

Analyst

Chris Savage 612 8224 2835

Authorisation

TS Lim 612 8224 2810

Integrated Research (IRI)

Good result, good pipeline

Recommendation

Hold (unchanged)

Price

\$4.17

Target (12 months)

\$4.25 (unchanged)

GICS Sector

Software and Services

Expected Return

Capital growth	1.9%
Dividend yield	1.9%
Total expected return	3.8%

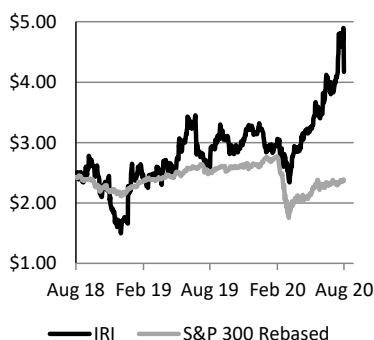
Company Data & Ratios

Enterprise value	\$711.9m
Market cap	\$716.7m
Issued capital	171.9m
Free float	60%
Avg. daily val. (52wk)	\$1.1m
12 month price range	\$2.19 - \$4.92

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	4.00	3.20	2.60
Absolute (%)	4.25	30.31	60.38
Rel market (%)	2.71	17.04	64.71

Absolute Price



SOURCE: IRESS

FY20 result at upper end of guidance range

FY20 NPAT grew 10% to \$24.1m which was in line with our forecast of \$24.0m and at the upper end of the \$23.6-24.2m guidance range. Revenue grew 10% to \$110.9m which was 1% ahead of our forecast of \$110.0m and also at the upper end of the \$109.5-111.0m guidance range. The consistent growth in both revenue and NPAT implied a consistent NPAT margin of 21.7%. Operating cash flow grew 14% to \$24.2m and was consistent with NPAT so represented good cash flow conversion. Only notable difference to our forecasts was the final dividend was flat at 3.75c fully franked whereas we had forecast a 7% increase to 4.0c.

No FY21 guidance but none expected

Integrated did not provide any FY21 guidance but it is not the company's policy to provide forward guidance. Somewhat surprising, however, was the lack of any outlook statements in the presentation though on the conference call the CEO John Ruthven did say the pipeline for FY21 is stronger than it was for FY20.

Modest EPS downgrades

We have modestly downgraded our FY21 and FY22 EPS forecasts by 2% and 5%. The downgrades have been driven by increases in our amortisation forecasts on the back of new products being released to market this half. There is little change in our revenue forecasts and we continue to forecast high single digit top line growth for the next two years. We also forecast some NPAT margin improvement in each period.

Investment view: \$4.25 PT unchanged, Maintain HOLD

We have updated each valuation we use in the determination of our price target for the earnings changes as well as market movements and time creep. We have also increased the discount we apply in the relative valuations from 10% to 15% given the likely weighting to the second half in the FY21 result though there are no changes to our key assumptions in the DCF. The net result is no change in our PT to \$4.25 which is a modest premium to the share price so we maintain our HOLD recommendation.

Earnings Forecast

Year end 30 June	2020	2021e	2022e	2023e
Total revenue (A\$m)	110.9	120.3	130.8	144.4
EBITDA (A\$m)	42.9	49.8	55.9	63.7
NPAT (A\$m)	24.1	26.4	29.3	33.8
EPS (diluted) (cps)	13.9	15.3	16.9	19.5
EPS growth (%)	10%	10%	11%	15%
PER (x)	29.9	27.3	24.6	21.4
Price/CF (x)	29.8	19.5	17.8	16.0
EV/EBITDA (x)	16.6	14.1	12.4	10.7
Dividend (€ps)	7.3	8.0	9.0	10.5
Yield (%)	1.7%	1.9%	2.2%	2.5%
ROE (%)	29.1%	27.5%	26.5%	26.5%
Franking (%)	100%	100%	100%	100%

SOURCE: BELL POTTER SECURITIES ESTIMATES

FY20 Result

A summary of the FY20 result is shown below.

