Pengana Capital Group

PCG.AX

A research platform of MST Financial

08 October 2024

Demand in Private Credit Growing

Equity Research Australia

Diversified Financials

Joseph Licciardi, Analyst
joseph.licciardi@mstemerging.com.au

Lafitani Sotiriou, Senior Analyst
lafitani.sotiriou@mstemerging.com.au

NEED TO KNOW

- **CEO to repay 11m shares from employee loan share plan at 32% premium to share price. Further 11m shares to be forfeited.**
- **Fourth private credit product launched in SMA market.**
- **PCG has entered into a strategic partnership with one of Australia's largest wealth groups.**

Loan share plan positive catalyst: The loan share plan created by PCG involved creating loans for staff to purchase shares at historical share prices. Loans associated with two tranches of shares are due for repayment on 31 Oct 2024. Staff have the option to repay the loan and keep the shares, or forfeit the shares and have the loan cancelled. The board expects the first tranche to be repaid in full at a 32% premium to the current share price, and the second of which is expected to be forfeited, resulting in 11m shares being cancelled and representing an 11% accretion for shareholders.

We see the repayment of shares by staff (CEO) at a 32% premium to current prices as a strong indication of where the underlying value of PCG is, and expect both tranches to have a net benefit for Pengana, with both the $11m cash inflow and 11m reduction in shares to boost its balance sheet as well as effectively creating value for shareholders.

Strategic Partnership: Pengana has entered into its first strategic partnership with one of Australia's largest wealth groups, with its Global Private Credit offering to be recommended as part of the groups allocation to client portfolios.

Investment Thesis

Unique Private Credit business only needs one bucket to fire: We see value in the unique product set that Pengana has created, and we think that with a strong distribution channel, could mean significant sustained inflows.

Cracking the Funds Management Code: PCG's product innovation with its Global Private Credit offering is likely to be transformational for the Group. PCG has created a globally scalable product by utilising its industry knowhow, relationships, but more importantly – understanding a competitive advantage PCG has, including its retail distribution.

By doing so, PCG is able to deliver a multi-pronged product with attractive economics and immediate impact. The likely success here may be a precursor for other product innovation in the Group, marking a new era for the firm (which we do not see as fully appreciated yet, but a big part of the investment opportunity in PCG).

Upside to performance fees: Performance fee revenue is now coming off a low base. With PCG expecting its group fee margin to move back to its long-term average, and funds expected to hit high-water marks over the next 12-24 months.

Valuation

We have upgraded our underlying EPS by 8.6%, 15.9%, and 13.4% for FY25, FY26, and FY27 respectively. Our changes are primarily driven by adjusting our share coutn. Based on the changes, we lift our valuation to $2.03 (previously $1.96). A summary of our key risks are available on page 7.

PENGANA CAPITAL

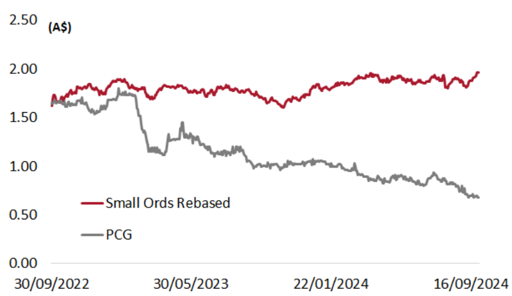
Pengana Capital Group is a fund manager who is a leading Australian provider of premium, value added products focused on the higher-end retail market (advisors and self managed superannuation funds) and high net worth individuals operating for over 20 years with around A$3bn of funds under management. It has a unique funds management business model using both inhouse teams and joint ventures with offshore groups.
It runs robust, scalable and technologically advanced "institutional grade infrastructure". www.pengana.com

Valuation	**A$2.03** *(from A$1.96)*
Current price	**A$0.77**
Market cap	**A$85m**
Cash on hand	**A$9.1m**

Upcoming Catalysts / Next News

Period	
Monthly	FUM Updates
February 2025	1H25 Result

Share Price (A$)



