% y/y.

Free cash flow dropped due to higher capex and energy division costs, though on the positive side the analyst discovered the dividend was higher than expected.

The broker is cautious on the outlook as the recent uptick in the iron ore price is unlikely to see any sustained upside. Capex and energy division costs are elevated along with risks of further project delays.

FY26 EPS forecast trimmed by -4% and FY27 by -5%. Target lowered to $17.05 from $17.40. Rating downgraded to Sell from Hold.

GEMLIFE COMMUNITIES GROUP ((GLF)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 2/0/0

Gemlife Communities beat both prospectus and Morgans 1H2025 earnings expectations with net profit after tax up 8.4%, including 119 settlements versus 117 (prospectus) and a 13.3% rise in average dwelling prices and a lift in average weekly site fees of 5.3% on the prior year.

Management reiterated 2025 underlying profit of $86.2m against the analyst's forecast of $90.3m with 333 home settlements targeted.

There are 223 homes under contract and an additional 30 homes under expressions of interest which places the business in a good position to achieve prospectus targets.

Morgans slightly lifts its EPS forecasts by 2% for 2025 and lowers 2026 by -2%.

Target price rises to $5.40 from $5.20. The stock is downgraded to Accumulate from Buy with a positive outlook for residential housing.

HELIA GROUP LIMITED ((HLI)) Downgrade to Underperform from Neutral by Macquarie .B/H/S: 0/0/1

Macquarie stresses Helia Group continues to return capital to shareholders, announcing another special 27c dividend which is estimated to be circa $70m in capital. The group reported underlying net profit after tax of $126m, which was better than expected.

Incurred claims were negative at -$27m for 1H2025, a positive surprise, with 2025 guidance set at negative claims. Cost-out opportunities were mentioned but few further updates around its business review were provided.

Macquarie lifts its EPS forecasts by 14% for 2025 and 8% for 2026 due to lower claims and interest costs after the repayment of Tier 2 debt. Reinsurance costs have also been reduced, offset with a reduction in buybacks.

The analyst changes the valuation method to a dividend discount model to account for the increase in capital returns, with considerable excess capital on the balance sheet.

The stock is downgraded to Underperform from Neutral as the valuation looks excessive. Target price rises to

$4.10 (after dividends paid out).

IDP EDUCATION LIMITED ((IEL)) Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/4/0

While IDP Education's FY25 adjusted earnings were -8% below Macquarie, FY26 cost-out targets and FY26 earnings guidance surprised to the upside.

IELTs revenue was 3% ahead of Macquarie, supported by both slightly better volume and average fee growth, while student placements revenue was 5% ahead, driven by robust price increases of 15%, although somewhat offset by weaker volume.

While Macquarie views the long-term thesis to be intact, the broker sees risks to near term earnings should market volume and market share remain weak.

Downgrade to Neutral from Outperform. Target falls to $6.00 from $6.40.

INFOMEDIA LIMITED ((IFM)) Downgrade to Neutral from Buy by UBS .B/H/S: 0/3/0

UBS comments Infomedia's FY25 landed within guidance, as underlying 2H momentum improved ex-SimplePart and management guides FY26 revenue growth of 4.5–9.5%, which the broker deems conservative.

The broker highlights acceleration in Infodrive and Microcat, early EMEA/US improvements post leadership changes, and CX platform completion in 2H26 as a catalyst.

Commentary also notes DMS integrations and SimplePart renegotiations are still ahead, while Intellegam adds AI optionality. UBS also flags investors may wait on the TPG $1.72 bid outcome expected circa Nov-25.

UBS downgrades to Neutral from Buy and lifts its 12-month price target to $1.85 from $1.75; forecasts are tweaked with EBITDA +1%/-2%/-1%/+1% and EPS raised by 9-14% across FY26–FY29 on lower amortisation.

IGO LIMITED ((IGO)) Downgrade to Sell from Neutral by Citi .B/H/S: 2/1/3

Citi raises its FY26-27 earnings forecasts for lithium producers under coverage on a higher price deck, assuming SC6 at US$900/t through 2H25. The broker notes lithium-exposed stocks have rallied 25-60% this quarter, leaving valuations stretched.

The analysts observe pure-play exposures are currently pricing in US$1200-1370/t compared to spot of US$940/t.

The broker downgrades its rating for IGO Ltd to Sell from Neutral on valuation grounds. Target rises to $4.50 from $4.10.

Neutral-rated Pilbara Minerals is kept as Citi's ASX100 sector pick.

See also IGO upgrade.

IMDEX LIMITED ((IMD)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 1/4/0

Morgans highlights Imdex shares have outperformed since initiation of coverage in June, up 55%, but further outperformance will rely on market share gains. The stock is downgraded to Hold from Accumulate.

FY25 results came in weaker than expected, with revenue the bright spot, coming in 2% above the analyst's forecast. Margins were much weaker than anticipated, falling to 28.5% in 2H25 from 30.2% in 1H25. Earnings (EBITDA) missed expectations by -2%.

Noting the trailing twelve-month (TTM) raisings lifting again in July to US$1.17bn, up 115% on the prior year, confirms raisings are back at levels not seen since the capital markets boom in 2020/21, which underpinned a large increase in exploration spend, up 57% in two years.

The analyst notes TTM raisings have a strong correlation with Imdex's tools on rent. Morgans lowers its EPS forecasts by -5% and -6% for FY26/FY27, respectively. Target lifts to $3.45 from $3.20.

KAROON ENERGY LIMITED ((KAR)) Downgrade to Hold from Accumulate by Morgans .B/H/S: 2/3/0

The upgraded 2025 production guidance for Karoon Energy to 9.7-10.5mmboe came in below consensus expectations, while also announcing a serious problem at Bauna (SPS-92), according to Morgans.

SPS-92 has an unanticipated outage, and Bauna is the largest producing well. It will operate at around 25% of its usual rate until the Electrical Submersible Pump (ESP) can be replaced.

The analyst estimates the ESP replacement at -US$40-US$50m, likely in 2Q2026.

Morgans lowers its production forecasts by -8.7% for 2025, and -10% for 2026, to reflect changes at Bauna and narrowed guidance at Who Dat. The energy producer is due to report 1H2025 results on August 27.

The stock is downgraded to Hold from Accumulate. Target price falls to $1.85 from $2.05.

LIBERTY FINANCIAL GROUP LIMITED ((LFG)) Downgrade to Neutral from Buy by Citi .B/H/S: 1/1/0

Citi raises its target for Liberty Financial to $4.50 from $4.15 and downgrades to Neutral from Buy on valuation, following FY25 results.

The group's profit of $145m was broadly in line with the broker's forecast, with lower bad debts offsetting softer loan volumes. Margins improved, with the 2H25 net interest margin (NIM) rising 4bps to 2.50% on lower funding costs.

Application volumes lifted 33% quarter-on-quarter in 4Q25, while bad debts fell -22% year-on-year, with arrears improving and credit quality sound, assess the analysts.

Citi forecasts a FY26 NIM of 2.57%, supported by funding cost tailwinds, though competitive pressures remain.

The broker trims its FY26-27 earnings forecasts by -3% to reflect a slower recovery pace.

LOVISA HOLDINGS LIMITED ((LOV)) Downgrade to Equal-weight from Overweight by Morgan Stanley and Downgrade to Accumulate from Buy by Morgans and Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/6/0

Morgan Stanley downgrades Lovisa Holdings to Equal-weight from Overweight on valuation grounds. Target rises to $42 from $35 post FY25 results.

The retailer lifted FY25 earnings 1.7% compared to a soft trajectory between 2H23-1H25, implying an acceleration in growth to over 3% in 2H25. There were some slight price rises, mainly due to US tariffs, and little alteration around promotional activity.

The analyst believes the positive comps can be retained. New net stores lifted by 121 in FY25, and a slightly lower result can be achieved in FY26.

Costs rose in FY25, with earnings (EBIT) missing consensus by -5% due to a decline in the margin of -100bps as funds were invested in the rollout of global stores.

Morgan Stanley lowers its FY26 earnings (EBIT) by -7% despite a higher sales assumption, due to expansion costs, with FY27 earnings (EBIT) down -1%.

After analysing FY25 results for Lovisa Holdings, Morgans raises its target price to $44.50 from $35.00 and downgrades to Accumulate from Buy.

Results were mixed, in Morgans's opinion, with earnings (EBIT) of $138.7m up 8.2% year-on-year but -6% adrift of the broker's forecast due to higher operating costs.

Sales were ahead of the analyst's expectations, gross margins rose 100bps to 82%, and profit was $86.3m, -6% below forecast.

A final dividend of 27c brought the full-year payout to 77c. Store rollout accelerated, with 88 net openings in H2, taking the total to 1,041.

Europe and the US were the strongest contributors to store growth, while competitor Claire’s bankruptcy could provide market share and real estate opportunities, explains the broker.

FY26 has started strongly, assesses Morgans, with like-for-like sales up 5.6% and total sales up 28%.

Costs as a share of sales worsened by -140bps to 50.8% due to expansion into higher-cost markets, supply chain upgrades, and IT investment, explains the broker. It's felt costs will remain elevated in FY26 as Lovisa funds its global rollout.

Lovisa reported FY25 total sales up 28% year on year and like-for-like sales up 5.6% in the first eight weeks of FY26, marking an acceleration from FY25. Gross margin improved 104bps year on year on price rises and product cost and inventory management.

The store roll-out was 20 stores ahead of Macquarie's expectations, with 12 ahead in the US and 7 ahead for Jewell. But the broker sees downside risks from increasing competition in Australia - particularly from the entry of Harli + Harpa at similar price points to Lovisa.

Near-term upside is reflected in current valuation, the broker suggests, with the share price up 13% on result.

Target rises to $40.90 from $33.40, downgrade to Neutral from Outperform.

See also LOV upgrade.

LYNAS RARE EARTHS LIMITED ((LYC)) Downgrade to Sell from Hold by Ord Minnett and Downgrade to Neutral from Buy by UBS.B/H/S: 1/1/3

Ord Minnett describes a "miserable" FY25 profit of $8m for Lynas Rare Earths, contrasting badly against the company's $14bn market capitalisation.

Further, the result was eclipsed, in the analysts' view, by an opportunistic $750m equity raising under management's “Towards 2030” plan. Proceeds are earmarked for unspecified opportunities.

Operating costs worsened by -$83m year-on-year, driven by elevated fixed costs and weaker production from the Kalgoorlie plant, explain the analysts.

Ord Minnett lowers its target for Lynas Rare Earths to $10.00 from $10.80 and downgrades to Sell from Hold.

Management concedes the proposed Seadrift plant in the US is unlikely to proceed, which reinforces the broker's view a Malaysian rare earths producer will struggle to secure US government funding.

UBS downgrades Lynas Rare Earths to Neutral from Buy and lifts its 12-month price target to $15.10 from $12.20, arguing valuation has outrun near-term delivery despite a stronger long-term rare earths set-up.

The FY25 result is seen as secondary to strategy: EBITDA $101m was in line with the broker's $107m while the $8m in net profit missed on higher D&A.

UBS backs the ex-China thematic and, alongside modelling for the equity raise, upgrades long-term NdPr to US$100/kg (from US$75) and near-term prices, but seeks more detail on “Towards 2030” proceeds-resource/scale $150m, downstream capacity $310m, and ex-China metal/magnets $200m.

MATRIX COMPOSITES & ENGINEERING LIMITED ((MCE)) Downgrade to Hold from Speculative Buy by Morgans .B/H/S: 0/2/0

Matrix Composites & Engineering’s FY25 result was weaker than Morgans expected, with revenue of $75m down -12% year-on-year and missing the broker's forecast by -7%.

The target price is reduced to 25c from 30c, and the rating downgraded to Hold from Speculative Buy.

Earnings (EBITDA) of $5m fell -54% and were -24% below the analyst's estimate, highlighting the company’s significant operating de-leverage. Profit was a -$4.6m loss against the broker’s forecast of -$2.9m.

The Subsea order book has risen to $57m from $33m last year, which could support revenue of up to $90m in FY26, suggests Morgans.

MINERAL RESOURCES LIMITED ((MIN)) Downgrade to Sell from Neutral by Citi .B/H/S: 4/1/2

Citi raises its FY26-27 earnings forecasts for lithium producers under coverage on a higher price deck, assuming SC6 at US$900/t through 2H25. The broker notes lithium-exposed stocks have rallied 25-60% this quarter, leaving valuations stretched.

The analysts observe pure-play exposures are currently pricing in US$1200-1370/t compared to spot of US$940/t.

The broker downgrades its rating for Mineral Resources to Sell from Neutral on valuation grounds. Target rises to $34 from $31.

Neutral-rated Pilbara Minerals is kept as Citi's ASX100 sector pick.

See also MIN upgrade.

MONASH IVF GROUP LIMITED ((MVF)) Downgrade to Hold from Buy by Bell Potter .B/H/S: 3/1/0

In the wake of FY25 results by Monash IVF, Bell Potter lowers its target to 77c from $1.15 and downgrades to Hold from Buy.

Management reported FY25 profit of $27.4m, in line with revised guidance but with a weak second half, highlights the broker.

Revenue fell -6.2% half-on-half and assisted reproductive services declined -12%, with Victoria the main driver, observe the analysts. Market share in Stimulated Cycles fell -70bps to 21%.

Commentary highlights no final dividend was declared, and net leverage rose to 1.7 times from the class action settlement. Three new fertility specialists were added and review findings were benign, supporting stabilisation.

