PeopleIn Limited

In demand sector exposures

PeopleIN has emerged from the Federal Budget with supportive tailwinds and re-affirmed the FY23e EBITDA guidance range, driven by strong operating momentum. The Federal Budget included provisions to expand the Pacific Australia Labour Mobility (PALM) scheme to c35,000 workers by the close of FY23e (from c24,000 in April '22). With PeopleIN's recent FIP acquisition accounting for just under 20% of the scheme participants, the announcement provides supportive tailwinds. We have upgraded FIP's EBITDA contribution to $12.5m (from $10.0m) in FY23e. The budget also provisioned for renewed investment in skilled migration programs intended to alleviate skills shortages in health and technology markets. The Federal Government's 2022 skills priority list highlighted that 31% of skills categories were in shortage (from 19% in 2021). These statistics align with likely heightened demand for PeopleIN's service offering during the first half. From a strategy perspective, the company has acquired a premium position in growing markets across health, technology, professional and industrial services and has a corporate structure to support a larger business. With higher debt servicing costs and higher capex forecasts to support future earnings growth, our DCF-based valuation trims to $4.52 (from $4.67). Trading on a -35% discount to the peer average P/E of 13.6x in FY23e and a -49% discount to PPE's stand-alone 5-year P/E average of 17.2x; we maintain our BUY recommendation.

FY23e EBITDA guidance $62m-$66m (Ords $65.3m LFL)

- Ords FY23e EBITDA forecasts are at the top end of the company guidance range before deducting share-based expense forecasts of -$3.5m. Our normalised EBITDA forecast of $61.8m translates to EPS of 35.3 cents (+31% on pcp). Dividend forecasts are unchanged.

No signs of an employment slow-down

- PPE remains well placed to navigate a potential slow-down in employment demand during the 2H, given the level of scale and segment exposures.

Maintain BUY, $4.52 price target (from $4.67)

- FY23e EPS lowers by -3%, impacted by higher interest costs. Net debt/EBITDA of 1.2x in FY23e is forecast to de-lever to 1.1x in FY24e. Next catalyst: 1H results, potential bolt-on acquisitions.

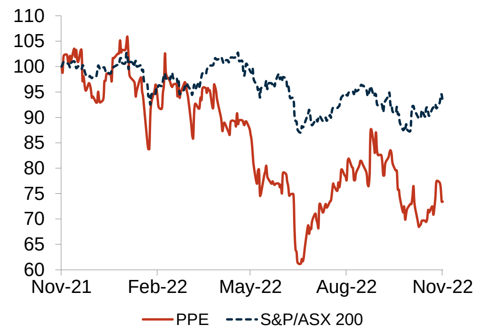
Year-end June ($)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue ($m)	444.4	682.3	977.1	1,062.8	1,112.2
EBITDA ($m)	36.9	43.8	61.8	67.2	70.9
EBIT ($m)	33.9	38.8	55.5	60.4	63.6
Reported NPAT ($m)	17.7	18.4	28.6	32.4	35.0
Reported EPS (c)	19.3	19.4	28.7	32.2	34.8
Normalised NPAT ($m)	22.6	25.7	35.2	39.0	41.6
Normalised EPS (c)	24.7	27.0	35.3	38.7	41.4
EPS Growth (%)	17.2	9.4	30.8	9.7	6.8
Dividend (c)	10.5	13.0	15.0	16.5	17.5
Net Yield (%)	3.4	4.2	4.8	5.3	5.6
Franking (%)	100	100	100	100	100
EV/EBITDA (X)	8.7	8.7	6.3	5.7	5.2
Normalised P/E (x)	12.6	11.6	8.8	8.1	7.5
Normalised ROE (%)	21.4	20.0	22.7	22.0	21.3

Source: OML, Iress, PeopleIn Limited

Last Price
A$3.12
Target Price
A$4.52 *(Previously A$4.67)*
Recommendation
Buy
Risk
Higher