Source: FactSet, MST Access

Figure 1: Financial Summary

Pengana Capital

Year end 30-June

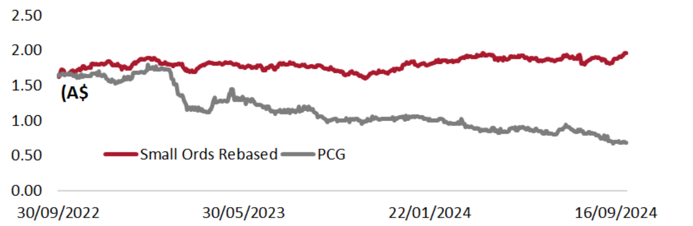
MARKET DATA		
Price	A$	0.77
Valuation	**A$**	**2.03**
52 week low - high	A$	0.71 - 1.14
Market capitalisation	**A$m**	**85.0**
Enterprise value	**A$m**	**75.9**
Shares on issue (diluted)	m	98.8
Options / rights	m	0.0
Other equity (treasury shares)	m	-4.4
Shares on issue (basic)	m	94.5

INVESTMENT FUNDAMENTALS		FY23A	FY24A	FY25E	FY26E	FY27E
EPS - adj. basic	**cps**	**5.1**	**2.0**	**7.0**	**9.7**	**12.1**
EPS - reported diluted	cps	-0.4	-3.9	0.3	3.4	5.6
EPS - adj. diluted	**cps**	**3.9**	**1.5**	**6.0**	**9.3**	**11.6**
EPS growth	%	*-80%*	*-61%*	*294%*	*55%*	*25%*
PE	x	20.0	50.7	12.9	8.3	6.7
DPS	cps	3.0	3.0	2.9	4.2	5.2
Franking	%	*100%*	*100%*	*100%*	*100%*	*100%*
Dividend yield	%	*4%*	*4%*	*4%*	*5%*	*7%*
Payout ratio (adj. NPAT)	%	*78%*	*198%*	*49%*	*45%*	*45%*
Operating cash flow per share	cps	0.1	-51.0	2.5	9.1	11.0
Enterprise value	$m	70.8	75.9	67.0	66.5	64.8
EV/Total Revenue	x	2.0	1.9	1.4	1.2	1.0
EV/EBITDA	x	19.1	24.3	10.3	5.9	4.4
NAV per share	A$	0.93	0.88	0.87	0.87	0.88
Price / NAV	x	0.83	0.88	0.89	0.89	0.87
NTA per share	A$	0.78	0.75	0.78	0.78	0.79
Price / NTA	x	0.98	1.02	0.99	0.99	0.97

INVESTMENT FUNDAMENTALS		FY23A	FY24A	FY25E	FY26E	FY27E
FuM	$m	3,050	3,345	3,809	4,273	4,865
Management fees / FuM	%	*1.13%*	*1.12%*	*1.10%*	*1.06%*	*1.08%*
Performance fees / FuM	%	*0.00%*	*0.13%*	*0.27%*	*0.32%*	*0.35%*
Revenue / FuM	%	*1.14%*	*1.24%*	*1.37%*	*1.38%*	*1.43%*
Cost to income ratio	%	*89.7%*	*92.0%*	*86.7%*	*79.9%*	*77.2%*
ROE - reported	%	*5.1%*	*2.2%*	*8.0%*	*11.2%*	*13.8%*
Net debt	A$m	-14.2	-9.1	-18.0	-18.5	-20.2
Interest cover	x	-0.3	1.5	-17.0	-54.3	-138.9
Gearing (net debt / EBITDA)	x	-3.83	-2.92	-2.76	-1.65	-1.36
Leverage (net debt / invested capital)	x	-0.22	-0.14	-0.28	-0.29	-0.32