FY26 guidance of $20-23m implies a -21.5% fall, and the broker's forecasts are cut to the low end on brand damage and macro pressures.

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

Ord Minnett notes Nine Entertainment paid 49c special dividend from proceeds of majority stake sale in Domain. FY25 operating earnings beat expectations on strong growth in Stan streaming and better-than-expected performance in publishing.

The company expects continued earnings growth in FY26 but didn't provide quantitative guidance. The broker cut FY26 EPS by -16.4% and FY27 by -11.5% after removing Domain earnings from the model.

Target lifted to $1.80 from $1.70. Rating downgraded to Hold from Accumulate.

NIB HOLDINGS LIMITED ((NHF)) Downgrade to Neutral from Buy by UBS and Downgrade to Accumulate from Buy by Ord Minnett.B/H/S: 2/3/1

Its is UBS' assessment nib Holdings' FY25 beat consensus and its forecast on net profit by 8–9% on a lower tax rate. Pre-tax profit came out in line.

ARHI delivered $208m UOP (in line), NZ rebounded to $7m growth in 2H after a weak 1H, policy growth was 3.2%, and ARHI's reported net margin was 7.2% (underlying 6.5%).

The broker says FY26 hinges on ARHI net margins within the 6–7% target as a 5.8% approved premium rise helps offset accelerated payment patterns and reserve releases clouding claims trends.

On the other side, higher centralised corporate costs and NDIS reform risks temper the broader outlook.

UBS downgrades to Neutral from Buy and lifts its 12-month price target to $8.60 from $7.85; EPS is trimmed by -1.7%/-0.8%/-4.1% for FY26–FY28, with DPS held at 29.0c in FY26 and nudged to 31.0c in FY27.

nib Holdings reported 2H25 results which beat Ord Minnett's expectations and consensus, due to a lower than anticipated tax rate and a final dividend which was better than forecast.

Profit before tax was noted as less impressive, and the underlying margin for the dominant Australian resident health insurance business narrowed, the analyst highlights, in 2H25 to 6.3% from 6.7%. An odd result, given the increase in premium rates.

Only broad FY26 guidance was offered, including an expected "uplift" in underlying earnings, but no specifics were shared, commentary highlights.

Ord Minnett cuts its EPS forecasts by -2.4% for FY26 and -3% for FY27.

The stock continues to be viewed as undervalued, but due to the share price appreciation, it is downgraded to Accumulate from Buy. Target unchanged at $8.20.

See also NHF upgrade.

PALADIN ENERGY LIMITED ((PDN)) Downgrade to Accumulate from Buy by Ord Minnett .B/H/S: 6/1/0

Paladin Energy's FY25 net loss of -US$76.5m missed the consensus forecast due to non-cash inventory impairments, explains Ord Minnett.

The broker trims its near-term opex forecast at Langer Heinrich, raising the target price to $7.70 from $7.60, and downgrades to Accumulate from Buy after a 20% share price rise.

Costs at Patterson Lake South deteriorated by -20-40% with updated engineering, though economics remain strong, in the broker's view.

Ord Minnett considers Paladin its top uranium growth pick under coverage on the ASX, with production forecast to reach circa 17mlb annually by FY33, a 24% compound growth rate from FY25.

PILBARA MINERALS LIMITED ((PLS)) Downgrade to Hold from Buy by Morgans .B/H/S: 3/3/1

No major surprises from Pilbara Minerals' FY25 headline results, although Morgans points to higher D&A than forecast and the accounting treatment of some expenditure as resulting in a lower than anticipated net profit

after tax, versus forecast and consensus.

Pilbara will continue to concentrate on improving operational excellence with its expanded Pilgangoora operation, including cost management and further exploration and studies at Colina.

Interest from major chemical converters and enquiries for higher volumes in FY26 was highlighted by management, and the analyst sees it as a positive signal that underlying demand for spodumene remains strong, despite the apparent oversupply market conditions.

The stock is downgraded to Hold from Buy, as the share price has rallied due to a rise in the spodumene price, but Morgans continues to view the lithium market as in an oversupplied state. Target remains at $2.30.

See also PLS upgrade.

PERPETUAL LIMITED ((PPT)) Downgrade to Neutral from Buy by UBS .B/H/S: 1/4/0

UBS downgrades Perpetual to Neutral from Buy, keeping its 12-month price target at $22.50, arguing prolonged uncertainty around the Wealth sale erodes value despite simplification gains.

FY25 landed broadly in line at UNPAT $204m (2H ahead of consensus on a lower tax rate), but 2H operating EBITDA missed by -7% and Wealth's 2H EBITDA was circa -20% below forecast amid sale uncertainty.

Asset Management saw fee-margin compression partly offset by stronger performance fees, while Corporate Trust performed in line.

The broker highlights balance-sheet risk persisting. Gross debt of $738.5m was slightly better than guidance and refinancing to 6.25% helps near term, yet adviser churn, higher retention costs and fewer bidders reduce pricing tension.

Forecasts are tweaked, with expense growth guided at 2-3% and forecast DPS trimmed.

PWR HOLDINGS LIMITED ((PWH)) Downgrade to Accumulate from Buy by Morgans and Downgrade to Hold from Buy by Bell Potter .B/H/S: 2/2/0

Morgans' highlights PWR Holdings' FY25 result was stronger than expected, with revenue growth decline less than expected, but the outlook on margin was a disappointment.

Management expects modest margin improvement driven by productivity and operating leverage, but offset by US tariffs, US cybersecurity accreditation, CEO transition and higher ongoing costs from the new Australian facility.

The broker cut its FY26 net profit margin forecast to 10.8% from 14.7% previously expected. But this is expected to rise to 13.1% in FY27 and to 18% in FY29 based on guidance for it to trend back to towards FY24's 17.8% level.

The broker remains positive on the outlook for strong aerospace and defence demand, eVTOL potential, and new MRO (maintenance, repair, overhaul) opportunities.

Target trimmed to $8.50 from $8.80. Rating downgraded to Accumulate from Buy.

PWR Holdings reported FY25 revenue of $130.1m, in line with Bell Potter's $130.3m forecast. Earnings (EBITDA) of $25.5m and profit of $9.8m were both -2% below the broker's estimates.

Cash flow conversion was strong at 136%, highlight the analysts, with net debt of $8.1m, though the final dividend of 2c fell short of the broker's 4.8c forecast.

Margin guidance was weaker than expected by Bell Potter, with costs from US tariffs, cyber accreditation and CEO transition weighing on profit.

Management expects FY26 revenue growth in Motorsports and Aerospace & Defence, with muted growth in OEM and Aftermarket.

Bell Potter lowers its target price to $7.75 from $8.00 and downgrades to Hold from Buy..

REECE LIMITED ((REH)) Downgrade to Trim from Hold by Morgans .B/H/S: 1/3/1

Morgans downgrades Reece to Trim from Hold and reduces the target price to $11.10 from $14.80, on the back of FY25 results which came in at the bottom end of guidance offered last June. The outlook for both A&NZ and the US remains uncertain.

The company reported a decline in earnings (EBIT) of -25%, which slightly missed expectations, and A&NZ

earnings fell -17%, with costs remaining high from inflation pressures and ongoing investment.

US earnings declined -23% due to weak residential new construction demand, deflation in some products, and increased competition.

Management flagged a slow recovery in A&NZ, and the US housing market is expected to be challenged over the next 12-18 months due to high mortgage rates and affordability issues.

Morgans views Reece as a quality company, but near-term uncertainty is elevated.

See also REH upgrade.

RESOLUTE MINING LIMITED ((RSG)) Downgrade to Neutral from Outperform by Macquarie and Downgrade to Hold from Buy by Ord Minnett.B/H/S: 0/2/0

Macquarie downgrades Resolute Mining to Neutral from Outperform as the share price has risen over 100% over the last six months.

As a result of a higher depreciation charge, the miner announced lower than expected 1H2025 net profit after tax of US$71m, which was below consensus by -16% and under the analyst's estimate by -41%. Underlying earnings beat consensus and met Macquarie's forecast.

Guidance for 2025 was retained at 275-300koz, with consensus at 284koz, at an all-in-sustaining-cost of US$1,650-US$1,750.

Macquarie lowers its EPS forecast post result by -26% due to a higher assumed depreciation charge.

Target price remains at 75c. Doropo is singled out as important with resources & reserves and an updated definitive feasibility study due in 4Q2025.

Resolute Mining's first-half 2025 operating earnings came in ahead of Ord Minnett’s expectations, though higher depreciation and inventory movements meant profit fell short of expectation.

Management maintained full-year production guidance across Syama in Mali, Mako in Senegal and Doropo (Ivory Coast).

After incorporating increased cost forecasts at Mako, Ord Minnett lowers its target price to 80c from 90c and downgrades to Hold from Buy.

SANDFIRE RESOURCES LIMITED ((SFR)) Downgrade to Neutral from Buy by UBS .B/H/S: 1/4/1

UBS has downgraded Sandfire Resources to Neutral from Buy while cutting its 12-month price target to $13.10 from $13.35, citing limited upside after incorporating FY26 guidance and a higher 35–38% tax rate.

FY25 financials proved in line with pre-release and no dividend was declared though a $262m franking-credit balance underpins future distributions as the balance sheet de-gears, the broker adds.

FY26 guidance sets Group copper production at 149–165kt; Motheo’s new 3-yr plan steps up to 50–60kt with FY26 C1 US$1.35/lb, while Matsa is modelled at US$1.55/lb and net cash is expected early in 2H FY26.

Commentary suggests Sandfire shares are already trading on a copper “scarcity premium,” limiting near-term return.

SKS TECHNOLOGIES GROUP LIMITED ((SKS)) Downgrade to Accumulate from Buy by Morgans .B/H/S: 1/0/0

Unpacking the broader FY25 results for SKS Technologies after the company pre-reported headline metrics, Morgans notes the earnings report was broadly in line with expectations.

The analyst points to two surprises: a much higher than expected 2H25 dividend of 5c versus an estimated 1.5c, and FY26 revenue guidance of $300m, ahead of prior forecasts.

The upgrade in guidance results in the analyst lifting FY26–FY27 forecasts by 5%. Work in hand remains solid at $207m, with 72% awarded to data centre projects, and is two times higher than a year ago. The pipeline has advanced by 46% on FY24 to $517.2m.

Data centre work represents around 69% of the pipeline, while traditional work remains strong at circa $159m.

Morgans downgrades SKS Technologies to Accumulate from Buy, with the target price raised to $3.15 from $2.75.

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

Ord Minnett highlights an FY25 net profit beat from Super Retail due to robust Super Cheap Auto and Rebel results, which represent around 51% and 29% of group earnings.

Like-for-like sales growth picked up in May and June, with better cost management boosting margins.

Sales growth for Super Cheap on a like-for-like basis ended the fiscal year at circa 2.5%, up from no growth in January through April. The rate picked up again in FY26 to date, to 3.3%.

Management pointed to Rebel store theft as a major issue, with organised gangs involved rather than random shoplifting, which impacted margins in 2H25 by -60bps to -70bps. The trend is unlikely to change into FY26.

Ord Minnett lifts EPS forecasts by 6.3% for FY26 and 12.2% for FY27. The stock is downgraded to Accumulate from Buy on valuation grounds. Target rises to $19 from $15.50.

TASMEA LIMITED ((TEA)) Downgrade to Hold from Buy by Shaw and Partners .B/H/S: 2/1/0

Tasmea reported in line and solid FY25 results, with earnings (EBIT) up 70% and net profit after tax rising 63%, by good management execution of organic growth and selective acquisitions, Shaw and Partners explains. Earnings (EBIT) margins rose around 150bps to 15%.

The analyst continues to expect circa 10% organic earnings (EBIT) growth in FY27/FY28, to a forecast earnings (EBIT) of $134m in FY28. Management's target is achieving earnings (EBIT) of around $160m over time with M&A.

FY26 guidance reaffirmed earnings (EBIT) of $110m, and 32% growth in net profit after tax to $70m, with a robust pipeline of works and good earnings visibility.

Shaw and Partners tweaks its EPS forecasts lower by -3.6% for FY26, and -3.7% for FY27, due to more shares on issue.

Target rises to $4.40 from $4.10. The stock is downgraded to Hold from Buy, as it is trading in line with the new target price and having rallied 63%.

WOOLWORTHS GROUP LIMITED ((WOW)) Downgrade to Equal-weight from Overweight by Morgan Stanley and Downgrade to Neutral from Outperform by Macquarie .B/H/S: 1/6/0

After a disappointing FY25 result, Morgan Stanley downgrades Woolworths Group to Equal-weight from Overweight and cuts the target price to $30.50 from $33.40.

There was a notable divergence in top-line performance versus Coles Group ((COL)) despite a price investment campaign in mid-May. Australian food sales decelerated again into 4Q, with management pointing to a lingering customer perception problem.

The analyst believes there are upside risks to further price investment above the $100m guided for to switch around momentum. This is likely to erode the $400m in cost-out benefits and weigh on gross profit margins.

An additional two distribution centres in Sydney & Melbourne raise the expected FY27 implementation costs and extend the potential benefits to beyond FY28.

Morgan Stanley cuts its EPS estimates by -8% for FY26 and -9.3% for FY27. Industry View: In-Line.

In its first response, Macquarie noted Woolworths reported FY25 results with comparable sales growth of 2.4% in Australian Food, 3.8% in NZ Food, and 0.5% in Big W, all ahead of consensus forecasts.