Human Resource and Employment Service	
ASX Code	PPE
52 Week Range ($)	2.60 - 4.50
Market Cap ($m)	313.8
Shares Outstanding (m)	100.6
Av Daily Turnover ($m)	0.6
3 Month Total Return (%)	-5.5
12 Month Total Return (%)	-26.6
Benchmark 12 Month Return (%)	-7.2
NTA FY23E (¢ per share)	-46.1
Net Debt FY23E ($m)	75.1

Relative Price Performance



Source: FactSet

Consensus Earnings	FY23E	FY24E
NPAT (C) ($m)	34.1	38.3
NPAT (OM) ($m)	35.2	39.0
EPS (C) (c)	35.5	39.4
EPS (OM) (c)	35.3	38.7

Source: OML, Iress, PeopleIn Limited

Ian Munro
Senior Research Analyst
(03) 9608 4127
imunro@ords.com.au

Forecast changes

Figure 1: FY23e EPS -3%

	FY23e old	FY23e new	change %	FY24e old	FY24e new	change %	FY25e old	FY25e new	change %
revenue- segments $m									
Industrial & Specialist*	684	684	0%	758	758	0%	797	797	0%
Health & Community*	146	146	0%	152	152	0%	158	158	0%
Technology*	147	147	0%	153	153	0%	157	157	0%
revenue- total	**977**	**977**	**0%**	**1063**	**1063**	**0%**	**1112**	**1112**	**0%**
EBITDA- segments $m									
Industrial & Specialist*	34.0	36.5	7%	37.3	39.5	6%	39.6	42.1	6%
Health & Community*	14.6	13.2	-10%	15.2	13.7	-10%	15.8	14.7	-7%
Technology*	20.4	20.4	0%	21.2	21.2	0%	21.8	21.8	0%
unallocated	-4.7	-4.7	0%	-4.9	-5.2	5%	-5.2	-5.7	10%
EBITDA - pre SBP "PPE"	**64.3**	**65.3**	2%	**68.8**	**69.2**	1%	72.1	**72.9**	1%
share based payments	-3.3	-3.5	6%	-2.0	-2.0	0%	-2.0	-2.0	0%
EBITDA- underlying	**61.0**	**61.8**	**1%**	**66.8**	**67.2**	**1%**	70.1	**70.9**	**1%**
EBITDA margin %	6.6%	6.7%	2%	6.5%	6.5%	1%	6.5%	6.6%	1%
Key P&L metrics $m									
D&A- underlying	-5.9	-6.3	-7%	-6.0	-6.8	-15%	-6.0	-7.3	-22%
EBITA	55.5	55.9	1%	61.2	60.8	-1%	64.5	64.0	-1%
EBIT	55.1	55.5	1%	60.8	60.4	-1%	64.1	63.6	-1%
net interest	-3.6	-5.3	-46%	-2.8	-4.8	-72%	-2.2	-4.1	-86%
PBT - underlying	51.5	50.3	-2%	58.0	55.6	-4%	61.8	59.4	-4%
NPATA - underlying	36.1	35.2	-2%	40.6	39.0	-4%	43.3	41.6	-4%
EPS (cents): EPS-A	36.3	35.3	-3%	40.7	38.7	-5%	43.3	41.4	-4%
D&A - reported	-15.3	-15.7	-3%	-15.4	-16.2	-6%	-15.4	-16.8	-8%
Abnormals - pre-tax	0.0	0.0	0%	0.0	0.0	na	0.0	0.0	na
reported NPAT	29.5	28.6	-3%	34.0	32.4	-5%	36.7	35.0	-5%
dividend (cents)	15.0	15.0	0%	16.5	16.5	0%	17.5	17.5	0%
payout % cash EPS	41%	42%	1%	41%	43%	2%	40%	42%	2%
Key metrics $m									
operating cash flow	29.1	28.6	-2%	43.1	42.3	-2%	48.5	48.1	-1%
net capex & leases	-5.3	-10.2	-92%	-5.5	-10.4	-91%	-5.6	-8.7	-55%
acquisitions (incl earn outs)	-5.1	-9.8	-93%	-3.6	-12.6	-249%	-14.0	-5.5	61%
free cash flow (post tax)	18.7	8.7	-54%	34.0	19.3	-43%	28.9	34.0	18%
net debt (cash)	65.0	75.1	15%	45.9	70.8	54%	33.6	53.4	59%
Net debt/EBITDA	1.2x	1.2x	1%	1.0x	1.1x	5%	0.7x	0.8x	8%
ROE %	23%	23%	-3%	23%	22%	-4%	22%	21%	-3%
EV/EBITDA x	6.5	6.3	-3%	5.6	5.7	2%	5.2	5.2	0%
EV/EBIT x	7.1	7.0	-2%	6.2	6.4	3%	5.7	5.8	2%
P/E x	**9.1**	**8.8**	**-3%**	**8.1**	**8.1**	**0%**	**7.6**	**7.5**	**-1%**