Figure 1 - FY20 result summary

Year end 30 June	Result vs PCP			Result vs Forecast		Comment
	FY19	FY20	Change	FY20e	Variance	
Total revenue (A\$m)	100.8	110.9	10%	110.0	1%	1% beat in revenue driven by higher Infrastructure revenue
Total expenses (excl. D&A and int.)	73.2	78.2	7%	79.3	-1%	Expenses slightly lower than our forecast
<i>Expenses as % of revenue</i>	72.6%	70.5%		72.1%		
Other income (e.g. forex gains/losses)	1.3	-1.9	-242%	0.0	NM	Forex loss whereas we did not forecast one
EBITDA	40.2	42.9	7%	43.0	0%	EBITDA in line after fx loss offset higher rev. and lower exp.
Depreciation	-1.0	-1.0	4%	-1.2	-17%	Depreciation lower than forecast
Amortisation	-10.4	-11.1	7%	-11.2	-1%	Amortisation close to in line
EBIT	28.9	30.9	7%	30.7	1%	1% beat in EBIT due to lower D&A
Net interest income	0.7	0.6	-19%	0.6	8%	Net interest income close to in line
Profit before tax	29.6	31.5	6%	31.2	1%	1% beat in PBT
Income tax expense	-7.8	-7.4	-5%	-7.2	3%	Slightly higher tax expense than forecast
NPAT	21.9	24.1	10%	24.0	0%	NPAT in line with our forecast
<i>EBITDA margin</i>	39.9%	38.7%	-121bps	39.1%	-40bps	<i>EBITDA margin 40bps below our forecast</i>
<i>NPAT margin</i>	21.7%	21.7%	1bps	21.9%	-17bps	<i>NPAT margin flat</i>
<i>Effective tax rate</i>	-26.3%	-23.6%	273bps	-23.0%	-57bps	<i>Effective tax rate c.50bps above our forecast</i>
Weighted average fully diluted shares	172.1m	172.5m	0%	172.7m	0%	
Diluted EPS	12.70c	13.94c	10%	13.92c	0%	EPS in line with our forecast
Final dividend	3.75c	3.75c	0%	4.00c	-6%	Final dividend below our forecast
Franking	100%	100%		100%		
<i>Payout ratio on total dividend</i>	57%	52%		54%		<i>Payout ratio of 52%</i>

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

The key take-outs of the result were:

- 1% beat in revenue:** Revenue grew 10% to \$110.9m which was 1% ahead of our forecast of \$110.0m and also at the upper end of the \$109.5-111.0m guidance range. The beat was driven by higher Infrastructure revenue than we were forecasting (\$28.7m vs BP \$21.1m) which was only partially offset by lower UC revenue (\$59.8m vs BP \$62.5m) and Payments revenue (\$13.8m vs \$18.5m) than we were forecasting.
- EBITDA in line:** EBITDA grew 7% to \$42.9m and was close to in line with our forecast of \$43.0m. The beat at revenue and also lower expenses than we were forecasting (\$78.2m vs BP \$79.3m) were offset by a forex loss and debtor factoring costs totalling \$1.9m that we were not expecting.
- NPAT also in line:** NPAT grew 10% to \$24.1m which was also close to in line with our forecast of \$24.0m. The key take-out was that the consistent growth in revenue and NPAT meant the NPAT margin was constant at 21.7% and the impact of the swing in other income – from positive to negative – was effectively offset by a lower effective tax rate (23.6% in FY20 vs 26.3% in FY19).
- Good cash flow:** Operating cash flow grew 14% to \$24.2m and was consistent with NPAT so represented good cash flow conversion. The cash flow was boosted by some debtor factoring which was higher in FY20 than in FY19 (\$8.5m vs \$5.6m) but the overall trend in factoring has been downward over the past few years (e.g. the amounts were \$14.4m in FY18 and \$8.0m in FY17).
- Flat final dividend:** The only notable difference between the result and our forecasts was the final dividend was flat at 3.75c fully franked whereas we had forecast a 7% increase to 4.0c. The total dividend equated to a payout ratio of 52% which was lower than in previous years.

Earnings and Valuation Changes

Modest EPS Downgrades

We have modestly downgraded our FY21 and FY22 EPS forecasts by 2% and 5%. The downgrades have been driven by increases in our amortisation forecasts on the back of new products being released to market this half. There is little change in our revenue forecasts and we continue to forecast high single digit top line growth for the next two years. We also forecast some NPAT margin improvement in each period in the absence of any material forex losses which we do not assume.

A summary of the changes in our EPS forecasts is shown below. Note we have also reduced our DPS forecasts on the back of the EPS downgrades and also the lower than anticipated final dividend in FY20. Our DPS forecasts in FY21 and FY22 now equate to a payout ratio of 52% and 53% which is consistent with the 52% ratio in FY20.