DUPONT ANALYSIS		FY23A	FY24A	FY25E	FY26E	FY27E
Net Profit Margin	%	*-1.4%*	*-11.1%*	*0.7%*	*6.1%*	*8.5%*
Asset Turnover	x	0.36	0.42	0.51	0.56	0.65
Return on Assets	%	*-0.5%*	*-4.7%*	*0.4%*	*3.4%*	*5.5%*
Financial Leverage	x	1.19	1.22	1.23	1.20	1.21
Return on Equity	%	*-0.6%*	*-5.7%*	*0.5%*	*4.1%*	*6.7%*

12-MONTH SHARE PRICE PERFORMANCE



PROFIT AND LOSS		FY23A	FY24A	FY25E	FY26E	FY27E
Management fees	A$m	36.0	35.9	39.3	42.8	49.1
Performance fees	A$m	0.0	3.1	9.7	12.9	16.0
Total revenue	**A$m**	**36.0**	**39.0**	**49.0**	**55.7**	**65.1**
Operating expenses	A$m	21.1	24.2	28.3	29.0	32.5
Team profit share	A$m	11.1	11.7	14.2	15.5	17.7
Operating EBITDA	**A$m**	**3.7**	**3.1**	**6.5**	**11.2**	**14.8**
Depreciation & Amortisation	A$m	3.5	4.3	1.0	0.8	0.8
EBIT	**A$m**	**0.2**	**-1.1**	**5.5**	**10.4**	**14.0**
Net profit before tax	**A$m**	**6.0**	**2.4**	**8.9**	**13.1**	**16.3**
Underlying income tax expense	A$m	1.8	0.7	2.7	3.9	4.9
Underlying NPAT	**A$m**	**4.2**	**1.7**	**6.2**	**9.2**	**11.4**
Reported NPAT	A$m	-0.5	-4.3	0.4	3.4	5.5
Cash NPAT	A$m	3.0	-0.1	1.4	4.2	6.3
Weighted average diluted shares	**m**	**109.4**	**110.0**	**104.3**	**98.8**	**98.8**

BALANCE SHEET		FY23A	FY24A	FY25E	FY26E	FY27E
Cash and cash equivalents	A$m	14.2	9.1	18.0	18.5	20.2
Receivables	A$m	1.4	1.7	1.0	1.2	1.3
Property, plant and equipment	A$m	1.1	0.9	0.9	0.9	0.9
Goodwill and other intangibles	A$m	12.5	10.4	8.4	8.4	8.4
Other assets	A$m	20.8	29.9	29.3	29.3	29.3
Total Assets	**A$m**	**90.9**	**92.9**	**98.4**	**99.1**	**101.0**
Trade and other liabilities	A$m	5.7	6.7	3.9	4.4	5.2
Borrowings	A$m	0.0	0.0	0.0	0.0	0.0
Other liabilities	A$m	7.5	12.8	12.6	12.6	12.6
Total Liabilities	**A$m**	**13.2**	**19.7**	**16.4**	**17.0**	**17.7**
Net assets	**A$m**	**77.7**	**73.2**	**82.0**	**82.1**	**83.2**
Net tangible assets	A$m	65.2	62.8	73.6	73.7	74.8
Invested capital	A$m	63.5	64.1	64.0	63.6	63.0
Tangible invested capital	A$m	51.1	53.7	55.6	55.2	54.6
Contributed equity	A$m	99.0	99.1	110.1	110.1	110.1
Reserves	A$m	26.2	50.2	50.2	50.2	50.2
Accumulated losses	A$m	-47.4	-76.1	-78.3	-78.3	-77.1
Non-controlling interests	A$m	0.0	0.0	0.0	0.0	0.0
Total equity	**A$m**	**77.7**	**73.2**	**82.0**	**82.1**	**83.2**
Basic shares on issue	**m**	**83.4**	**83.5**	**94.5**	**94.5**	**94.5**