Source Ord Minnett Limited Research

- **Interest costs higher:** We have raised the average interest expense to ~5% in FY23e (from 3.7%), given the rise in base interest rates. With higher capex and earn-out payments in FY23e, the net debt / EBITDA ratio is likely to peak at 1.2x and then unwind to 1.1x in FY24e.
- **Capex assumptions:** We have increased property, plant and equipment and also intangible system capex assumptions to reflect the transition to a new enterprise resource planning (ERP) platform and investment in the Vision Survey's acquisition to support growth. FY23e capex, including lease repayments, rises to $10.2m (from $5.3m).
- **Earn-out payments:** We assume cash earn-out payments of $9.8m in FY23e including payments for Perigon, Techforce, Vision Surveys and working capital adjustments.

Segment drivers

- **National Skills Commission Report:** The Australian Government, via the National Skills Commission, published a report 6th October 2022, highlighting key trends within the labour market. The review follows 914 occupations across 10.7m local workers. 286 out of 914 occupations (31%) assessed were in shortage during FY22 compared with 153 out of 799 occupations (19%) during FY21. The report indicated that the proportion of health professional occupations in shortage rose by 47% on the prior year, the fill rate of advertised vacancies reduced to 48% in FY22 (from 61% on FY21). Broadly speaking, the higher the skill level rating per occupation, the increased probability of the occupation being in shortage.

Implication for PeopleIN: *Increased complexity and timing delays in securing skilled staff, places a greater emphasis on employers seeking specialised assistance to solve temporary and permanent staffing needs. Given PPE's scale and operational diversity across multiple sectors, demand for services is likely to remain strong overall, with upward pressure on commission levels. The main constraint is access to workers, with international skilled migration levels still not returning to pre-COVID levels in some markets like health.*

- **39% or two in five professional occupations are in shortage** (from 19% in 2021). The largest professional occupations in shortage are primary health and education including registered nurses, GP's and teachers. Structural change is also playing a role here, with professional occupations including knowledge intensive ones including scientific and technical health care and education, are among the fastest growing industries in Australia across both employment and output. Given the move towards service industries, 85% of professional occupations have moderate or strong future demand. The NDIS scheme is forecast to grow costs by 14% per annum until 2032.

Implications for PeopleIN: *Professional services and health services account for over 50% of FY22 group EBITDA and are key focus sectors for PPE. We see these sector exposures as organically growing markets in the medium and long term. The professional and health segments may also present M&A opportunities for PPE.*

- **$42m for skilled migration funding and PALM scheme extension:** The Pacific Australia Labour Mobility (PALM) scheme is on track to be extended to ~35,000 by the close of FY23e, according to industry reports. This represents as much as +50% growth on the 23,427 workers active within the scheme during April 2022. Close to 80% of workers within the scheme are involved with agriculture, forestry and fishing industry. A subset of new health industries, notably aged care, have been included into the PALM scheme in a trial phase. The aged care pilot is set to be extended to a further 500 PALM scheme workers during FY23e. The Federal Government has committed $42m in funding over two years to increasing visa processing capacity and awareness for the permanent migration program.