Australian Food volume growth of 3.1% in 4Q25 reflected ongoing price deflation, but early FY26 trading showed sales growth of 4% ex tobacco, well below Coles Group ((COL)) at 7%.

Subsequently, Macquarie declares a weak result, with limited insight on short-term strategy to rectify performance issues.

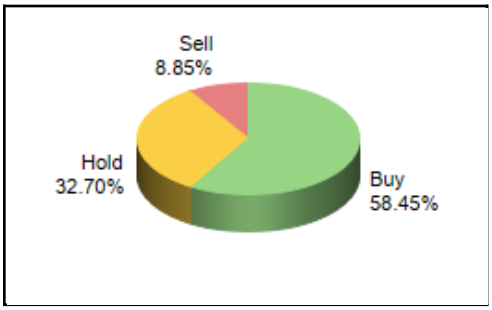
Cross-shopping is huge in grocery retail, the broker notes. Data show 31% of Woolworths customers also shop at Coles and 11% also shop at Aldi.

38% of Coles shoppers shop at Woolworths. Macquarie suspects Woolworths is missing this aspect of customer behaviour.

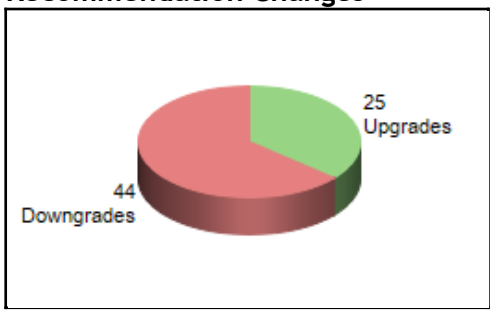
Macquarie sees challenges as likely to persist in the near term, with ongoing price re-investment a potential, as Woolworths looks to improve customer perceptions and regain market share.

Downgrade to Neutral from Outperform, target falls to $30.30 from $33.40.

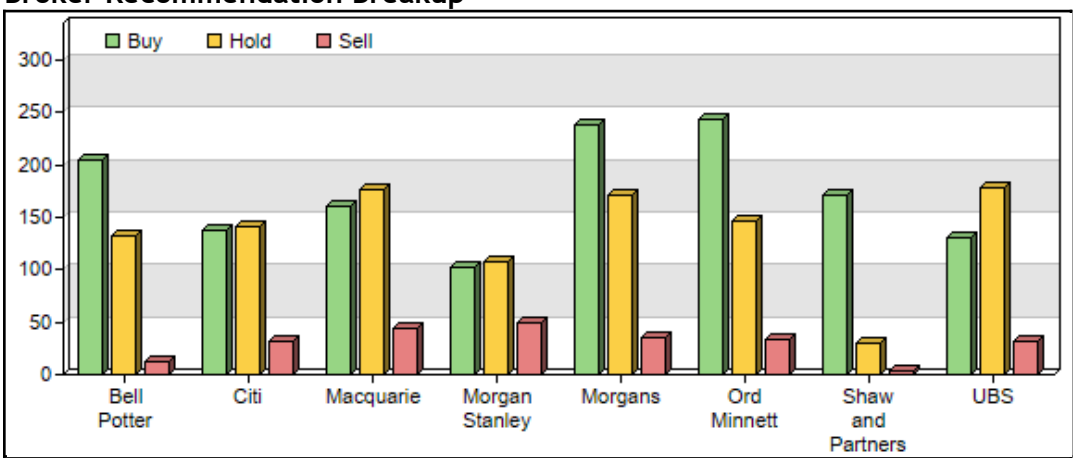
Total Recommendations



Recommendation Changes



Broker Recommendation Breakup



Broker Rating

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	ACCENT GROUP LIMITED	Buy	Neutral	Morgans
2	ALCIDION GROUP LIMITED	Buy	Neutral	Bell Potter
3	ALKANE RESOURCES LIMITED	Buy	Neutral	Ord Minnett
4	BEACON LIGHTING GROUP LIMITED	Buy	Neutral	Morgans
5	BRAMBLES LIMITED	Neutral	Sell	Morgans
6	COLES GROUP LIMITED	Buy	Neutral	Bell Potter
7	DOWNER EDI LIMITED	Buy	Neutral	Ord Minnett
8	DURATEC LIMITED	Buy	Buy	Ord Minnett
9	EVT LIMITED	Buy	Buy	Ord Minnett
10	GOODMAN GROUP	Buy	Neutral	Morgans
11	HELLOWORLD TRAVEL LIMITED	Buy	Neutral	Morgans
12	IGO LIMITED	Neutral	Sell	UBS
13	INGHAMS GROUP LIMITED	Neutral	Sell	Morgans
14	LOVISA HOLDINGS LIMITED	Neutral	Sell	Citi
15	MINERAL RESOURCES LIMITED	Buy	Sell	UBS
16	NATIONAL AUSTRALIA BANK LIMITED	Buy	Neutral	Morgan Stanley
17	NIB HOLDINGS LIMITED	Buy	Neutral	Citi
18	PILBARA MINERALS LIMITED	Neutral	Sell	UBS
19	QANTAS AIRWAYS LIMITED	Buy	Buy	Ord Minnett
20	REECE LIMITED	Neutral	Sell	Morgan Stanley
21	SIGMA HEALTHCARE LIMITED	Buy	Neutral	Morgans
22	SIGMA HEALTHCARE LIMITED	Neutral	Sell	Bell Potter
23	TABCORP HOLDINGS LIMITED	Buy	Neutral	Morgans
24	TOURISM HOLDINGS LIMITED	Buy	Neutral	Morgans
25	WESFARMERS LIMITED	Neutral	Sell	Citi
Downgrade				
26	ABACUS STORAGE KING	Neutral	Buy	Citi
27	AIR NEW ZEALAND LIMITED	Sell	Neutral	UBS
28	AUSSIE BROADBAND LIMITED	Buy	Buy	Ord Minnett
29	BENDIGO & ADELAIDE BANK LIMITED	Sell	Neutral	Ord Minnett
30	CLINUVEL PHARMACEUTICALS LIMITED	Neutral	Buy	Morgans
31	DATA#3 LIMITED.	Neutral	Buy	UBS
32	EAGERS AUTOMOTIVE LIMITED	Neutral	Buy	Ord Minnett

33	ENDEAVOUR GROUP LIMITED	Neutral	Buy	Morgans
34	FORTESCUE LIMITED	Sell	Neutral	Morgans
35	FORTESCUE LIMITED	Buy	Buy	Ord Minnett
36	FORTESCUE LIMITED	Sell	Neutral	Bell Potter
37	GEMLIFE COMMUNITIES GROUP	Buy	Buy	Morgans
38	HELIA GROUP LIMITED	Sell	Neutral	Macquarie
39	IDP EDUCATION LIMITED	Neutral	Buy	Macquarie
40	IGO LIMITED	Sell	Neutral	Citi
41	IMDEX LIMITED	Neutral	Buy	Morgans
42	INFOMEDIA LIMITED	Neutral	Buy	UBS
43	KAROON ENERGY LIMITED	Neutral	Buy	Morgans
44	LIBERTY FINANCIAL GROUP LIMITED	Neutral	Buy	Citi
45	LOVISA HOLDINGS LIMITED	Buy	Buy	Morgans
46	LOVISA HOLDINGS LIMITED	Neutral	Buy	Macquarie
47	LOVISA HOLDINGS LIMITED	Neutral	Buy	Morgan Stanley
48	LYNAS RARE EARTHS LIMITED	Neutral	Buy	UBS
49	LYNAS RARE EARTHS LIMITED	Sell	Neutral	Ord Minnett
50	MATRIX COMPOSITES & ENGINEERING LIMITED	Neutral	Buy	Morgans
51	MINERAL RESOURCES LIMITED	Sell	Neutral	Citi
52	MONASH IVF GROUP LIMITED	Neutral	Buy	Bell Potter
53	NIB HOLDINGS LIMITED	Neutral	Buy	UBS
54	NIB HOLDINGS LIMITED	Buy	Buy	Ord Minnett
55	NINE ENTERTAINMENT CO. HOLDINGS LIMITED	Neutral	Buy	Ord Minnett
56	PALADIN ENERGY LIMITED	Buy	Buy	Ord Minnett
57	PERPETUAL LIMITED	Neutral	Buy	UBS
58	PILBARA MINERALS LIMITED	Neutral	Buy	Morgans
59	PWR HOLDINGS LIMITED	Buy	Buy	Morgans
60	PWR HOLDINGS LIMITED	Neutral	Buy	Bell Potter
61	REECE LIMITED	Sell	Neutral	Morgans
62	RESOLUTE MINING LIMITED	Neutral	Buy	Macquarie
63	RESOLUTE MINING LIMITED	Neutral	Buy	Ord Minnett
64	SANDFIRE RESOURCES LIMITED	Neutral	Buy	UBS
65	SKS TECHNOLOGIES GROUP LIMITED	Buy	Buy	Morgans
66	SUPER RETAIL GROUP LIMITED	Buy	Buy	Ord Minnett
67	TASMEA LIMITED	Neutral	Buy	Shaw and Partners
68	WOOLWORTHS GROUP LIMITED	Neutral	Buy	Macquarie
69	WOOLWORTHS GROUP LIMITED	Neutral	Buy	Morgan Stanley

Target Price

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	ZIP	ZIP CO LIMITED	4.533	3.300	37.36%	3
2	CDA	CODAN LIMITED	28.183	21.100	33.57%	3
3	PRN	PERENTI LIMITED	2.450	1.840	33.15%	3
4	TAH	TABCORP HOLDINGS LIMITED	0.930	0.743	25.17%	4
5	ABB	AUSSIE BROADBAND LIMITED	5.954	4.763	25.01%	5
6	APE	EAGERS AUTOMOTIVE LIMITED	21.811	17.571	24.13%	7
7	LOV	LOVISA HOLDINGS LIMITED	37.129	30.911	20.12%	7
8	CBO	COBRAM ESTATE OLIVES LIMITED	3.140	2.620	19.85%	3
9	IMD	IMDEX LIMITED	3.540	3.020	17.22%	5
10	LYC	LYNAS RARE EARTHS LIMITED	11.020	9.667	14.00%	5

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New Target	Previous Target	Change	Recs
1	REH	REECE LIMITED	12.050	15.763	-23.56%	6
2	GYG	GUZMAN Y GOMEZ LIMITED	29.433	36.967	-20.38%	3
3	ING	INGHAMS GROUP LIMITED	3.033	3.633	-16.52%	4
4	MVF	MONASH IVF GROUP LIMITED	0.920	1.100	-16.36%	4
5	TLX	TELIX PHARMACEUTICALS LIMITED	28.200	33.000	-14.55%	3

6	DMP	DOMINO'S PIZZA ENTERPRISES LIMITED	18.600	21.467	-13.36%	6
7	NEC	NINE ENTERTAINMENT CO. HOLDINGS LIMITED	1.650	1.850	-10.81%	3
8	AMI	AURELIA METALS LIMITED	0.330	0.360	-8.33%	3
9	PNV	POLYNOVO LIMITED	1.897	2.047	-7.33%	3
10	WOW	WOOLWORTHS GROUP LIMITED	30.821	33.071	-6.80%	7

Earnings Forecast

Positive Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	LYC	LYNAS RARE EARTHS LIMITED	32.883	3.667	796.73%	5
2	PDN	PALADIN ENERGY LIMITED	13.456	-8.857	251.93%	7
3	SMR	STANMORE RESOURCES LIMITED	1.642	0.505	225.15%	3
4	29M	29METALS LIMITED	0.767	-0.867	188.47%	4
5	MIN	MINERAL RESOURCES LIMITED	89.267	-104.650	185.30%	7
6	PNV	POLYNOVO LIMITED	2.333	0.967	141.26%	3
7	IGO	IGO LIMITED	3.060	-9.640	131.74%	6
8	BGL	BELLEVUE GOLD LIMITED	9.733	4.400	121.20%	3
9	NEU	NEUREN PHARMACEUTICALS LIMITED	14.350	6.600	117.42%	3
10	PLS	PILBARA MINERALS LIMITED	0.060	-1.140	105.26%	7

Negative Change Covered by at least 3 Brokers

Order	Symbol	Company	New EF	Previous EF	Change	Recs
1	MP1	MEGAPORT LIMITED	-4.660	-2.200	-111.82%	6
2	NXT	NEXTDC LIMITED	-18.325	-8.780	-108.71%	6
3	TLX	TELIX PHARMACEUTICALS LIMITED	11.408	20.245	-43.65%	3
4	RMS	RAMELIUS RESOURCES LIMITED	23.467	38.200	-38.57%	3
5	CBO	COBRAM ESTATE OLIVES LIMITED	7.700	12.100	-36.36%	3
6	NUF	NUFARM LIMITED	1.040	1.480	-29.73%	6
7	MVF	MONASH IVF GROUP LIMITED	5.275	7.275	-27.49%	4
8	PRU	PERSEUS MINING LIMITED	34.237	43.576	-21.43%	4
9	KAR	KAROON ENERGY LIMITED	18.784	23.142	-18.83%	5
10	AMI	AURELIA METALS LIMITED	2.367	2.900	-18.38%	3

Technical limitations

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WEEKLY REPORTS

Uranium Week: Bull Market's Second Leg

As major producers Cameco and Kazatomprom lower production, brokers and commodity specialists highlight positive dynamics for U3O8 prices.