CASH FLOW		FY23A	FY24A	FY25E	FY26E	FY27E
Net operating cashflow	**A$m**	**0.1**	**-56.0**	**2.6**	**9.0**	**10.9**
Capital expenditure	A$m	-2.7	53.4	0.0	-0.8	-0.8
Acquisitions and growth capex	A$m	-2.4	-0.1	0.0	-2.0	-2.0
Free Cash Flow	**A$m**	**-5.1**	**-2.7**	**2.6**	**6.2**	**8.0**

Source: MST Access Estimates / PCG Financial Statements

Figure 2: Interims

Pengana Capital																
Year end 30-June																
INCOME STATEMENT	**FY22a**	**1H23a**	**2H23a**	**FY23a**	**1H24a**	**2H24a**	**FY24a**	**1H25e**	**2H25e**	**FY25e**	**1H26e**	**2H26e**	**FY26e**	**1H27e**	**2H27e**	**FY27e**
Management fees	41.8	18.1	17.9	36.0	17.4	18.4	35.9	19.3	20.0	39.3	20.9	22.0	42.8	24.0	25.1	49.1
Performance fees	32.7	0.0	0.0	0.0	0.0	3.1	3.1	4.7	5.0	9.7	6.3	6.6	12.9	7.7	8.2	16.0
Total revenue	**74.5**	**18.1**	**17.9**	**36.0**	**17.4**	**21.6**	**39.0**	**24.0**	**25.0**	**49.0**	**27.1**	**28.6**	**55.7**	**31.7**	**33.4**	**65.1**
Operating expenses	19.4	9.8	11.4	21.1	8.3	15.9	24.2	14.3	14.0	28.3	14.1	14.9	29.0	15.8	16.7	32.5
Team profit share	23.2	5.8	5.3	11.1	5.0	6.7	11.7	6.9	7.3	14.2	7.6	8.0	15.5	8.6	9.1	17.7
Total operating expenses	**42.7**	**15.6**	**16.7**	**32.3**	**13.3**	**22.6**	**35.9**	**21.2**	**21.3**	**42.5**	**21.7**	**22.8**	**44.5**	**24.5**	**25.8**	**50.2**
Operating EBITDA	**31.8**	**2.5**	**1.2**	**3.7**	**3.4**	**-1.0**	**3.1**	**2.8**	**3.8**	**6.5**	**5.5**	**5.8**	**11.2**	**7.2**	**7.6**	**14.8**
Net profit before tax	29.2	3.8	2.3	6.0	4.5	-2.8	2.4	3.7	5.2	8.9	6.2	6.9	13.1	7.8	8.6	16.3
Underlying NPAT	20.4	2.6	1.6	4.2	3.1	-2.0	1.7	2.6	3.7	6.2	4.3	4.8	9.2	5.4	6.0	11.4
Reported NPAT	**18.9**	**-0.3**	**-0.2**	**-0.5**	**0.4**	**-4.8**	**-4.3**	**1.5**	**-1.2**	**0.4**	**3.6**	**-0.2**	**3.4**	**4.6**	**0.9**	**5.5**
Cash NPAT	21.8	0.4	2.6	3.0	1.0	-1.0	-0.1	2.1	-0.7	1.4	4.0	0.3	4.2	5.0	1.3	6.3
Dividends																
Ordinary Dividends (cents/shr.)	20.0	2.0	1.0	3.0	1.0	2.0	3.0	1.0	1.9	2.9	1.6	2.6	4.2	2.0	3.2	5.2
Special Dividends (cents/shr.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total dividends (cents)	**20.0**	**2.0**	**1.0**	**3.0**	**1.0**	**2.0**	**3.0**	**1.0**	**1.9**	**2.9**	**1.6**	**2.6**	**4.2**	**2.0**	**3.2**	**5.2**
Franking	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Payout ratio (% of adj NPAT)	*106%*	*83%*	*70%*	*78%*	*35%*	*-113%*	*198%*	*35%*	*50%*	*49%*	*35%*	*50%*	*45%*	*35%*	*50%*	*45%*
FUM AND OTHER METRICS	**FY22a**	**1H23a**	**2H23a**	**FY23a**	**1H24a**	**2H24a**	**FY24a**	**1H25e**	**2H25e**	**FY25e**	**1H26e**	**2H26e**	**FY26e**	**1H27e**	**2H27e**	**FY27e**
FUM																
Open	**3,974**	**3,325**	**3,219**	**3,325**	**3,050**	**3,055**	**3,050**	**3,345**	**3,594**	**3,345**	**3,809**	**4,028**	**3,809**	**4,273**	**4,551**	**4,273**
Flows	*74*	*-47*	*-105*	*-152*	*-18*											
Distributions	*-149*	*-123*	*-50*	*-173*	*-80*											
Mark-to-Markets	*-574*	*95*	*243*	*338*	*102*											
Close	**3,325**	**3,219**	**3,050**	**3,050**	**3,055**	**3,345**	**3,345**	**3,594**	**3,809**	**3,809**	**4,028**	**4,273**	**4,273**	**4,551**	**4,865**	**4,865**
Growth %	-16%	-3%	-5%	-8%	0%	9%	10%	7%	6%	14%	6%	6%	12%	6%	7%	14%
Average FUM (A$m)	**3,885**	**3,294**	**3,045**	**3,170**	**3,053**	**3,200**	**3,200**	**3,470**	**3,702**	**3,586**	**3,918**	**4,151**	**4,034**	**4,412**	**4,708**	**4,560**