Implications for PeopleIN: *We have upgraded the Food Industry People (FIP) acquisition contribution to $12.5m EBITDA in FY23e (from $10.0m). FIP is a clear beneficiary of the PALM scheme extension, given the existing customer demand for workers across the agriculture and food processing sectors. The aged care pilot program also holds longer term opportunity for PPE cross-selling into its established health services segment. Assistance sourcing and promoting Australia's skilled migration program has benefits sourcing contractors into the PeopleIN segments.*

Valuation

- We value PPE adopting a DCF methodology with a weighted average cost of capital of 10.7% (from 10.9%), cost of equity of 12.4% (from 11.9%) and terminal growth rate of 3%. Revised DCF valuation falls to $4.52 per share (previous $4.67 per share).
- PPE trades on a price/earnings ratio of 8.8x and an EV/EBIT ratio of 7.0x in FY23e. These represent a -35% and -20% discount to the peer set respectively. The peer set is currently trading at a -35% discount to its 5-year average price/earnings ratio of 21.0x. PPE is currently trading on a -49% discount versus its 5-year P/E average of 17.2x.

Figure 2: Relative valuation

	Mkt cap	EV	Price / Earnings			EV/ EBITDA			EV / Sales		Return on equity		EV/EBIT	
Company	A$m	A$m	FY21	FY22	FY23	FY21	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23
APM Group	2962	3485	na	17.1	16.4	na	11.5	10.0	2.6	2.0	14.2	11.0	16.3	14.2
Nisso Corp	203	152	11.0	11.6	10.9	na	5.5	na	0.2	0.2	12.2	12.4	6.6	5.7
Creek & River Co Ltd	496	409	31.6	20.7	17.5	na	na	na	0.9	0.9	19.7	19.8	11.3	9.5
Persol Holdings Co	7,482	7,251	42.9	24.0	21.4	16.8	10.2	9.3	0.7	0.6	17.3	17.1	13.9	12.4
JAC Recruitment	7,482	7,251	42.9	24.0	21.4	16.8	10.2	9.3	0.7	0.6	17.3	17.1	13.9	12.4
WDB Holdings Co	519	347	18.0	11.6	14.7	na	na	na	0.7	0.7	16.8	na	5.3	6.7
Hays PLC	3,204	3,009	33.5	12.8	12.3	10.3	5.9	6.1	0.3	0.2	17.6	19.4	7.9	7.5
Page Group	2,532	2,471	11.6	9.3	11.1	6.2	5.1	5.6	0.7	0.7	42.0	34.7	6.5	7.0
Sthree PLC	908	878	12.6	9.5	9.7	6.7	5.3	5.0	0.3	0.3	29.2	25.9	6.4	6.3
Robert Walters	707	678	12.1	8.8	8.4	5.1	4.4	4.3	0.3	0.3	24.0	21.9	6.0	5.6
Korn Ferry	4,696	4,263	24.5	9.2	10.1	9.4	4.7	5.1	1.0	1.0	na	na	6.0	6.4
AMN Healthcare Services	8,543	9,677	16.5	11.4	15.3	10.1	7.7	9.8	1.2	1.5	33.6	21.4	9.9	12.7
Kforce Inc	4,696	4,263	24.5	9.2	10.1	9.4	4.7	5.1	1.0	1.0	na	na	6.0	6.4
Brunel International NV	750	773	17.5	13.5	11.5	7.8	6.4	5.6	0.4	0.4	12.2	13.6	8.8	7.5
Amadeus Fire AG	926	1,071	14.8	14.2	13.6	7.8	7.4	7.3	1.7	1.6	24.6	21.0	10.6	10.4
		Average	**22.4**	**13.8**	**13.6**	**9.7**	**6.9**	**6.9**	**0.8**	**0.8**	**21.6**	**19.6**	**9.0**	**8.7**
		Median	**17.7**	**11.6**	**12.3**	**9.4**	**5.7**	**5.6**	**0.7**	**0.6**	**18.6**	**19.8**	**7.2**	**7.3**
PeopleIn	314	389	12.6	11.6	8.8	10.3	8.7	6.3	0.5	0.3	18.0	20.9	9.8	7.0