-UBS turns more positive on uranium outlook ahead of WNA Symposium
-Kazatomprom and Cameco production issues trigger renewed spot market buying
-Goehring & Rozencwajg declare second leg of U3O8 bull market has begun
-Paladin and Boss Energy face mixed reactions post earnings

By Danielle Ecuyer

Major producers cut back production outlook

Ahead of the World Nuclear Association Symposium in London (Sept 3-5), UBS has become slightly more bullish on the uranium outlook. Noting the U308 spot price has plateaued around US$75/lb, UBS sees rising optimism the fundamentals for the commodity are improving.

Market positives cited include changes in supply dynamics with ongoing production pressures for Kazatomprom and Cameco announcing it would miss supply forecasts for production volume in 2025 this past week.

Kazatomprom, the world's largest U308 producer accounting for circa 20% of global supply, announced it would lower 2026 production by some -10%, reducing the output to 77.2mlbs of U308 from 85.2mlbs. At around -8mlbs, that equals some -5% of global volume.

As noted by industry consultants TradeTech, Kazatomprom's announcement spurred on a series of spot market purchases with six transactions in the final week of August, as well as several off-market transactions which fell outside the spot delivery window.

One buyer secured a price of US$74.25/lb for delivery in September at Cameco's Canadian facility before the Kazatomprom news broke.

Three transactions were achieved on Wednesday, one for 100klbs at US$74.50 for Orano's French facility, a 50klb transaction at US$74.85, again for September delivery for Orano, and a third for 100klbs at US$75/lb for Cameco.

Thursday saw one transaction of 100klbs, again for September delivery for Cameco, and Friday had one transaction at US$76.30/lb for delivery in October at Honeywell's US facility.

The TradeTech spot price rose to US$76.30/lb, a rise of US$1.30/lb on the week, with the move coming on Friday on the back of to Cameco's Thursday afternoon announcement that the transition of the McArthur River mine to new mining areas is expected to be delayed, resulting in the postponement of extraction plans for later in 2025.

McArthur River/Key Lake is now flagged to produce 14-15mlbs of U308, down from 18mlbs previously. Cameco noted shortfalls would be bought on the spot market, plus the potential remains for a more robust performance at Cigar Lake that could partially offset the shortfall by some 1mlbs, with current production forecast at 18mlbs this year.

Cameco: "We believe our balanced and disciplined strategy and embedded risk management, which includes diversified production assets and access to multiple sources of supply, position us well to effectively mitigate the impact of these types of disruptions, meet our delivery commitments, and continue to deliver long-term value."

UBS is positive on the longer-term demand dynamics, pointing to continued nuclear facility expansion inside China.

Over August, TradeTech exchange value rose by US$4.80/lb to US$76.30/lb from July 31, which means the

spot U308 price has regained most of the price action it lost over July and August.

TradeTech's Mid-Term price indicator for August 31 was US$80/lb up US$3/lb from last month's value and the Long-Term price indicator was unchanged at US$82/lb over August.

August results from Paladin and Boss Energy

Paladin Energy ((PDN)) reported FY25 results with sales already pre-reported at 2.7mlbs at an average price of US$65.70/lb with an average cost of production of US$40.20/lb. Cash at year end was US$89m, with net profit after tax of US$77m, missing UBS' and consensus expectations.

Investors were mainly concentrating on Paladin's Patterson Lake South Project and the Front End Engineering and Design (FEED), which proved more conservative against prior assessments. Life of mine production was unchanged at 90.9mlbs, as was average annual production of 9.1mlbs.

Capex estimates were lifted to over -US$1.2bn compared to UBS' estimate of circa -US$1.1bn, and cash costs rose by around 20% to US$11.7/lb, with all-in-sustaining-costs of US$15.2/lb approaching the UBS forecast of circa US$17/lb.

First production is targeted for 2031, including a three-year build. The miner's September quarter update will be focused on Langer Heinrich, and UBS flags 0.97mlbs production.

UBS retains a Buy rating and $9 target on the stock. The consensus target price derived from FNArena's daily monitored brokers stands at $8.729, with five Buy ratings.

Regarding **Boss Energy**'s ((BOE)) FY25 result, Ord Minnett suggests the report was largely immaterial as the 4Q25 had been pre-released and no new forward-looking disclosures were offered. Earnings were, however, impacted by -$37m in inventory costs as initial sales came from higher priced stockpiled uranium rather than Honeymoon output.

Independent experts are continuing to review Honeymoon's mineral resource estimate and potential wellfield performance against previous assumptions. Macquarie notes at this stage, the resource is lowered by -1.4% to 6.5mlbs, and no date was offered on the timeline for review completion.

With two brokers yet to comment on Boss' results, the FNArena consensus target stands at $2.543, with two Buy ratings, two Holds and one Sell rating.

As at August 26, Boss retained the highest short interest on the ASX at 20.42%, up 3.16% on the prior week. Paladin remains in second position at 18.24%, up 2.55% on the week before.

Lotus Resources ((LOT)) also experienced a rise in short interest to 8.53% from 4.86%, up 3.67%.

Expert voices on the upbeat U308 trend

Goehring & Rozencwajg's latest Natural Resource Market Commentary reaffirmed the bullish view on uranium and nuclear energy.

Back in June, FNArena reported on Goehring & Rozencwajg's analysis of how hedge funds had cornered the spot U308 market and how the market was set up for a short squeeze, based on the (flawed) thesis that The Sprott Physical Uranium Trust would run out of funds and would need to sell U308 on the spot market.

Details can be found in the following article.
(https://fnarena.com/index.php/2025/06/03/uranium-week-how-funds-cornered-the-market/)

As it transpired, Sprott raised US$200m, an upsized deal from US$100m initially. Morgan Stanley highlighted this week the trust had acquired over 2.3mlbs of U308 since June, which has boosted spot demand.

For more details: (https://fnarena.com/index.php/2025/07/08/uranium-week-u3o8-spot-price-poised-to-fall/).

Morgan Stanley sees further upside to the U308 price and forecasts US$87/lb for 4Q 2025 as supply challenges are re-emerging, notably through Kazatomprom and Cameco's latest updates.

Cameco's second quarter results showed inventory had declined to 7.6mlbs U308 equivalent from 11mlbs at December 31, 2024. Paladin also noted on its August 28 earnings calls that a Korean utility had made a request for the purchase of 9mlbs. Korea has not filled any volumes over the last two years and Europe also has "large unfilled volumes that need to be filled later this year".

Goehring & Rozencwajg proposes:

"This was not simply a short-term skirmish. The nuclear power story is no longer about possibility; it's about arrival. Announcements keep coming, new reactors, new fuel demand, new commitments, and each one

tightens the long-term supply picture….

"The first leg of this bull market in uranium is behind us. Prices have already risen nearly fivefold in four years. Now, with the air clearer and the bears scattered, we believe the second leg, stronger, faster, and more decisive, has begun."

For more recent uranium updates at FNArena:

https://fnarena.com/index.php/2025/08/26/uranium-week-kazatomprom-sparks-a-rally/

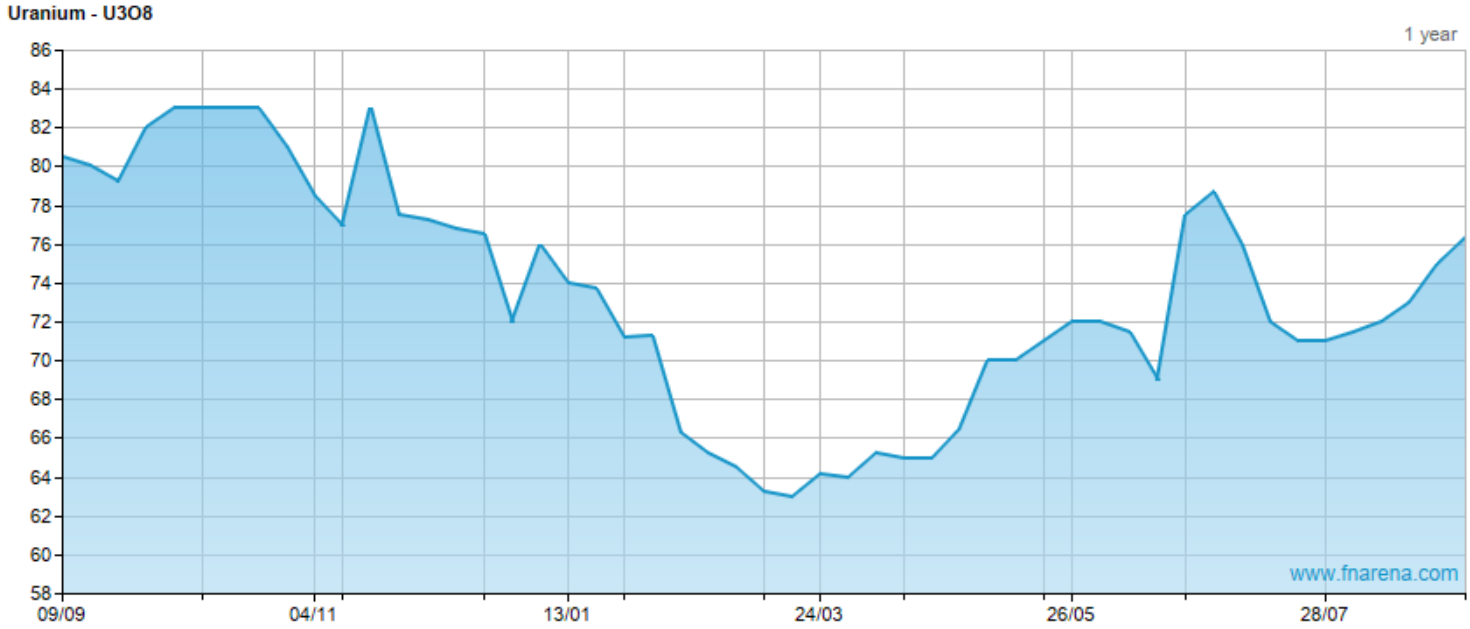
https://fnarena.com/index.php/2025/08/05/uranium-week-supply-challenges-are-mounting/

https://fnarena.com/index.php/2025/07/22/uranium-week-utilities-swing-into-gear/

https://fnarena.com/index.php/2025/07/15/uranium-week-sprott-bump-no-more/

Uranium companies listed on the ASX:

ASX CODE	DATE	LAST PRICE	WEEKLY % MOVE	52WK HIGH	52WK LOW	P/E	CONSENSUS TARGET	UPSIDE/DOWNSIDE
1AE	29/08/2025	0.0700	0.00%	$0.09	$0.03			
AEE	29/08/2025	0.1900	▲18.75%	$0.21	$0.10			
AGE	29/08/2025	0.0200	0.00%	$0.05	$0.02		$0.070	▲250.0%
AKN	29/08/2025	0.0100	0.00%	$0.01	$0.01			
ASN	29/08/2025	0.1000	0.00%	$0.13	$0.04			
BKY	29/08/2025	0.5300	▼- 3.64%	$0.67	$0.31			
BMN	29/08/2025	3.0000	▲ 8.75%	$3.68	$1.76		$4.700	▲56.7%
BOE	29/08/2025	1.9900	▲10.73%	$4.75	$1.57	10.1	$2.543	▲27.8%
BSN	29/08/2025	0.0400	▲66.67%	$0.08	$0.01			
C29	29/08/2025	0.0200	0.00%	$0.13	$0.01			
CXO	29/08/2025	0.1100	▼-15.38%	$0.14	$0.06		$0.110	
CXU	29/08/2025	0.0100	0.00%	$0.03	$0.01			
DEV	29/08/2025	0.0800	▼-11.11%	$0.19	$0.07			
DYL	29/08/2025	1.8700	▲14.47%	$1.88	$0.75	-370.0	$1.940	▲3.7%
EL8	29/08/2025	0.3100	▲ 3.33%	$0.42	$0.19			
ERA		0.0020	▼ 0.00%	$0.01	$0.00			
GLA	29/08/2025	0.0200	0.00%	$0.03	$0.01			
GTR	29/08/2025	0.1300	▲3150.00%	$0.13	$0.00			
GUE	29/08/2025	0.0600	0.00%	$0.10	$0.05			
HAR	29/08/2025	0.0800	0.00%	$0.09	$0.03			
I88	29/08/2025	0.2200	▼- 4.55%	$0.72	$0.08			
KOB	29/08/2025	0.0300	0.00%	$0.14	$0.03			
LAM	29/08/2025	0.5700	0.00%	$0.90	$0.48			
LOT	29/08/2025	0.2200	▲11.11%	$0.32	$0.13		$0.328	▲48.9%
MEU	29/08/2025	0.0400	0.00%	$0.06	$0.03			
NXG	29/08/2025	12.0100	▲ 9.20%	$13.53	$6.44		$12.925	▲7.6%
ORP	29/08/2025	0.0300	0.00%	$0.07	$0.02			
PDN	29/08/2025	8.0900	▲12.79%	$13.27	$3.93	58.2	$8.729	▲7.9%
PEN	29/08/2025	0.3500	▼-43.55%	$2.20	$0.33		$1.000	▲185.7%
SLX	29/08/2025	4.0600	▲10.08%	$6.62	$2.28		$6.500	▲60.1%
TOE	29/08/2025	0.1900	0.00%	$0.36	$0.15			
WCN	29/08/2025	0.0300	0.00%	$0.04	$0.01			



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

WEEKLY REPORTS

The Short Report - 04 Sep 2025

FNArena's weekly update on short positions in the Australian share market.

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

Summary:

Week Ending August 28th, 2025 (most recent data available through ASIC).