Source: MST Access Estimates ⁄ PCG Financial Statements

Pengana Private Credit

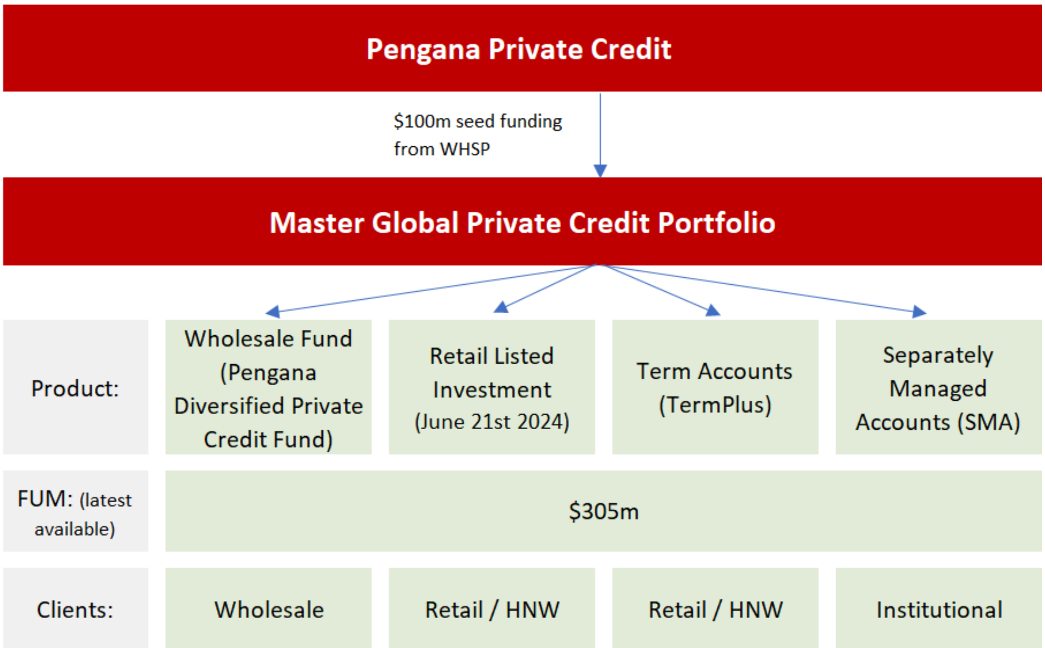
All Four Products Now Live

Pengana has now launched all four of its flagged private credit products within its Pengana Private Credit business.