Figure 2 - Change in key forecasts

Year end 30 June	2020			2021e			2022e		
	Old	New	Change	Old	New	Change	Old	New	Change
Total revenue (A\$m)	110.0	110.9	0.8%	119.9	120.3	0.4%	130.0	130.8	0.6%
EBITDA	43.0	42.9	-0.2%	48.8	49.8	2.0%	55.1	55.9	1.5%
NPAT	24.0	24.1	0.1%	26.9	26.4	-1.8%	30.8	29.3	-4.6%
Diluted EPS (Ac)	13.9c	13.9c	0.2%	15.6c	15.3c	-1.8%	17.8c	16.9c	-4.6%
DPS (Ac)	7.5c	7.3c	-3.3%	8.5c	8.0c	-5.9%	10.0c	9.0c	-10.0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

\$4.25 PT Unchanged

We have updated each valuation we use in the determination of our price target for the earnings changes as well as market movements and time creep. We have also increased the discount we apply in the relative valuations from 10% to 15% given the likely weighting to the second half in the FY21 result though there are no changes to our key assumptions in the DCF (9.5% WACC and 4.0% terminal growth rate).

The change in each valuation and the impact on our PT calculation is shown below.

Figure 3 - Change in valuations and impact on PT

Methodology	Old (as at 17-Jul-20)			New (as at 20-Aug-20)		
	Valuation per share	% weighting	Price target	Valuation per share	% weighting	Price target
PE ratio	\$4.74	40%	\$1.90	\$4.61	40%	\$1.84
EV/EBITDA	\$4.32	40%	\$1.73	\$4.30	40%	\$1.72
DCF	\$3.12	20%	\$0.62	\$3.43	20%	\$0.69
Total			\$4.25			\$4.25

SOURCE: BELL POTTER SECURITIES ESTIMATES

The figure shows modest decreases in both relative valuations but a material increase in the DCF. The net result, however, is no change in our PT to \$4.25 which is a modest premium to the share price so we maintain our HOLD recommendation.

Integrated Research

Company Description

Integrated Research (IR) is a leading global provider of performance management software for business-critical computing environments. The core product of the company – Prognosis – is an integrated suite of products that provides availability and performance management, diagnostics and insight for systems including Unified Communications, Payments and IT Infrastructure. Prognosis is used by many of the world's largest organisations including major stock exchanges, banks and telecommunication companies.

Investment Thesis

We downgrade our recommendation on IR from BUY to HOLD. Our investment thesis is based on:

- **Valuation:** Our 12 month price target for IR is \$4.25. The price target is generated from a blend of three valuation methodologies we apply to the company: PE ratio, EV/EBITDA and DCF. The price target is a 2% premium to the current share price and the total expected return (which includes the forecast dividend yield) is 4%.
- **High level of recurring revenue:** IR generates most of its revenue through licence and maintenance fees which combined represent >85% total revenue. The maintenance fees (c.20% of total revenue) are by nature highly recurring but the licence fees (c.65% of total revenue) are also highly recurring as the licences are typically sold on a fixed term and the company has a very high renewal rate (>95%).
- **Tier one global customers:** IR is a truly global company (>95% of total revenue is generated outside of Australia) and has a tier one customer base including many of the world's largest organisations. Companies that use IR's software include nine of the top ten US banks, six of the top ten automotive companies, seven of the ten biggest telcos, and six of the top ten financial services companies globally.

Key Risks

Key downside risks to our estimates and valuation include (but are not limited to):

- **Technology risk:** IR is a technology company that designs, develops and distributes software. The risk with any such company is that the software does not perform to the clients' expectations or is flawed in some way. Such an occurrence would negatively impact the company's reputation and provide downside risk to our estimates.
- **Competition risk:** IR operates in a competitive market and there is the risk of aggressive or irrational behaviour from one or more competitors who could force down prices and reduce operating margins across the entire market. There is also the risk that a competitor comes out with a superior product to the rest of the market and increases its market share at the expense of IR and other participants.
- **Key product risk:** IR has one key product – Prognosis – and so has key product risk if demand or the outlook for that product changes or, worse, the product becomes superseded or obsolete. IR aims to mitigate this risk by regularly updating the product and adding new functionality and features to the software (e.g. mobile access and interface, cloud-based delivery, etc.) as well as developing various versions for different platforms, vendors and applications. There is still, however, only one core product that drives the future performance and viability of the company.