10%+

BOE	21.64%
PDN	17.96%
PLS	15.81%
IEL	13.45%
PNV	11.99%
MIN	11.46%
FLT	10.58%
PWH	10.23%

In: FLT, PWH
Out: LIC

9.0-9.9%

CTD	9.80%
LIC	9.72%
DMP	9.31%
SLX	9.26%
CTT	9.15%
GYG	9.04%

In: LIC, DMP, SLX, CTT, GYG

8.0-8.9%

ILU	8.87%
LOT	8.77%
DYL	8.48%
CUV	8.11%
NAN	8.04%

In: NAN
Out: SLX, CTT, PWH, GYG

7.0-7.9%

NXT	7.55%
CU6	7.25%

KAR 7.12%

BGL 7.11%

In: CU6
Out: NAN, LTR

6.0-6.9%

MVF 6.97%

SGR 6.64%

VUL 6.49%

LTR 6.31%

TLX 6.08%

In: MVF, LTR, TLX
Out: DMP, BRG

5.0-5.9%

BRG 5.97%

MSB 5.68%

RIO 5.42%

CIA 5.35%

GMD 5.32%

IPH 5.27%

NCK 5.15%

VEA 5.11%

In: BRG, IPH, NCK
Out: HLS, FLT, TLX, APX, AD8, MVF, PEN, ELD

ASX20 Short Positions (%)

Code	Last Week	Week Before	Code	Last Week	Week Before
ALL	0.4	0.4	NAB	0.6	0.6
ANZ	0.7	0.7	QBE	0.1	0.1
BHP	0.9	0.8	RIO	5.4	5.7
BXB	0.5	0.6	STO	0.2	0.3
CBA	0.6	0.6	TCL	0.5	0.4
COL	0.4	0.3	TLS	0.3	0.3
CSL	0.4	0.5	WBC	0.5	0.5
FMG	2.1	1.9	WDS	3.6	3.4
GMG	0.8	0.7	WES	0.6	0.7
MQG	0.6	0.6	WOW	1.2	1.0

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.

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

In Brief: Xero, Collins Foods, Macquarie Technology

In Brief returns with two technology companies investing for future growth and the AI trend, while a QSR favourite is riding better consumer spending.

-XeroCon Brisbane 2025 highlights Melio acquisition, AI assistant JAX, and US payments push
-Collins Foods' KFC sales accelerate as Australian consumers perk up in FY26
-Macquarie Technology data centre growth hinges on IC3 Super West amid FY26 earnings pressure

By Danielle Ecuyer

This week's quote comes from ANZ Bank

"Speaking at the Shann Memorial Lecture on 3 September, Governor Bullock noted that the Q2 household consumption print was “a little stronger” than expected, and if this trend continues, “there may not be many interest rate declines left to come”.

"At this stage, we still expect the RBA to cut the cash rate by 25bp in November."

Xero embarks on embracing payments disruption and AI-user enhancement

Accountancy platform operator Xero ((XRO)) is undertaking a major diversification of its business model with the acquisition of Melio, a B2B payments platform in the US. Once integrated (the acquisition is due to be completed in November), the goal, as highlighted by Wilsons, is to disrupt traditional payments transactions in the US which currently still centre around cheques and old-style over the counter banking.

Take a five seconds pause and think about this for a while. Does this sound like outdated and crazy, or what? (Not the Xero acquisition, the status of US banking).

At the recent Brisbane XeroCon with some 3,000 attendees plus 5,000 online, the company outlined a suite of updates for users and investors.

Melio and Xero are targeting to replace a portion of the US$16trn in annual B2B payments with a simplified offering via a **“sophisticated, agile platform”** where customers can save both time and money. Both a subscription and transaction fee will be charged to monetise the platform. Melio’s focus has been on Accounts Payable, but with every client who signs up, the Accounts Receivable service will be offered.

The company also outlined how Melio, led by Matan Bari, the CEO who is coming across to Xero, has achieved over 300 feature upgrades delivered after over 1,000 one-to-one conversations with A&NZ-based Xero customers.
US competitor Intuit has to date been successful in bundling financial and accounting services.

Under the stewardship of its CEO, Sukhinder Singh Cassidy, Xero has rationalised its subscriber base by removing *‘long idle’* subs and moved to a more price-reliant business model.

In FY21, total revenue advanced 18%, made up of volume growth of 20% and -2% detracted from price. In contrast, 1H25 revenue grew 21% composed of 10% volume growth and 11% price growth. Wilsons views the switch to price increases to underpin top-line growth as well overdue.

While concerned price reliance was becoming too significant to generate longer-term growth, Wilsons admits to underestimating the value being added to support the price rise and the corresponding price rises from peers.
On the first point, Xero has added 300 feature upgrades over the last year at a rate of 30 upgrades a month.

Building on the upgrades, RBC Capital points to demonstrations provided of how Xero’s AI assistant, JAX (Just Ask Xero), which is still in beta phase, can be an intuitive *“business companion”*. Management is seeking to

"supercharge" JAX, RBC reports, via a new partnership with OpenAI.

The service will be designed to answer both SMB-specific accounting queries as well as help with general financial queries through accessing external information, including tax rules and market interest rates, to assist with making better real-time decisions.

Xero also launched Partner Hub, with Xero Practice Manager (XPM) practices receiving early access in November and all other practices by early 2026. This is aimed at bringing all partner tools into one place, including collating all apps in Xero's ecosystem to streamline compliance workflows.

Concerns arising from the possible introduction of US bank data fees were allayed, with management tempering expectations around cost impacts, which are expected to be "immaterial" at this stage. Equally, management suggested there are levers to pull, if needed.

FY26 opex guidance as a percentage of revenue was reiterated around 71.5%, with that ratio lower in 2H26 than in 1H26. The medium-term guidance to "more than double group revenue from FY25-FY28" and to return to a Rule of 40 by FY28 was reconfirmed. Wilsons doesn't envisage 'hockey-stick' growth to achieve FY28 revenue, rather a more 'linear' growth progression.

No earnings forecast impacts were deemed apparent at the presentations. The analyst continues to rate the stock Overweight with a $217.26 target price. RBC Capital's target stands at $187 with a Sector Perform rating.

FNArena's daily monitored brokers have a consensus target price of $213.167 and all six have a Buy-equivalent rating.

RBA rate cuts fuel improved consumer demand and KFC sales

After a bumpy twelve months for quick service restaurants operator Collins Food's ((CKF)) share price, this week's AGM update, including same-store sales and total growth for the first 18 weeks of FY26, has triggered another rally for the shares.

Like other consumer-facing companies, the QSR operator has experienced an uptick and acceleration in same-store sales growth across all three of its trading regions.

The KFC franchise in Australia represents 7% of the global network, and Collins has a weighted exposure to QLD and WA. Canaccord Genuity highlights these two states are experiencing economic tailwinds from housing wealth effects and buoyant local economies.

Morgans highlights same-store sales growth of 2.3% year-to-date, above consensus of 2%.

As evidenced by Australia's 2Q25 GDP data this week, which came in higher than expected due to a pickup in the private sector and consumer spending post RBA interest rate cuts, Collins seems well positioned with its large earnings exposure to a more confident Australian consumer.

Management reconfirmed normalised net profit after tax growth guidance for FY26 of "low-to-mid teens", and Canaccord's updated earnings forecasts are aligned with guidance on the back of estimated same-store sales growth of 2.7% for FY26, a rise of 2.2% on the prior estimate.

Noting Collins has an essentially mature network with under 3% network growth annually, the company has been challenged to generate volume growth in recent years. The analyst does, however, commend management on pricing to handle costs and cost pressures. Volume growth remains the outlying factor which can impact forecasts in both directions.

Overseas, management is expanding the store footprint considerably, aiming for 40-70 new stores against the current 20. Canaccord views the strategic goals for expansion as "sound". In the near term, investment spending in Germany will outweigh the earnings returns, which may weigh on cash flow. Gearing levels for Collins are seen as manageable.

The decision to exit Taco Bell in Australia, subject to details such as terms, costs and exit options, is seen as a positive.

Canaccord makes minor earnings forecast changes and sees net profit after tax growth at 14% (normalised 2%) compared to low-mid teens as management guided.

FY27 net profit after tax growth of 6% is flagged by the analyst, with 46 new German stores over the five years from FY26-FY30 and 28 new Australian stores from FY26-FY28.

Buy rating remains, with an uplift in target price to $10.85 from $9.65.

The investment in data centre growth through a longer time horizon

Reporting season presented a mixed bag of reactions to data centre-related stocks.

Macquarie Technology ((MAQ)), while printing a FY25 result which met previous guidance and broadly aligned with market expectations, saw its stock sold off.

Digging into the results, net profit after tax of $34.9m missed Petra Capital's forecast at $37.4m and consensus at $36.1m due to higher depreciation and amortisation charges of $56.2m.

Wilsons points to capex in FY25 of -$150m versus revised guidance of -$95m-$110m.

Positively, the balance sheet presented a more upbeat picture with strong cash conversion of operating cash flow to earnings (EBITDA) of 115%, allowing for a better-than-expected $450m for an undrawn debt facility with cash of $62m.

Divisionally, cloud services and government services served up 4.3% on the prior year, with data centre earnings up 5.4% with stable margins excluding pass-through of revenue to hyperscale customers.

Management pointed to 5% of capacity available for sale. That's only 5% left until the new data centre capacity becomes available.

The earnings (EBITDA) per MW for the existing data centre footprint stood at $1.8m/MW, above the forecast of $1.7m/MW.

Telecom earnings were flat on FY24, as expected.

FY26 guidance was disappointing, the analyst at Wilsons states, with only *"marginal"* growth guided for FY26 and FY27, presenting a *rather "modest"* earnings outlook.

With little data centre capacity to sell in FY26, the current fiscal year will be challenging, Petra agrees, until IC3 Super West (IC3SW) comes on stream.

Meanwhile, other divisions are expected to operate under pressure, notably an expected contraction in Telecom earnings (EBITDA) of -16% for FY26.

Macquarie Technology continues to invest with a long-term perspective. IC3SW phase one capex was re-affirmed at -$350m with a reasonable timeline to completion at 3Q2026 and capacity of 6MW.

The company also entered a put and call option to acquire a parcel of land in Sydney for a new data centre with capacity of 150MW. The development is subject to approvals and funding facilitated via debt and cash on hand of $240m.

Petra views any share price weakness as a buying opportunity, with earnings and EPS outlook improving from FY27 onwards.

Buy rated with a target set at $87.33. Wilsons downgrades the stock to Market Weight from Overweight with a reduction in target to $71.30, down -21%. Canaccord Genuity remains Buy rated with a $107 target price.

The author's SMSF owns Xero shares.

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WEEKLY REPORTS

In Case You Missed It - BC Extra Upgrades & Downgrades - 05-09-25

A summary of the highlights from Broker Call Extra updates throughout the week past

Broker Rating Changes (Post Thursday Last Week)

Upgrade

ADAIRS LIMITED ((ADH)) Upgrade to Buy from Overweight by Jarden.B/H/S: 0/0/0

Adairs' FY25 EBIT of $55.2m came inside the guidance range, Jarden highlights, with EBIT for the Adairs brand at the top end, and Focus and Mocka at the middle of the range. Gross margin was up 70bps to 46.8% but missed the consensus.

Trading for the first seven weeks of FY26 was strong, with group sales up 22.6% y/y vs 5% consensus, and within that, Adairs and Mocka outperformed.

The broker sees upside risk from Mocka standalone concept via increasing addressable share of the furniture market, and notes Focus is making progress with cost reductions and refurbished stores.

FY26-28 revenue forecasts lifted by 4-8%, and EBITDA estimates increase by 8-17%.

Target rises to $2.96 from $2.07. Rating upgraded to Buy from Overweight.

LOVISA HOLDINGS LIMITED ((LOV)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden highlights tariff concerns as overestimated for Lovisa Holdings and upgrades the stock to Overweight from Neutral.

FY25 results reflected ongoing store rollouts and a robust trading update. The retailer managed to protect margins in 2H25 from tariffs, commentary highlights, with 2H US average store sales up 14% on the prior year and global sales up 6%.

Jarden raises its earnings (EBIT) estimates by 12%-21% for FY26-FY28, with net new store forecasts up to circa 130 p.a. and like-for-like sales upgrades of 75bps, as the analyst believes tariff concerns were overstated, as well as gross margin upgrades of 45bps.

Target price rises to $42.42 from $22.87.

NUIX LIMITED ((NXL)) Upgrade to Buy from Hold by Moelis.B/H/S: 0/0/0

Nuix's FY25 revenue missed Moelis' forecast by -5% but that was due to lower proportion of multi-year deals which impacted upfront revenue recognition.

The miss was despite 8% y/y growth in Annualised Contract Value (ACV), though this was lower than the company's withdrawn 11-16% target. Expenses were higher reflecting less capitalisation and more direct expenses, leading to a net loss of -$9.2m.

The company is confident of its products, noting expansion of Nuix Neo in 2H, leading to revenue ending FY25 at $28.1m vs $12.1m in FY24. Two deals were annouced in early FY26, pushing ACV by another $2.5-4.5m.

The broker lifted FY26 net profit by 21% but no change to FY27.

Target lifted to $2.66 from $2.50. Rating upgraded to Buy from Hold.

POLYNOVO LIMITED ((PNV)) Upgrade to Overweight from Market Weight by Wilsons.B/H/S: 0/0/0

PolyNovo's FY25 sales rose 29% y/y and met Wilsons' forecast, while EBITDA more than tripled to $11.2m, beating the broker's original forecast of $8.3m.