Source: Ord Minnett Research and Bloomberg

Overview

- PeopleIN is a workforce solutions company, providing services to over 4,000 clients across the public and private sectors. PeopleIN operates in four key segments including health and community services, industrial services, food/agri, specialist services and information technology. Services include sourcing, skilling, deployment and management of workforce staff, with a balance of permanent placement and contracting. Since listing in 2017 the network has grown to 26 market facing brands and the company provides payroll for 10,000-15,000 candidates every week. PeopleIN employs over 850 internal staff and has a national presence.

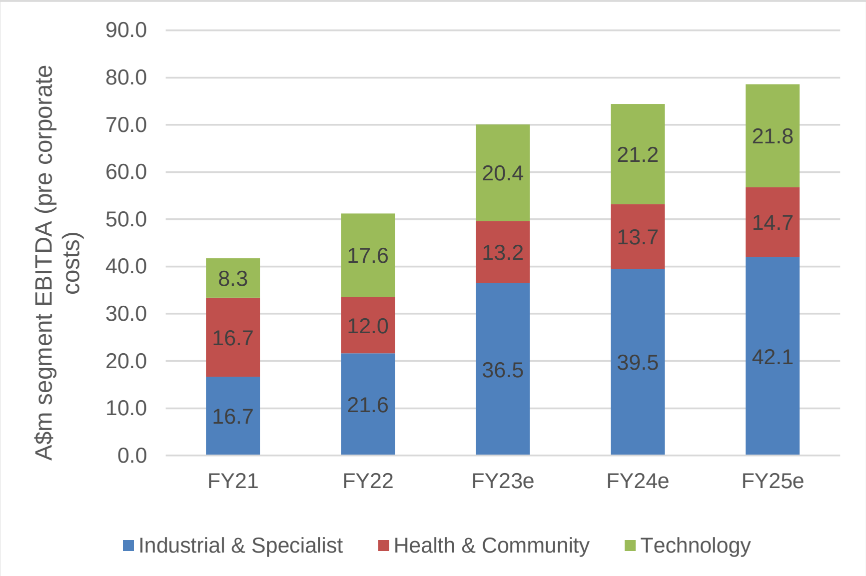
Investment thesis

- We are attracted to PeopleIN's exposure to entrenched and growing segments of the employment market, including healthcare, community and technology. Each of these segments is forecast to grow by a multiple of GDP growth between 2021 and 2026, driven by supportive thematics and demographic change. PPE's acquisition strategy since listing has taken the brand portfolio to 26 in total whilst still delivering ~10% organic earnings growth since the time of acquisition. Acquired brands have typically broadened the service offering and geographical spread and added to the stickiness of the broader group in retaining and expanding panel-based work. We see PPE's return on equity and higher forecast free cash flows as evidence that the acquisition strategy is delivering returns post acquisition integration.

Key metrics

- Improving earnings diversity by industry segment is a key feature of PPE's investment case.