The first SMA client has been onboarded and will be using PCG in all its SMA products over time, and we expect an increased amount of inflows to occur over the short to medium term.

PCG began its private credit transformation in April 2023, and flagged that it would create four products over 2024 which it has achieved. All product launches have been successful, its wholesale fund and term accounts are performing in line with expectations, and its retail listed investment vehicle PCX has seen strong demand, with a placement occurring only 3 months after IPO.

Figure 3: Pengana Private Credit Buckets



Source: Pengana Result Presentations/TermPlus PDS/MST Access

Strategic Partnership & Placement

Partnership

Pengana entered into its first strategic partnership, with one of Australia's largest wealth groups, with an offering specifically tailored for their clients.

This will be the only Global Private Credit offering that will be recommended for allocation in the group's client portfolios and strong inflows are expected over the next few quarters. The selection of Pengana as the preferred Global Private Credit partner for this large group is testament to the attractiveness of the offering.

PCX Placement

PCX was launched in June 2024, and has had strong performance in its first three months following its IPO. PCG found there was increased demand following the IPO and was able to conduct a placement at a small premium to its NAV.

This is a very positive indicator that its global private credit offering is attractive, especially from a retail perspective where there is limited supply of attractive private credit products in market.

Capital Management Changes

Breakdown of Employee Loan Share Plans

Prior to its reverse acquisition with Hunter Hall in 2017, Pengana implemented an employee loan share plan ('LSP'), providing limited recourse loans to staff and contractors to acquire shares in Pengana.

Pengana has been earning a small amount of interest on these loans, however these are now due for repayment by October 31, 2024. There are two tranches of loans to be paid back, differentiated by the implied share price for the loans.

Tranche 1

1. Tranche 1 includes $11m due for repayment, covering 11m shares at an implied share price of $1.02 per share. This is a 32% premium to last close and the board expects it to be repaid in full, which will result in an $11m cash inflow for PCG. We now assume this cash inflow.

Tranche 2

2. Tranche 2 involves a further $13m due for repayment covering 11m shares at an implied share price of $1.21 per share. This is a ~57% premium to last close and the board expects that this tranche will be forfeited, resulting in 11m shares being cancelled.

Figure 4: Employee Loan Share Plan Repayment Indicative Overview

Employee Loan Share Plan (LSP)	Tranche 1	Tranche 2
# Shares Due for Repayment:	11m	11m
Implied LSP strike price:	1.02	1.21
Pengana Share Price (last close):	0.77	0.77
Premium to Share Price:	*32%*	*57%*
Effect:	$11m cash inflow	11m treasury shares cancelled

Source: Pengana ⁄ MST Access Estimates

Valuation

Discounted Cash Flow as at June 2024

We utilise a DCF Valuation methodology as detailed in the below table.

In our DCF our cost of debt is 4.5%, driven by an assumed 30% tax rate, with our cost of equity at 12.6%. Given PCG is debt-free, our WACC is also 12.6%.

We note that we assume the 11m of shares expected to be issued from the LSP, as well as the $11m cash inflow.

We value the NPV of future cashflows at $160m, and include net-cash of $9m in our below valuation, which helps us arrive at our valuation for Pengana of A$2.03 per share.

Figure 5: DCF Valuation as at June 2024

DCF Valuation	
WACC	12.6%
Ke (cost of equity)	12.6%
Kd (cost of debt)	4.5%
	$m
NPV	173
Net-Cash	19
Total Valuation	**192**
Share Count (not incl. Treasure shares) (m)	94.5
Valuation per share ($0.00)	**2.03**

Source: MST Access Estimates

EPS Changes

We have upgraded our underlying EPS by 8.6%, 15.9%, and 13.4% for FY25, FY26, and FY27 respectively. Our changes are primarily driven by reducing the diluted share count.

Based on the above changes, we lift our valuation to $2.03 (previously $1.96).