The broker notes MTX is emerging as a key growth driver, wth sales more than doubling in FY25 and estimated to double again in FY26. BTM performance was subdued, but the forecast is for 6% volume growth, with the ongoing PMA trial seen as a long-term catalyst.

The broker's revised forecast is for FY26 US sales of US$70m, up 23% in constant currency terms. Group forecasts are largely unchanged, but FY26 EBITDA forecast is upgraded by 4%.

Target unchanged at $1.62. Rating upgraded to Overweight from Market Weight, with the broker noting the stock is trading at a discount to DCF and historical multiples.

QANTAS AIRWAYS LIMITED ((QAN)) Upgrade to Overweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden highlights the key surprise from Qantas Airways' FY25 result was domestic yield growth, with the airline also guiding to 3-5% RASK (revenue per available seat km) growth in FY26. Underlying profit before tax of $2.39bn met expectations.

Jetstar domestic EBIT grew 55% y/y in FY25, with Jetstar International also outperforming at 54% y/y growth. The broker lifted Jetstar's FY26 EBIT forecast to $869m from $864m, and FY27 to $952m from $906m.

The broker notes the revenue environment looks strong and more than enough to offset the re-emergence of cost pressures in FY26.

The stock has shifted to a growth plus capital story, in the broker's view, from value recovery as most conditions are in place for a P/E re-rating beyond historical averages.

Overall, the broker increased FY26 core EPS forecast by 3% and FY27 by 4%. Target rises to $12.90 from $10.20. Rating upgraded to Overweight from Neutral.

Downgrade

ARN MEDIA LIMITED ((A1N)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0

Canaccord Genuity describes ARN Media's 1H25 result as complicated, with the Hong Kong OOH (Cody Outdoor) business reclassified as discontinued (pending disposal) and the agency business Emotiv sold in May 2025.

The continuing Audio business materially underperformed peers, particularly in Metro and Regional Radio, despite digital growth. Revenue of $142.3m was down -7% y/y and missed the broker's forecast by -7%.

Gross margins improved and cost savings were substantial, but the broker trimmed FY25 EBITDA forecast by -14%. Revenue forecast was lowered by -7%.

Rating downgraded to Hold from Buy. Target cut to 50c from 95c.

AUSSIE BROADBAND LIMITED ((ABB)) Downgrade to Neutral from Overweight by Jarden.B/H/S: 0/0/0

Jarden regards Aussie Broadband's FY25 result as solid with some low and high quality positive surprises. Better cost/productivity discipline and divestment of Buddy were quoted among the positives.

A bigger positive was new 6-year wholesale agreement with M&T to provide NBN network services to More and Tangerine Telecom. The deal is expected to contribute $12m to underlying EBITDA from FY27.

The broker highlights improvement in FY26 earnings outlook but sees competitive intensity in residential broadband as a key risk to subscriber growth.

The broker upgraded FY26-28 underlying EBITDA forecasts mainly due to lower cost base following Symbio synergies and the Buddy exit.

Target rises to $5.30 from $4.50. Rating downgraded to Neutral from Overweight.

BANK OF QUEENSLAND LIMITED ((BOQ)) Downgrade to Sell from Underweight by Jarden.B/H/S: 0/0/0

Bank of Queensland provided guidance for FY25 and withdrew the FY26 ROE target of 8% and 56% CTI , citing “highly unpredictable environment” and “accelerating headwinds."

Jarden highlights the commentary is inconsistent with more constructive outlook from the bank's peers. Strategic initiatives were announced, including plan to sell up to $3.8bn of equipment finance book, and Capgemini partnership for outsourcing IT/AI and business processing.

The broker believes the loan portfolio sale is essentially short-term off-balance sheet financial engineering, which will boost near-term earnings but is a sign the funding base is not sustainably economic.

FY25 cash net profit guidance of $375-385m was in line with $378m consensus. The broker lifted FY25 EPS forecast by 1.4% on lower bad debt. FY26-27 EPS forecasts unchanged.

Target trimmed to $6.00 from $6.70. Rating downgraded to Sell from Underweight.

DATA#3 LIMITED. ((DTL)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons notes Data#3 delivered a solid set of numbers for FY25, with gross revenue meeting its forecast and the consensus. EBITDA was up 11% y/y with EBITDA margin widening by 40bps to 7.8%.

The broker notes the infrastructure segment returned to growth (+4% y/y vs -3% last year), but still comprises only 19% of group sales.

Software which makes up two-thirds of revenue is expected to face a softer FY26 due to annualisation of Microsoft incentive payment changes.

The broker cut FY26-27 revenue forecasts by -3%.

Target cut to $8.67 from $9.75. Rating downgraded to Market Weight from Overweight.

ENDEAVOUR GROUP LIMITED ((EDV)) Downgrade to Underweight from Neutral by Jarden.B/H/S: 0/0/0

Endeavour Group's FY25 underlying net profit was in line with Jarden's forecast, but revenue missed by -2% and EBIT met. The broker describes the result as clean with over 100% cash conversion, highlighting strong financial discipline.

FY26 started on a weak note for retail with sales in the first 7 weeks down -1.3% y/y. However, the hotel segment fared better, up 4.4% y/y.

The broker believes a strategic reset, while disruptive, is what the company needs. Brand and format rationalisation, loyalty program consolidation, data monetisation, and category expansion could expand the total addressable market and unlock synergies.

The broker trimmed FY26 net profit forecast by -5% to reflect weaker 2H gross margin and higher cost of doing business.

Target cut to $3.90 from $4.20. Rating downgraded to Underweight from Neutral.

EVT LIMITED ((EVT)) Downgrade to Overweight from Buy by Jarden.B/H/S: 0/0/0

Jarden downgrades EVT Ltd to Overweight from Buy post FY25 net profit after tax, which came in lower than anticipated but beat consensus by 6% when tax-adjusted and by 11% after cyclone impacts.

Cinemas disappointed, notably in Germany, down around -5%, while Australia fell -4%.

The analyst lowers earnings (EBITDA) forecasts by around -3% to -11% for FY26-FY28, from revenue downgrades of -3% to -4%, with more conservative recovery assumptions adopted.

Target price slips to $16.34 from $18.70.

FINEOS CORPORATION HOLDINGS PLC ((FCL)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

Fineos Corp advised it expects FY25 revenue to come at the lower end of the guidance range due to forex shifts and broader economic uncertainty.

The original revenue guidance was based on EUR/USD exchange rate of 1.0837, but the rate is now closer to 1.16, creating a revenue headwind.

Moelis notes the company is maintaining its strategic trajectory, and longer-term growth is dependent on new client acquisition and deeper penetration of large accounts.

The broker trimmed FY25 revenue forecast by -2.9% and EBITDA by -2.3%.

Rating downgraded to Hold from Buy. Target $3.27.

FORTESCUE LIMITED ((FMG)) Downgrade to Underweight from Neutral by Jarden.B/H/S: 0/0/0

Jarden downgrades Fortescue to Underweight from Neutral due to the stock's recent outperformance and valuation grounds.

The miner achieved what the analyst considers "operational excellence" in FY25, with record shipments and industry-leading costs. Momentum has been retained into FY26.

The analyst raises capital investment forecasts by 2%-4% for FY27-FY30, with only slight changes to other operating financial forecasts, resulting in an impact on EPS estimates, down -3% for FY26 and -2% for FY27.

Target slips to $16 from $16.25.

GQG PARTNERS INC ((GQG)) Downgrade to Overweight from Buy by Jarden.B/H/S: 0/0/0

Jarden described GQG Partners' 1H25 result as relatively robust but is concerned about the outlook due to investment underperformance and accelerating outflows.

Trends worsened into 2H with net outflows in July-August, posing downside risk to FUM assumptions, though the broker is hopeful flow momentum will reverse in line with historical trends.

Earnings risk is considered elevated from flows and performance.

In 1H25, net profit lagged the broker's forecast but was 1.5% ahead of consensus. Base management fees of 48.2bps were weaker than the consensus and the broker's estimate.

FY25 EPS forecast downgraded by -8% and FY26 by -19%. Target trimmed to $2.50 from $3.60. Rating downgraded to Overweight from Buy.

INTEGRAL DIAGNOSTICS LIMITED ((IDX)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons notes Integral Diagnostics' FY25 revenue rose 33% to $628m, missing its forecast by -1%. Revenue excluding Capitol Health grew only 7% to $501m, indicating organic growth lagged system growth.

EBITDA was up 37% to $127m, beating the broker's forecast by 4%, and net profit was ahead by 17%. The broker notes the 2H results drove the outperformance.

The company didn't provide quantitative guidance but highlighted expectations for revenue growth and expansion in underlying EBITDA margin over time.

The broker revised forecasts to incorporate additional synergies from the merger and lifted group margin profile, resulting in a 10-21% increase in underlying EPS forecasts for FY26-27.

Target increases to $3.00 from $2.75. Rating downgraded to Market Weight from Overweight.

IMDEX LIMITED ((IMD)) Downgrade to Sell from Neutral by Jarden.B/H/S: 0/0/0

Jarden assesses Imdex's FY25 result as slightly soft, with underlying EBITDA missing consensus by -1%. The positive was improved revenue momentum into 4Q25 suggesting acceleration late in the quarter.

The broker notes early ramp-up in drilling activity in response to elevated commodity prices may be underway but it remains cautious until sustained benefit to earnings is visible.

FY26 revenue growth of 9.6% is forecast and underlying EBITDA growth of 18.4%, pointing to operating leverage from higher revenue growth. However, net profit is expected to be dragged down by higher D&A expense and finance costs.

FY26 EPS forecast cut by -16% and FY27 by -12%.

Target rises to $2.75 from $2.55. Rating downgraded to Sell from Neutral on stretched valuations.

MADER GROUP LIMITED ((MAD)) Downgrade to Hold from Buy by Moelis.B/H/S: 0/0/0

Mader Group's FY25 results were in line with guidance and forecasts by Moelis, with revenue of $870m and profit of $57m.

Australia grew 17% on strong contributions from infrastructure, rail, and road, highlights the broker, while North America improved in the second half with 8% revenue growth and stable margins.

The group profit margin expanded to 6.6%, and a fully franked 4c dividend was declared.

Net debt fell to $8m from $23.2m in December, with the business on track for a net cash position within twelve months, suggests the analyst. Cash conversion of 101% supported $42.7m in operating cash flow, with cash of $24m at June end.

FY26 guidance targets at least $1bn in revenue and $65m profit, consistent with the five-year strategic plan, observes Moelis.

Moelis raises its target price to $8.29 from $6.83 reflecting stronger domestic momentum and higher utilisation of a growing workforce. and downgrades to a Hold rating from Buy.

MACQUARIE TECHNOLOGY GROUP LIMITED ((MAQ)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons downgrades its rating to Market Weight from Overweight and cuts the price target to $71.30 from $89.75.

The broker notes FY25 EBITDA of $113.6m (up 9%) was in line with forecasts, with Data Centres up 6% and Cloud & Government up 4%, while Telecom grew only 2%.

FY26 guidance for “marginal” EBITDA growth reflects a -$4m (-16%) fall in Telecom offsetting modest growth in Data Centres and Cloud, leaving group EBITDA essentially flat.

IC3 Super West remains on track for Sep-26 completion, but the analysts highlight no real scale contribution is expected until FY28, while Telecom will remain rebased.

Forecasts are revised lower with FY26–27 EBITDA cut by -6% to -10%.

MONASH IVF GROUP LIMITED ((MVF)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons downgraded Monash IVF to Market Weight from Overweight and cut the target price to $0.72, a -20% discount to discounted cash flow, from $1.25.

The combination of patient volume decline, market share losses, weak pricing power, and negative operating leverage leaves the outlook too uncertain for a positive recommendation, the broker notes.

M&A potential at depressed multiples is a reason to hold, but near-term earnings risk dominates, the broker adds.

FY25 revenue rose 7% y/y, meeting the broker's forecast but missing the consensus. The company is guiding to net profit of $20-23m in FY26, which implies -21.5% lower y/y.

The broker downgraded its net profit forecast by -29% y/y to $19.6m.

PILBARA MINERALS LIMITED ((PLS)) Downgrade to Overweight from Buy by Jarden.B/H/S: 0/0/0

Jarden assesses Pilbara Minerals' FY25 result as better than expected, with reported EBITDA of $78m beating its $69m forecast. Below the EBITDA line, however, net loss was worse than expected due to higher D&A.

The broker is forecasting significantly higher D&A ahead, but notes it is non-cash and provides a greater tax shield.

The highlight was a recent spot sale for a small 5kt cargo for SC6 price 10% above the current spot of US$940/t. The company stated it received more enquiries, though the broker notes it is fully contracted for FY26.

The broker once again highlights the strong balance sheet, where the net cash position was $518m at the end of June. EBITDA forecast for FY26 lifted by 4% and by 2% for FY27.

Target unchanged at $2.20. Rating downgraded to Overweight from Buy.

READYTECH HOLDINGS LIMITED ((RDY)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons lowers its rating to Market Weight from Overweight and cuts its price target to $2.63 from $3.43.

The broker notes FY25 revenue of $121.8m (up 7%) and EBITDA of $39.5m (up 2%) were both slightly below expectations, while EPS of 13.8c was in line with Wilsons but -8% below consensus.

Cash EBITDA guidance for FY26 of $20–21m (15–16% margin) was well below forecasts as reinvestment into AI and Enterprise products continues to delay operating leverage.