Table 1 - Financial summary

Integrated Research (IRI)						Share price:	\$4.17	Target price:	\$4.25		
						No. of issued shares:	171.9m	Market cap:	\$716.7m		
Profit & Loss (A\$m)						Valuation data					
Year end 30 Jun	2019	2020	2021e	2022e	2023e	Year end 30 Jun	2019	2020	2021e	2022e	2023e
Total revenue	100.8	110.9	120.3	130.8	144.4	NPAT (A\$m)	21.9	24.1	26.4	29.3	33.8
Change	11%	10%	8%	9%	10%	Diluted EPS (cps)	12.7	13.9	15.3	16.9	19.5
Expenses (excl. D&A, int.)	73.2	78.2	85.1	91.2	98.5	Change	14%	10%	10%	11%	15%
% of revenue	72.6%	70.5%	70.8%	69.8%	68.3%	P/E ratio (x)	32.8	29.9	27.3	24.6	21.4
Other income (fx gains/losses)	1.3	-1.9	0.0	0.0	0.0	CFPS (cps)	12.3	14.0	21.3	23.5	26.0
EBITDA	40.2	42.9	49.8	55.9	63.7	Price/CF (x)	33.8	29.8	19.5	17.8	16.0
Depreciation	-1.0	-1.0	-1.0	-1.1	-1.1	DPS (cps)	7.3	7.3	8.0	9.0	10.5
Amortisation	-10.4	-11.1	-13.6	-15.3	-16.8	Yield	1.7%	1.7%	1.9%	2.2%	2.5%
EBIT	28.9	30.9	35.2	39.6	45.8	Franking	100%	100%	100%	100%	100%
Net interest (expense)/revenue	0.7	0.6	0.5	0.6	0.7	EV/Revenue (x)	7.0	6.4	5.9	5.3	4.7
Pre-tax profit	29.6	31.5	35.7	40.2	46.6	EV/EBITDA (x)	17.6	16.6	14.1	12.4	10.7
Income tax expense	-7.8	-7.4	-9.3	-10.8	-12.8	NTA per share (cps)	27.2	31.1	37.7	45.7	55.5
NPAT	21.9	24.1	26.4	29.3	33.8	Price/NTA (x)	15.3	13.4	11.1	9.1	7.5
Change	14%	10%	10%	11%	15%	Performance ratios					
Cash Flow (A\$m)						Year end 30 Jun	2019	2020	2021e	2022e	2023e
Year end 30 Jun	2019	2020	2021e	2022e	2023e	EBITDA margin	39.9%	38.7%	41.4%	42.7%	44.1%
EBITDA	40.2	42.9	49.8	55.9	63.7	Return on equity	31.3%	29.1%	27.5%	26.5%	26.5%
Change in working capital	-12.3	-12.6	-3.6	-4.4	-5.8	ROIC	54.0%	44.6%	43.6%	45.8%	49.8%
Gross cash flow	28.0	30.3	46.2	51.5	57.9	Payout ratio	57.0%	51.8%	52.1%	52.9%	53.6%
Tax paid	-6.7	-6.2	-9.3	-10.8	-12.8	Effective tax rate	-26.3%	-23.6%	-26.0%	-27.0%	-27.5%
Operating cash flow	21.2	24.2	36.9	40.6	45.1	Leverage ratios					
Payments for capitalised R&D	-11.3	-14.0	-14.7	-15.0	-15.4	Year end 30 Jun	2019	2020	2021e	2022e	2023e
Payments for PPE	-1.3	-0.3	-1.3	-1.3	-1.3	Net debt/(cash) (A\$m)	-9.3	-4.7	-12.3	-21.5	-32.7
Payments for intangibles	0.0	-0.9	-1.0	-1.1	-1.2	Net debt/equity	NM	NM	NM	NM	NM
Divestment of assets	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	NM	NM	NM	NM	NM
Interest received	0.7	1.0	0.5	0.6	0.7	Net interest cover (x)	NM	NM	NM	NM	NM
Investing cash flow	-11.8	-14.2	-16.4	-16.8	-17.1	Segmentals (A\$m)					
Proceeds from borrowings	3.0	14.0	0.0	0.0	0.0	Year end 30 Jun	2019	2020	2021e	2022e	2023e
Repayment of borrowings	-3.0	-9.0	-5.0	0.0	0.0	Revenue by product					
Proceeds from issue of shares	0.0	0.0	0.0	0.0	0.0	Unified Communications	51.0	59.8	68.8	77.4	85.1
Dividends paid	-12.0	-12.5	-12.9	-14.6	-16.8	Infrastructure	26.3	28.7	25.8	25.8	29.7
Financing cash flows	-12.0	-9.7	-17.9	-14.6	-16.8	Payments	16.0	13.8	16.2	17.8	19.6
Net change in cash	-2.6	0.2	2.6	9.2	11.2	Consulting Services	7.4	8.6	9.5	9.7	10.0
Cash at start of period	11.2	9.3	9.7	12.3	21.5	Total revenue	100.8	110.9	120.3	130.8	144.4
Exchange rate impact	0.7	0.2	0.0	0.0	0.0	Revenue by fees					
Cash at end of period	9.3	9.7	12.3	21.5	32.7	Licence fees	62.8	72.1	78.3	83.1	90.4
Balance Sheet (A\$m)						Maintenance fees	25.0	23.9	24.1	24.8	26.0
Year end 30 Jun	2019	2020	2021e	2022e	2023e	SaaS fees	0.7	0.7	2.4	6.5	10.8
Cash	9.3	9.7	12.3	21.5	32.7	Consulting fees	7.4	8.6	9.5	9.7	10.0
Current receivables	51.4	57.9	63.2	68.6	75.8	Testing solution services	5.0	5.5	6.0	6.5	7.2
Other current assets	3.4	3.0	3.0	3.0	3.0	Total revenue	100.8	110.9	120.3	130.8	144.4
Non-current receivables	21.4	29.4	29.5	31.4	33.9	% breakdown by fees					
Financial assets	0.2	0.2	0.2	0.2	0.2	Licence fees	62%	65%	65%	64%	63%
PPE	2.6	8.3	8.5	8.6	8.8	Maintenance fees	25%	22%	20%	19%	18%
Deferred tax assets	1.3	1.4	1.4	1.4	1.4	SaaS fees	1%	1%	2%	5%	8%
Intangibles - Goodwill	3.5	3.6	3.6	3.6	3.6	Consulting fees	7%	8%	8%	7%	7%
Intangibles - Other	19.6	25.4	27.5	28.4	28.2	Testing solution services	5%	5%	5%	5%	5%
Total assets	113.5	139.8	150.1	167.8	188.6	Total	100%	100%	100%	100%	100%
Payables	9.8	10.2	12.0	13.1	14.4	Interims (A\$m)					
Current borrowings	0.0	0.0	0.0	0.0	0.0	Year end 30 Jun	1HFY19	2HFY19	1HFY20	2HFY20	
Current provisions	3.2	3.9	3.9	3.9	3.9	Total revenue (A\$m)	50.3	50.5	53.2	57.7	
Current tax liabilities	1.6	2.2	2.2	2.2	2.2	EBITDA	20.8	19.5	20.5	22.4	
Current deferred revenue	21.4	20.8	21.1	22.9	25.3	Depreciation	-0.5	-0.5	-0.5	-0.5	
Deferred tax liabilities	5.8	6.5	6.5	6.5	6.5	Amortisation	-5.0	-5.4	-5.4	-5.7	
Non-current borrowings	0.0	5.0	0.0	0.0	0.0	EBIT	15.3	13.6	14.6	16.3	
Non-current provisions	0.7	0.7	0.7	0.7	0.7	Net interest (expense)/revenue	0.4	0.4	0.3	0.3	
Non-current deferred revenue	0.9	1.6	1.2	1.3	1.4	Pre-tax profit	15.7	14.0	14.9	16.6	
Total liabilities	43.7	57.3	54.1	57.0	60.9	Income tax expense	-4.0	-3.8	-3.1	-4.4	
Issued capital	1.7	1.7	1.7	1.7	1.7	NPAT	11.7	10.1	11.8	12.2	
Reserves	4.0	5.1	5.1	5.1	5.1						
Retained earnings/(losses)	64.2	75.8	89.3	104.0	120.9						
Total shareholders' equity	69.8	82.5	96.0	110.7	127.7						