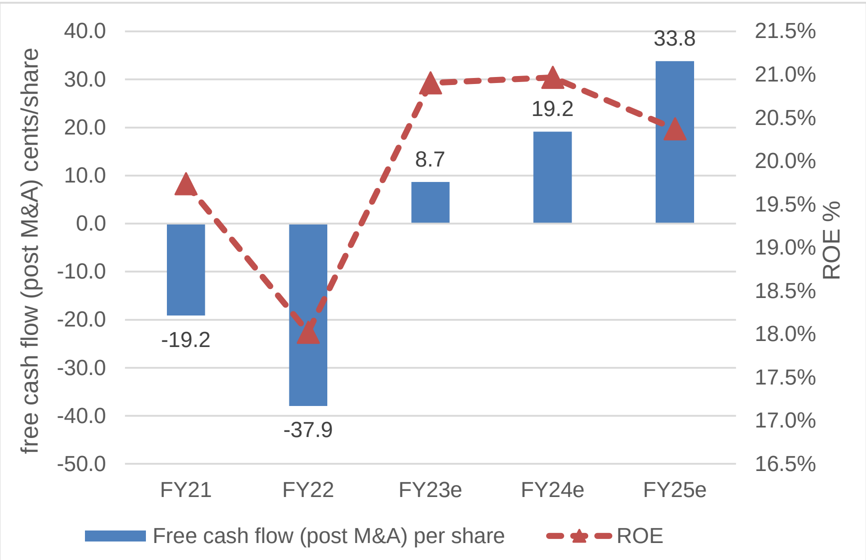
Figure 3: EBITDA by segment



Source: Ord Minnett Research, Company data

- Free cash flow forecasts are impacted by acquisition earn-out payments. We expect PPE's free cash flow generation to grow into FY23e and then again into FY24e. ROE of ~20% is maintainable in our view.

Figure 4: Free cash flow vs return on equity



Source: Ord Minnett Research, Company data

Key risks

- **A change in employment conditions:** PPE's core business relies on the ongoing demand for labour, any change in conditions that affect this could have an adverse impact on revenue. This includes a reversal in the trend towards workforce casualisation and any event which causes a fall in economic activity and material rise in unemployment.
- **Regulatory risk:** Due to the focus of the company's operations being in comparatively more unionised and politically exposed sectors, there is a risk of industrial action impacting on PPE's operations. Changes to government regulations, could also have an adverse impact on the business. We note that the more regulated environment also supports the business model, given the barriers to entry in compliance, panel positions, systems and scale.
- **Cash Flow conversion:** The conversion from EBITDA to operating cash flow during FY21 was 21%, constrained by acquisition integration and working capital movements. FY22 conversion was 67% which we see as being closer to a normalised ratio. Variation between debtor days and creditor days has potential to impact cash flow conversion, particularly in periods following M&A activity.

PeopleIn Limited

Buy

PROFIT & LOSS (A$m)	2021A	2022A	2023E	2024E	2025E
Revenue	444.4	682.3	977.1	1,062.8	1,112.2
Operating costs	(407.5)	(638.5)	(915.2)	(995.6)	(1,041.3)
Operating EBITDA	**36.9**	**43.8**	**61.8**	**67.2**	**70.9**
D&A	(3.1)	(5.0)	(6.3)	(6.8)	(7.3)
EBIT	**33.9**	**38.8**	**55.5**	**60.4**	**63.6**
Net interest	(1.5)	(2.1)	(5.3)	(4.8)	(4.1)
Pre-tax profit	**32.3**	**36.7**	**50.3**	**55.6**	**59.4**
Net tax (expense) / benefit	(9.7)	(11.0)	(15.1)	(16.7)	(17.8)
Normalised NPAT	**22.6**	**25.7**	**35.2**	**39.0**	**41.6**
Reported NPAT	**17.7**	**18.4**	**28.6**	**32.4**	**35.0**
Normalised dil. EPS (cps)	24.7	27.0	35.3	38.7	41.4
Reported EPS (cps)	19.3	19.4	28.7	32.2	34.8
Effective tax rate (%)	28.4	28.4	28.4	28.4	28.4
DPS (cps)	10.5	13.0	15.0	16.5	17.5
Dividend yield (%)	3.4	4.2	4.8	5.3	5.6
Payout ratio (%)	42.6	48.1	42.5	42.6	42.3
Franking (%)	100.0	100.0	100.0	100.0	100.0
Diluted # of shares (m)	95.8	101.1	102.9	102.9	102.9