Forecasts are materially downgraded, with revenue reduced by -4–5% and EBITDA and EPS cut by up to -20%

SITEMINDER LIMITED ((SDR)) Downgrade to Market Weight from Overweight by Wilsons.B/H/S: 0/0/0

Wilsons lowers its rating to Market Weight from Overweight and raises its price target to $7.00 from $6.44.

The broker notes FY25 revenue rose 19% to $224.3m, in line with expectations, while ARR accelerated to $273m (up 31%) and Net Property additions increased by 2.9k in 2H.

EBITDA of $28.8m was slightly below forecasts due to higher G&A, though maiden annual free cash flow of $4.7m was achieved.

Smart Products contributed mid-single digit revenue with Smart Distribution the main driver, while Channels Plus adoption passed 5k Properties and DR-plus v2.0 is set to launch, the analysts highlight.

SANDFIRE RESOURCES LIMITED ((SFR)) Downgrade to Hold from Buy by Canaccord Genuity.B/H/S: 0/0/0

Sandfire Resources' FY25 net profit of US$90m missed Canaccord Genuity's and the consensus forecasts on higher net finance and income tax expenses. Free cash flow was ahead on strong contributions from Matsa and Motheo.

Revenue and EBITDA were pre-reported. No dividend was declared in line with expectations.

The company provided operating cost guidance with 10% increase expected across both operations. The broker expects Motheo costs to rise by 10% in FY26 and Matsa's to be flat in EUR terms, but 10% higher in USD terms.

Target rises to $12.50 from $12.00. Rating downgraded to Hold from Buy.

WISETECH GLOBAL LIMITED ((WTC)) Downgrade to Underweight from Neutral by Jarden.B/H/S: 0/0/0

WiseTech Global reported weaker earnings momentum than expected in FY25, resulting in Jarden downgrading the stock to Underweight from Neutral.

FY26 revenue guidance of 14% to 21% growth missed the analyst's previous forecast of over 30% growth, but positively Container Transport Optimisation will be in the market.

Jarden lowers its net profit after tax forecasts by -9% for FY26 and -3.6% for FY27 post-guidance, with longer-term EPS estimates materially downgraded by -19%.

Target price falls to $82 from $106.

Order	Company	New Rating	Old Rating	Broker
Upgrade				
1	ADAIRS LIMITED	Buy	Buy	Jarden
2	LOVISA HOLDINGS LIMITED	Buy	Neutral	Jarden
3	NUIX LIMITED	Buy	Neutral	Moelis
4	POLYNOVO LIMITED	Buy	Neutral	Wilsons
5	QANTAS AIRWAYS LIMITED	Buy	Neutral	Jarden
Downgrade				
6	ARN MEDIA LIMITED	Neutral	Buy	Canaccord Genuity
7	AUSSIE BROADBAND LIMITED	Neutral	Buy	Jarden
8	BANK OF QUEENSLAND LIMITED	Sell	Sell	Jarden
9	DATA#3 LIMITED.	Neutral	Buy	Wilsons
10	ENDEAVOUR GROUP LIMITED	Sell	Neutral	Jarden
11	EVT LIMITED	Buy	Buy	Jarden
12	FINEOS CORPORATION HOLDINGS PLC	Neutral	Buy	Moelis
13	FORTESCUE LIMITED	Sell	Neutral	Jarden
14	GQG PARTNERS INC	Buy	Buy	Jarden
15	IMDEX LIMITED	Sell	Neutral	Jarden
16	INTEGRAL DIAGNOSTICS LIMITED	Neutral	Buy	Wilsons
17	MACQUARIE TECHNOLOGY GROUP LIMITED	Neutral	Buy	Wilsons
18	MADER GROUP LIMITED	Neutral	Buy	Moelis
19	MONASH IVF GROUP LIMITED	Neutral	Buy	Wilsons
20	PILBARA MINERALS LIMITED	Buy	Buy	Jarden
21	READYTECH HOLDINGS LIMITED	Neutral	Buy	Wilsons
22	SANDFIRE RESOURCES LIMITED	Neutral	Buy	Canaccord Genuity
23	SITEMINDER LIMITED	Neutral	Buy	Wilsons
24	WISETECH GLOBAL LIMITED	Sell	Neutral	Jarden

Price Target Changes (Post Thursday Last Week)

	Company	Last Price	Broker	New Target	Old Target	Change
A1N	ARN Media	$0.49	Canaccord Genuity	0.50	0.95	-47.37%
ABB	Aussie Broadband	$5.16	Jarden	5.30	4.50	17.78%
			Wilsons	6.85	5.16	32.75%
ACE	Acusensus	$0.95	Canaccord Genuity	1.65	1.50	10.00%
			Wilsons	1.21	1.23	-1.63%
ACF	Acrow	$1.03	Moelis	1.32	1.44	-8.33%
			Petra Capital	1.68	1.80	-6.67%
ADH	Adairs	$2.49	Jarden	2.96	2.07	43.00%
AHX	Apiam Animal Health	$0.80	Canaccord Genuity	0.87	0.88	-1.14%
ALK	Alkane Resources	$1.13	Moelis	1.40	1.15	21.74%
ANG	Austin Engineering	$0.30	Petra Capital	0.46	0.59	-22.03%
APE	Eagers Automotive	$27.12	Moelis	28.62	18.02	58.82%
ATA	Atturra	$0.79	Moelis	1.06	1.07	-0.93%
AUB	AUB Group	$35.52	Jarden	37.20	38.25	-2.75%
AYA	Artrya	$2.18	Petra Capital	3.51	2.87	22.30%
BEN	Bendigo & Adelaide Bank	$12.61	Jarden	12.00	11.60	3.45%
BGL	Bellevue Gold	$0.88	Moelis	0.95	1.00	-5.00%
BOQ	Bank of Queensland	$6.92	Jarden	6.00	6.70	-10.45%
BRI	Big River Industries	$1.46	Moelis	1.60	1.37	16.79%
COL	Coles Group	$24.09	Jarden	21.70	20.60	5.34%
CUV	Clinuvel Pharmaceuticals	$10.57	Moelis	23.13	23.00	0.57%
CVN	Carnarvon Energy	$0.10	Jarden	0.14	0.15	-6.67%
CVV	Caravel Minerals	$0.15	Canaccord Genuity	0.62	0.60	3.33%
CWP	Cedar Woods Properties	$7.52	Moelis	8.36	7.63	9.57%
CXL	Calix	$0.39	Canaccord Genuity	1.90	2.40	-20.83%
DMP	Domino's Pizza Enterprises	$14.32	Jarden	18.00	37.00	-51.35%
DTL	Data#3	$9.17	Jarden	8.80	8.45	4.14%
			Wilsons	8.67	9.75	-11.08%
DUR	Duratec	$1.71	Moelis	1.83	1.93	-5.18%
EDV	Endeavour Group	$3.74	Jarden	3.90	4.20	-7.14%
EML	EML Payments	$1.07	Wilsons	1.40	1.47	-4.76%
EVT	EVT Ltd	$13.80	Jarden	16.34	15.88	2.90%
EXP	Experience Co	$0.16	Canaccord Genuity	0.23	0.21	9.52%
FCL	Fineos Corp	$3.12	Moelis	3.27	2.47	32.39%
FLT	Flight Centre Travel	$12.36	Jarden	17.20	18.50	-7.03%
			Wilsons	17.29	17.15	0.82%
FMG	Fortescue	$18.66	Jarden	16.00	16.25	-1.54%
FWD	Fleetwood	$3.06	Moelis	3.07	2.57	19.46%
GDG	Generation Development	$6.01	Moelis	8.12	6.26	29.71%
GGP	Greatland Resources	$6.07	Jarden	5.75	5.70	0.88%
			Moelis	7.00	7.50	-6.67%
GNP	GenusPlus Group	$5.10	Moelis	5.50	4.40	25.00%
GQG	GQG Partners	$1.77	Jarden	2.50	3.60	-30.56%
IDX	Integral Diagnostics	$2.85	Canaccord Genuity	3.40	2.90	17.24%
			Jarden	3.41	3.45	-1.16%
			Wilsons	3.00	2.75	9.09%
IGO	IGO Ltd	$4.77	Canaccord Genuity	5.00	4.60	8.70%
IMD	Imdex	$3.00	Jarden	2.75	2.55	7.84%
INA	Ingenia Communities	$5.62	Jarden	7.10	6.50	9.23%
JIN	Jumbo Interactive	$11.39	Jarden	13.20	13.40	-1.49%
			Wilsons	13.99	14.38	-2.71%
KAR	Karoon Energy	$1.64	Wilsons	2.21	2.14	3.27%
KGN	Kogan.com	$3.91	Jarden	4.25	4.05	4.94%

KLS	Kelsian Group	$5.18	Canaccord Genuity	5.80	5.60	3.57%
LAU	Lindsay Australia	$0.67	Wilsons	0.95	0.99	-4.04%
LFG	Liberty Financial	$4.22	Jarden	4.00	3.75	6.67%
LIC	Lifestyle Communities	$5.35	Canaccord Genuity	6.00	5.30	13.21%
			Jarden	5.70	7.20	-20.83%
			Moelis	7.00	7.90	-11.39%
LOV	Lovisa Holdings	$40.77	Canaccord Genuity	37.60	28.70	31.01%
			Jarden	42.42	22.87	85.48%
LRK	Lark Distilling Co	$0.77	Moelis	0.89	1.20	-25.83%
MAC	MAC Copper	$18.59	Moelis	19.10	18.50	3.24%
MAD	Mader Group	$8.46	Moelis	8.29	6.83	21.38%
MAQ	Macquarie Technology	$58.30	Canaccord Genuity	95.00	107.00	-11.21%
			Wilsons	71.30	89.75	-20.56%
MIN	Mineral Resources	$36.79	Jarden	14.80	14.60	1.37%
MPL	Medibank Private	$5.02	Jarden	4.60	4.65	-1.08%
MVF	Monash IVF	$0.70	Wilsons	0.72	1.25	-42.40%
NAN	Nanosonics	$4.08	Canaccord Genuity	5.43	5.15	5.44%
			Wilsons	6.39	6.00	6.50%
NDO	Nido Education	$0.67	Canaccord Genuity	0.92	1.09	-15.60%
NHF	nib Holdings	$7.33	Jarden	8.00	7.75	3.23%
NIC	Nickel Industries	$0.70	Canaccord Genuity	0.68	0.55	23.64%
NUZ	Neurizon Therapeutics	$0.15	Petra Capital	0.52	0.50	4.00%
NVX	Novonix	$0.49	Petra Capital	0.74	0.77	-3.90%
NXL	Nuix	$2.41	Jarden	2.25	2.46	-8.54%
			Moelis	2.66	2.50	6.40%
PDN	Paladin Energy	$7.89	Canaccord Genuity	13.05	12.60	3.57%
PFP	Propel Funeral Partners	$5.07	Moelis	5.81	5.54	4.87%
PPE	PeopleIN	$0.68	Wilsons	1.03	1.05	-1.90%
PPM	Pepper Money	$2.25	Jarden	2.00	1.65	21.21%
PPS	Praemium	$0.79	Moelis	1.03	0.99	4.04%
QAL	Qualitas	$3.60	Jarden	4.26	3.95	7.85%
QAN	Qantas Airways	$11.78	Jarden	12.90	10.20	26.47%
RDY	ReadyTech Holdings	$2.26	Jarden	2.60	3.05	-14.75%
			Wilsons	2.63	3.43	-23.32%
REG	Regis Healthcare	$7.72	Jarden	8.30	8.05	3.11%
RHC	Ramsay Health Care	$34.11	Jarden	43.64	46.55	-6.25%
RMD	ResMed	$41.47	Wilsons	50.00	43.50	14.94%
RWL	Rubicon Water	$0.19	Wilsons	0.44	0.46	-4.35%
SCG	Scentre Group	$4.05	Jarden	4.45	4.25	4.71%
SDR	SiteMinder	$6.71	Jarden	7.65	4.45	71.91%
			Moelis	7.64	6.19	23.42%
			Wilsons	7.00	6.44	8.70%
SFR	Sandfire Resources	$12.29	Canaccord Genuity	12.50	12.00	4.17%
SIG	Sigma Healthcare	$3.03	Jarden	3.40	3.30	3.03%
SKS	SKS Technologies	$2.93	Wilsons	3.14	2.91	7.90%
SLX	Silex Systems	$4.03	Canaccord Genuity	6.64	N/A	N/A
SOM	SomnoMed	$0.73	Wilsons	1.00	0.80	25.00%
TAH	Tabcorp Holdings	$1.02	Jarden	1.00	0.75	33.33%
TLX	Telix Pharmaceuticals	$13.77	Wilsons	27.33	30.00	-8.90%
TRJ	Trajan Group	$0.89	Canaccord Genuity	1.20	1.40	-14.29%
TYR	Tyro Payments	$1.25	Canaccord Genuity	1.70	1.65	3.03%
			Wilsons	1.40	1.15	21.74%
WEB	Web Travel	$4.21	Jarden	5.30	5.40	-1.85%
WES	Wesfarmers	$90.91	Jarden	73.40	73.10	0.41%
WGX	Westgold Resources	$3.60	Canaccord Genuity	5.10	5.25	-2.86%
WOW	Woolworths Group	$27.67	Jarden	30.10	36.30	-17.08%
WTC	WiseTech Global	$94.85	Jarden	82.00	106.00	-22.64%
Company		Last Price	Broker	New Target	Old Target	Change

More Highlights

29M 29METALS LIMITED

Copper – Overnight Price: $0.34

Canaccord Genuity rates ((29M)) as Sell (5) –

Canaccord Genuity notes 29Metals' 1H25 revenue, EBITDAI and net profit all beat Canaccord Genuity's forecasts. However, the broker warned one-off adjustments and insurance payout masked the outcomes.