Figure 6: EPS Changes

Earnings Revisions	FY25e (new)	FY25e (previous)	% Change	FY26e (new)	FY26e (previous)	% Change	FY27e (new)	FY27e (previous)	% Change
Underlying EBITDA	6.5	6.9	-5.2%	11.2	11.2	0.2%	14.8	14.8	0.5%
Underlying NPAT	6.2	6.0	3.5%	9.2	8.8	3.9%	11.4	11.2	1.9%
Underlying (diluted) EPS cps	6.0	5.5	8.6%	9.3	8.0	15.9%	11.6	10.2	13.4%
Dividend (¢ps)	2.9	3.0	n/a	4.2	4.6	-8.7%	5.2	5.8	-10.3%

Source: MST Access Estimates

Key Risks

Strategic

Pengana Capital Group is subject to a significant number of regulatory requirements, and could suffer from adverse changes to the requirements, including in Australia:

- Anti-money laundering and counter terrorist financing requirements administered by Austrac;
- Privacy requirements administered by the Privacy Commissioner.
- Financial Service licencing and Credit licencing administered by the Australian Securities and Investments Commission (ASIC);
- Australian Consumer Law and unfair contract terms contained in the Corporations Act administered by the Australian Competition and Consumer Commission (ACCC);
- Taxation legislation administered by the Australian Taxation Office (ATO);
- Accounting standards required under the Corporations Act administered by the Australian Accounting Standards Board (AASB) and ASIC.

Pengana Capital Group operates in a competitive environment where performance can vary and new or rival offerings emerge periodically. Sometimes consolidation of fund managers occurs, such as Pengana's own merger with Hunter Hall several years ago. These risks present to investors in the form of both strategic M&A risks and general market risks.

Financial

Being a fund manager, Pengana Capital Group has a range of risks and sensitivities applicable to most companies in the financial sector. These include:

- **Investment performance** – investors seek out funds with a strong performance history, so fund performance tends to be a reasonable indicator of future flows. Furthermore, with many of Pengana's funds featuring performance fees, weak investment performance will also impact Pengana's performance fee earnings, and hence its profitability.
- **Macroeconomic conditions** – many of the following risks vary through the economic cycle. Loose monetary conditions, such as those currently being experienced, supress many of these risks which can them emerge suddenly as macroeconomic policy tightens, and conditions deteriorate. Economic stimulus to counter COVID-19 has led to a strong market recovery following the aggressive market sell-off at the start of the pandemic. Where funds are optimised for a particular investment style, macroeconomic conditions can have a significant impact on the relative performance of that style compared to other investment styles.
- **Compliance risks** – There are many regulations that companies in the finance sector need to follow, outlined above in strategic risks, including anti-money laundering and counter terrorist financing know your customer requirements, where failure to comply with the regulatory requirements can lead to material financial penalties or litigation.

Operational

Most companies, including Pengana Capital Group, have a range of operational risks. These include:

- **Governance** – Increasingly an investment focus as part of ESG, governance risks include all matters of agency costs within the business, including delegated responsibilities and authorisations, internal controls and how conflicts of interest are addressed.
- **Key personnel** – Pengana Capital Group's ability to scale its business assumes availability of suitably qualified staff and a reliance on key personnel. This is particularly relevant for fund managers, where portfolio managers carry significant key personnel risk. Pengana's house of funds approach, and strong incentive alignment with portfolio managers are examples of the methods employed to manage this risk.
- **Information technology** - Should Pengana Capital Group's key technology infrastructure become corrupted such as from hardware failure or malware it would be highly disruptive to Pengana Capital Group's operations. Furthermore, IT hardware and software becomes obsolete after a few years and requires capital investments to be updated, otherwise the company is at high risk of becoming inefficient and being superseded by its competitors.