CASH FLOW (A$m)	2021A	2022A	2023E	2024E	2025E
EBITDA incl. adjustments	37.0	49.9	61.8	67.2	70.9
Change in working capital	(31.9)	(14.3)	(15.7)	(6.3)	(3.6)
Net Interest (paid)/received	(1.5)	(2.1)	(5.3)	(4.8)	(4.1)
Income tax paid	(11.2)	(13.9)	(12.3)	(13.9)	(15.0)
Other operating items	15.3	2.5	-	-	-
Operating Cash Flow	**7.6**	**22.0**	**28.6**	**42.3**	**48.1**
Capex	(1.3)	(4.5)	(6.5)	(6.6)	(4.6)
Acquisitions	(22.0)	(50.0)	-	-	-
Other investing items	0.0	0.0	(9.8)	(12.6)	(5.5)
Investing Cash Flow	**(23.3)**	**(54.3)**	**(16.3)**	**(19.1)**	**(10.1)**
Inc/(Dec) in borrowings	6.2	59.4	(10.0)	(10.0)	(15.0)
Dividends paid	(7.1)	(10.6)	(12.4)	(15.0)	(16.6)
Other financing items	(1.9)	(3.6)	(3.7)	(3.9)	(4.0)
Financing Cash Flow	**(2.1)**	**45.6**	**(26.1)**	**(28.8)**	**(35.6)**
Net Inc/(Dec) in Cash	(17.7)	13.2	(13.7)	(5.7)	2.4

BALANCE SHEET (A$m)	2021A	2022A	2023E	2024E	2025E
Cash	13.7	27.0	13.3	7.6	10.0
Receivables	76.0	107.5	147.2	160.2	167.6
Inventory	-	-	-	-	-
Other current assets	1.7	12.2	12.2	12.2	12.2
PP & E	9.1	15.8	17.2	18.2	18.9
Investments	-	-	-	-	-
Intangibles	116.9	202.0	214.7	220.4	217.1
Other non-current assets	-	0.3	0.3	0.3	0.3
Total Assets	**217.4**	**364.8**	**404.8**	**418.8**	**426.0**
Short term debt	18.3	32.6	32.6	32.6	32.6
Payables	33.7	51.0	75.0	81.5	85.3
Other current liabilities	14.7	36.6	36.6	36.6	36.6
Long term debt	28.6	65.7	55.7	45.7	30.7
Other non-current liabilities	7.4	36.5	36.5	36.5	36.5
Total Liabilities	**102.8**	**222.4**	**236.4**	**233.0**	**221.8**
Total Equity	**114.6**	**142.3**	**168.4**	**185.8**	**204.2**
Net debt (cash)	33.2	71.4	75.1	70.8	53.4

DIVISIONS	2021A	2022A	2023E	2024E	2025E

KEY METRICS (%)	2021A	2022A	2023E	2024E	2025E
Revenue growth	18.7	53.5	43.2	8.8	4.6
EBITDA growth	30.9	18.7	41.1	8.7	5.5
EBIT growth	34.7	14.6	43.1	8.8	5.2
Normalised EPS growth	17.2	9.4	30.8	9.7	6.8
EBITDA margin	8.3	6.4	6.3	6.3	6.4
EBIT margin	7.6	5.7	5.7	5.7	5.7
Return on assets	12.6	9.5	10.3	10.5	10.8
Return on equity	21.4	20.0	22.7	22.0	21.3

VALUATION RATIOS (x)	2021A	2022A	2023E	2024E	2025E
Reported P/E	16.2	16.1	10.9	9.7	9.0
Normalised P/E	12.6	11.6	8.8	8.1	7.5
Price To Free Cash Flow	64.5	21.3	16.9	9.9	8.0
Price To NTA	-	-	-	-	-
EV / EBITDA	8.7	8.7	6.3	5.7	5.2
EV / EBIT	9.5	9.8	7.0	6.4	5.8

LEVERAGE	2021A	2022A	2023E	2024E	2025E
ND / (ND + Equity) (%)	22.5	33.4	30.8	27.6	20.7
Net Debt / EBITDA (%)	90.1	162.8	121.4	105.3	75.3
EBIT Interest Cover (x)	21.9	18.1	10.6	12.7	15.4
EBITDA Interest Cover (x)	23.8	20.4	11.8	14.1	17.2