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

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

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

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

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

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

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
TS Lim	Head of Research/Banks	612 8224 2810	tslim
Analysts			
Lafitani Sotiriou	Diversified Financials/Fintech	613 9235 1668	lsotiriou
John Hester	Healthcare	612 8224 2871	jhester
Tanushree Jain	Healthcare	612 8224 2849	tnjain
Elyse Shapiro	Healthcare	613 9235 1877	eshapiro
Steven Anastasiou	Industrials	613 9235 1952	sanastasiou
James Filius	Industrials	613 9235 1612	jfilius
Sam Haddad	Industrials	612 8224 2819	shaddad
Alex McLean	Industrials	612 8224 2886	amclean
Hamish Murray	Industrials	613 9235 1813	hmurray
Chris Savage	Industrials	612 8224 2835	csavage
Jonathan Snape	Industrials	613 9235 1601	jsnape
Damien Williamson	Industrials	613 9235 1958	dwilliamson
Peter Arden	Resources	613 9235 1833	parden
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9235 1856	showe
Associate			
Joseph House	Associate Analyst	+61 3 9235 1624	jhouse

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

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

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

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

The following may affect your legal rights. Important Disclaimer:

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

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

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

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

Research Policies:

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

<https://bellpotter.com.au/research-independence-policy/>

Disclosure of interest:

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

ANALYST CERTIFICATION

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