Underlying profitability is a concern for the broker as no further support will come from insurance payout. The broker sees the combination of negative working capital (though unwound to -$39.2m from -$68m in Dec) and net debt of $16m as a risk.

Sell. Target unchanged at 16c.

This report was published on August 27, 2025.

Target price is **$0.16** Current Price is **$0.34** Difference: **minus $0.18** (current price is over target).
If **29M** meets the Canaccord Genuity target it will return approximately **minus 53%** (excluding dividends, fees and charges – negative figures indicate an expected loss).
Current consensus price target is **$0.25**, suggesting downside of **-27.2%**(ex-dividends)
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 3.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 11.33**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **0.8**, 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 **42.5**.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **0.00** cents and EPS of **1.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **34.00**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **-0.3**, 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 **N/A**.

Market Sentiment: **0.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

AUB AUB GROUP LIMITED

Insurance – Overnight Price: $34.97

Jarden rates ((AUB)) as Overweight (2) –

A surprising international result helped AUB Group achieve a solid to better-than-expected FY25 earnings report. Underlying net profit after tax grew 17.1%.

Management's FY26 guidance is considered conservative, with potential for positive margin upside. The analyst's FY30 margin forecasts are around 100bps to 800bps below the company's ambitions, leaving scope for beats to expectations.

Jarden lowers its EPS forecasts by -3.8% for FY26 and -3.2% for FY27.

Overweight retained. Target slips to $37.20 from $38.25.

This report was published on August 27, 2025.

Target price is **$37.20** Current Price is **$34.97** Difference: **$2.23**
If **AUB** meets the Jarden target it will return approximately **6%** (excluding dividends, fees and charges).
Current consensus price target is **$37.27**, suggesting upside of **6.1%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **105.00** cents and EPS of **190.70** cents.
At the last closing share price the estimated dividend yield is **3.00%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **18.34**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **191.4**, implying annual growth of **23.9%**.
Current consensus DPS estimate is **104.4**, implying a prospective dividend yield of **3.0%**.
Current consensus EPS estimate suggests the PER is **18.4**.

Forecast for FY27:

Jarden forecasts a full year **FY27** dividend of **117.00** cents and EPS of **213.30** cents.
At the last closing share price the estimated dividend yield is **3.35%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **16.39**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **205.1**, implying annual growth of **7.2%**.
Current consensus DPS estimate is **111.5**, implying a prospective dividend yield of **3.2%**.
Current consensus EPS estimate suggests the PER is **17.1**.

Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

CWP CEDAR WOODS PROPERTIES LIMITED

Infra & Property Developers – Overnight Price: $7.41

Moelis rates ((CWP)) as Buy (1) –

FY25 EPS for Cedar Woods Properties of 58.4c came in ahead of Moelis' 56.9c estimate. Presales reached a record $660m, highlights the analyst, underpinning FY26 guidance for profit growth of at least 10%.

Margins expanded to 28% from 25% in FY24, supported by strong price growth across key markets, explains the broker.

Moelis notes 1,125 lot settlements in FY25, with a 6% increase expected in FY26. Queensland and WA are driving growth, explains the broker, South Australia remains steady, and Victoria is expected to recover on affordability and population growth.

The broker upgrades its medium-term EPS forecasts, highlighting capacity to harvest a low-cost landbank into supply-constrained markets. It's noted inventory covers three years of sales with additional stock beyond that period, ensuring strong visibility.

Moelis raises its target price to $8.36 from $7.63 and maintains a Buy rating.

This report was published on August 27, 2025.

Target price is **$8.36** Current Price is **$7.41** Difference: **$0.95**
If **CWP** meets the Moelis target it will return approximately **13%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **32.50** cents and EPS of **64.90** cents.
At the last closing share price the estimated dividend yield is **4.39%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.42**.

Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **36.50** cents and EPS of **73.40** cents.
At the last closing share price the estimated dividend yield is **4.93%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.10**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

GNP GENUSPLUS GROUP LIMITED

Infrastructure & Utilities – Overnight Price: $5.09

Moelis rates ((GNP)) as Buy (1) –

GenusPlus Group reported a strong FY25, according to Moelis, with profit up 71% year-on-year and earnings (EBITDA) of $67.4m, a 49% lift, both above consensus and Moelis' estimates.

The broker highlights recurring revenue growth of 20% to $311m, with FY26 expected at $370m. The order book expanded to $2bn, and the tender pipeline lifted to $2.4bn.

Energy & Engineering earnings rose 144% to $19.9m, Services surged 208% to $15.3m, and Infrastructure grew 8% to $33m.

FY26 guidance implies to the broker 20-25% earnings growth to $80.9m-$84.2m. Cash rose to $160m at June end, and a fully franked 3.6c dividend was declared.

The broker upgrades FY26, FY27, and FY28 earnings forecasts by 5%, 8%, and 8%, respectively, supported by transmission, energy transition and recurring work. The target price is raised to $5.50 from $4.40. Buy rating kept.

This report was published on August 28, 2025.

Target price is **$5.50** Current Price is **$5.09** Difference: **$0.41**
If **GNP** meets the Moelis target it will return approximately **8%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Moelis forecasts a full year **FY26** dividend of **4.40** cents and EPS of **23.50** cents.
At the last closing share price the estimated dividend yield is **0.86%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **21.66**.

Forecast for FY27:

Moelis forecasts a full year **FY27** dividend of **4.60** cents and EPS of **25.80** cents.
At the last closing share price the estimated dividend yield is **0.90%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **19.73**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

KLS KELSIAN GROUP LIMITED

Transportation & Logistics – Overnight Price: $4.86

Canaccord Genuity rates ((KLS)) as Buy (1) –

Kelsian Group met its FY25 EBITDA guidance and was 1% ahead of Canaccord Genuity's forecast on stronger performance in 2H. Net profit missed by -3%.

The highlight was the generation of free cash flow of $16m, and the broker now expects $69m in FY26, rising to $100m in FY27, with multi-year capex spending completed. The outlook into FY26 remains robust, supported by contract renewals and new wins.

The company's FY26 EBITDA guidance is for $297-310m, prompting the broker to revise its forecast by 1% from $302.8m previously. FY27 EBITDA forecast is lifted by 2%.

Buy. Target rises to $5.80 from $5.60.

This report was published on August 26, 2025.

Target price is **$5.80** Current Price is **$4.86** Difference: **$0.94**
If **KLS** meets the Canaccord Genuity target it will return approximately **19%** (excluding dividends, fees and charges).
Current consensus price target is **$4.73**, suggesting downside of **-2.8%**(ex-dividends)
The company's fiscal year ends in June.

Forecast for FY26:

Canaccord Genuity forecasts a full year **FY26** dividend of **18.00** cents and EPS of **36.00** cents.
At the last closing share price the estimated dividend yield is **3.70%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **13.50**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **203.6**, implying annual growth of **911.9%**.
Current consensus DPS estimate is **20.0**, implying a prospective dividend yield of **4.1%**.
Current consensus EPS estimate suggests the PER is **2.4**.

Forecast for FY27:

Canaccord Genuity forecasts a full year **FY27** dividend of **19.00** cents and EPS of **42.00** cents.
At the last closing share price the estimated dividend yield is **3.91%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.57**.

How do these forecasts compare to market consensus projections?

Current consensus EPS estimate is **42.6**, implying annual growth of **-79.1%**.
Current consensus DPS estimate is **24.0**, implying a prospective dividend yield of **4.9%**.
Current consensus EPS estimate suggests the PER is **11.4**.

Market Sentiment: **0.8**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

M7T MACH7 TECHNOLOGIES LIMITED

Healthcare services – Overnight Price: $0.31

Wilsons rates ((M7T)) as Overweight (1) –

Wilsons maintains its Overweight rating and $0.85 price target.

The broker notes Mach7 Technologies' FY25 revenue rose 16% to $33.8m, in line with guidance, with ARR at $25.3m and gross margin steady at 95%, while EBITDA loss of -$1.5m met expectations.

Operating cash flow turned positive at $0.9m, with the company ending the year debt free and holding $23.1m in cash.

The analysts highlight the new CEO brings experience in radiological imaging businesses and see potential for a refreshed strategic plan including contract focus, cost control, and possible M&A.

Forecasts have been moderately reduced.

This report was published on August 27, 2025.

Target price is **$0.85** Current Price is **$0.31** Difference: **$0.54**
If **M7T** meets the Wilsons target it will return approximately **174%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 1.00** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 31.00**.

Forecast for FY27:

Wilsons forecasts a full year **FY27** dividend of **0.00** cents and EPS of **0.50** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **62.00**.

Market Sentiment: **1.0**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three source

PPM PEPPER MONEY LIMITED

Business & Consumer Credit – Overnight Price: $2.15

Jarden rates ((PPM)) as Overweight (2) –

Pepper Money's 1H25 cash net profit was down -10% sequentially at $47m and was -5% below Jarden's forecast. Lower net interest income and a 48% sequential rise in bad debt drove the -10% decline.

Group net interest margin (NIM) fell -5bps vs 2H24 but was up 6% y/y. Mortgage NIM fell -21bps h/h to 1.5% and asset finance was up 15bps to 2.73%.

The company noted resilience in mortgage book and believes the worst is over for asset finance book after spike in insolvencies in 2H23 and 1H24.

FY26 EPS forecast lifted by 0.3% and FY27 by 1.9% mainly due to higher origination.

Overweight. Target rises to $2.00 from $1.65.

This report was published on August 22, 2025.

Target price is **$2.00** Current Price is **$2.15** Difference: **minus $0.15** (current price is over target).
If **PPM** meets the Jarden target it will return approximately **minus 7%** (excluding dividends, fees and charges – negative figures indicate an expected loss).
The company's fiscal year ends in December.

Forecast for FY25:

Jarden forecasts a full year **FY25** dividend of **26.00** cents and EPS of **20.50** cents.
At the last closing share price the estimated dividend yield is **12.09%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **10.49**.

Forecast for FY26:

Jarden forecasts a full year **FY26** dividend of **14.00** cents and EPS of **25.30** cents.
At the last closing share price the estimated dividend yield is **6.51%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.50**.

Market Sentiment: **0.5**
All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

RWL RUBICON WATER LIMITED

Industrial Sector Contractors & Engineers – Overnight Price: $0.19

Wilsons rates ((RWL)) as Overweight (1) –

Wilsons notes Rubicon Water's FY25 sales rose 18% y/y and beat its forecast by 3%. Net loss after tax improved $5m vs the year before but was worse than the broker's forecast on lower-than-expected forex benefits.

Project pipeline was solid in the near term, supporting expectations of strong top-line growth. Growth is underpinned by resilient Australia/NZ revenues, expanding US operations and continued growth in rest of the world.

The broker lifted FY26-28 sales forecasts by 2-3%, and expects EBITDA to reach profitability in FY26 but net profit forecast is modestly lower on higher D&A.

Overweight. Target trimmed to 44c from 46c.

This report was published on August 26, 2025.

Target price is **$0.44** Current Price is **$0.19** Difference: **$0.25**
If **RWL** meets the Wilsons target it will return approximately **132%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Wilsons forecasts a full year **FY26** dividend of **0.00** cents and EPS of **minus 0.30** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **minus 63.33**.

Forecast for FY27:

Wilsons forecasts a full year **FY27** dividend of **0.00** cents and EPS of **1.60** cents.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **11.88**.

All consensus data are updated until yesterday. FNArena's consensus calculations require a minimum of three sources

SYL SYMAL GROUP LIMITED

Industrial Sector Contractors & Engineers – Overnight Price: $1.81

Petra Capital rates ((SYL)) as Buy (1) –

Symal Group's FY25 earnings (EBITDA) at $106.1m came in above guidance, but compositionally the result was very different to what Petra Capital expected.

The outlook is robust, with management pointing to work-in-hand growth of 35% for FY26 and earnings (EBITDA) range of $115m-$125m, with consensus at $124.2m. Symal remains focused on scaling its Sycle and Searo business via both organic growth and acquisition.

Contracting missed prospectus revenue forecasts, while Plant & Equipment underpinned the gross profit and earnings beat against the analyst's forecast.

Petra Capital forecasts revenue growth of 16% for FY26-FY28, with earnings (EBITDA) margins averaging 10.5% and capex peaking in FY26 at -$86.3m.

EPS forecasts are lowered by -6.2% for FY26, and the target slips by -3.5% to $2.75. Buy rating retained.

This report was published on August 27, 2025.

Target price is **$2.85** Current Price is **$1.81** Difference: **$1.04**
If **SYL** meets the Petra Capital target it will return approximately **57%** (excluding dividends, fees and charges).
The company's fiscal year ends in June.

Forecast for FY26:

Petra Capital forecasts a full year **FY26** dividend of **11.30** cents and EPS of **22.50** cents.
At the last closing share price the estimated dividend yield is **6.24%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **8.04**.

Forecast for FY27:

Petra Capital forecasts a full year **FY27** dividend of **12.60** cents and EPS of **25.20** cents.
At the last closing share price the estimated dividend yield is **6.96%**.
At the last closing share price the stock's estimated Price to Earnings Ratio (PER) is **7.18**.

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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