Personal disclosures

Joseph Licciardi and Lafitani Sotiriou received assistance from the subject company or companies in preparing this research report. The company provided them with communication with senior management and information on the company and industry. As part of due diligence, they have independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in this report. They have taken care to maintain honest and fair objectivity in writing this report and making the recommendation. Where MST Financial Services or its affiliates has been commissioned to prepare content and receives fees for its preparation, please note that NO part of the fee, compensation or employee remuneration paid has, or will, directly or indirectly impact the content provided in this report.

Company disclosures

The companies and securities mentioned in this report, include:

Pengana Capital Group (PCG.AX) | Price A$0.77 | Valuation A$2.03;

Price and valuation as at 08 October 2024 (not covered)*

Additional disclosures

This report has been prepared and issued by the named analyst of MST Access in consideration of a fee payable by: Pengana Capital Group (PCG.AX)

Other disclosures, disclaimers and certificates

Methodology & Disclosures

MST Access is a registered business name of MST Financial Services Limited (ABN 617 475 180 "MST Financial Services"), which is a limited liability company incorporated in Australia on 10 April 2017 and holds an Australian Financial Services Licence (AFSL 500 557). This research is issued in Australia through MST Access, which is the research division of MST Financial Services. The research and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by MST Access is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a financial product you should read any relevant Product Disclosure Statement or like instrument.

ECM and corporate advisory services: MST Financial Services provides equity capital markets ("ECM") and corporate advisory services through its capital markets division, MST Capital Markets ("MST Capital"). MST Capital provides these services to a range of companies including clients of MST Access. As such, MST Capital may in the future provide ECM and/or corporate advisory services and, accordingly, may receive fees from providing such services. However, MST Financial Services has measures in place to ensure the independence of its research division is maintained, including information barriers between its Capital Markets and Research teams. In addition, neither MST Access, nor any of its research analysts, receive any financial benefit that is based on the revenues generated by MST Capital or any other division of MST Financial Services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently certified. Opinions contained in this report represent those of MST Access at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results and estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of liability: To the fullest extent allowed by law, MST Access shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained in this report. No guarantees or warranties regarding accuracy, completeness or fitness for purpose are provided by MST Access, and under no circumstances will any of MST Financial Services' officers, representatives, associates or agents be liable for any loss or damage, whether direct, incidental or consequential, caused by reliance on or use of the content.

General Advice Warning

MST Access Research may not be construed as personal advice or recommendation. MST Access encourages investors to seek independent financial advice regarding the suitability of investments for their individual circumstances and recommends that investments be independently evaluated. Investments involve risks and the value of any investment or income may go down as well as up. Investors may not get back the full amount invested. Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer's securities or investments. The information contained within MST Access Research is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy. Analysis contained within MST Access Research publications is based upon publicly available information and may include numerous assumptions. Investors should be aware that different assumptions can and do result in materially different results.

MST Access Research is distributed only as may be permitted by law. It is not intended for distribution or use by any person or entity located in a jurisdiction where distribution, publication, availability or use would be prohibited. MST makes no claim that MST Access Research content may be lawfully viewed or accessed outside of Australia. Access to MST Access Research content may not be legal for certain persons and in certain jurisdictions. If you access this service or content from outside of Australia, you are responsible for compliance with the laws of your jurisdiction and/or the jurisdiction of the third party receiving such content. MST Access Research is provided to our clients through our proprietary research portal and distributed electronically by MST Financial Services to its MST Access clients. Some MST Access Research products may also be made available to its clients via third party vendors or distributed through alternative electronic means as a convenience. Such alternative distribution methods are at MST Financial Services' discretion.

Access & Use

Any access to or use of MST Access Research is subject to the Terms and Conditions of MST Access Research. By accessing or using MST Access Research you hereby agree to be bound by our Terms and Conditions and hereby consent to MST Financial Services collecting and using your personal data (including cookies) in accordance with our Privacy Policy, including for the purpose of a) setting your preferences and b) collecting readership data so we may deliver an improved and personalised service to you. If you do not agree to our Terms and Conditions and/or if you do not wish to consent to MST Financial Services' use of your personal data, please do not access this service.