VALUATION	
Cost of Equity (%)	12.4
Cost of debt (after tax) (%)	3.7
D / EV (%)	(19.2)
WACC (%)	**10.7**
Forecast cash flow ($m)	178.1
Terminal value ($m)	280.2
Enterprise Value ($m)	458.3
Equity NPV Per Share ($)	**4.52**
Target Price Method	DCF
Target Price ($)	4.52
Valuation disc. / (prem.) to share price (%)	44.9

Institutional Research

Malcolm Wood	Head of Institutional Research	+61 2 8216 6777	mwood@ords.com.au
Nicolas Burgess	Senior Research Analyst	+61 3 9602 9379	nburgess@ords.com.au
James Casey	Senior Research Analyst	+61 3 9602 9265	jamescasey@ords.com.au
Phillip Chippindale	Senior Research Analyst	+61 2 8216 6346	pchippindale@ords.com.au
Paul Kaner	Senior Research Analyst	+61 3 9608 4124	pkaner@ords.com.au
Dylan Kelly	Senior Research Analyst	+61 2 8216 6417	dkelly@ords.com.au
Ian Munro	Senior Research Analyst	+61 3 9608 4127	ian.munro@ords.com.au
John O'Shea	Senior Research Analyst	+61 3 9608 4146	joshea@ords.com.au
Leanne Truong	Senior Research Analyst	+61 2 8216 6367	ltruong@ords.com.au
Rushil Paiva	Research Analyst	+61 3 9608 4155	rpaiva@ords.com.au
Tim Elder	Research Associate	+61 7 3214 5565	telder @ords.com.au
Milo Ferris	Research Associate	+61 2 8216 6691	mferris@ords.com.au
Dylan Jones	Research Associate	+61 3 9608 4104	djones@ords.com.au
William Thurlow	Research Associate	+61 2 8216 6623	wthurlow@ords.com.au
Benjamin Yun	Research Associate	+61 2 8216 6646	byun@ords.com.au

Institutional Sales (Australia)

Angus Esslemont	Head of Institutional Equities	+61 2 8216 6363	aesslemont@ords.com.au
Jim Bromley	Institutional Equities Sales	+61 2 8216 6343	jbromley@ords.com.au
Stephen Jolly	Institutional Equities Sales	+61 2 8216 6424	sjolly@ords.com.au
Isaac Morris	Institutional Equities Sales	+61 2 8216 6370	imorris@ords.com.au
Scott Ramsay	Institutional Equities Sales	+61 3 9608 4100	sramsay@ords.com.au
Matt White	Institutional Equities Sales	+61 3 9608 4133	mwhite@ords.com.au
Zac Whitehead	Institutional Equities Sales	+61 2 8216 6350	zwhitehead@ords.com.au
Brendan Sweeney	Operator	+61 2 8216 6781	bsweeney@ords.com.au

Institutional Sales (Hong Kong)

Chris Moore	Institutional Equities Sales	+61 2 8216 6362	cmoore@ords.com.hk

Ord Minnett Offices

Adelaide
Level 5
100 Pirie Street
Adelaide SA 5000
Tel: (08) 8203 2500

Bendigo
Level 1
103 Mitchell Street
Bendigo VIC 3550
Tel: (03) 4433 3400

Brisbane
Level 31
10 Eagle Street
Brisbane QLD 4000
Tel: (07) 3214 5555

Buderim (Sunshine Coast)
1/99 Burnett Street
Buderim QLD 4556
Tel: (07) 5430 4444

Canberra
101 Northbourne Avenue
Canberra ACT 2600
Tel: (02) 6206 1700

Geelong
16 Aberdeen Street
Geelong West VIC 3218
Tel: (03) 4210 0200

Gold Coast
Level 7
50 Appel Street
Surfers Paradise QLD 4217
Tel: (07) 5557 3333

Hobart
Ground Floor
85 Macquarie Street
Hobart TAS 7000
Tel: (03) 6161 9300

Mackay
45 Gordon Street
Mackay QLD 4740
Tel: (07) 4969 4888

Mildura
128 Lime Avenue
Mildura VIC 3500
Tel: (03) 9608 4111

Melbourne
Level 22
35 Collins Street
Melbourne VIC 3000
Tel: (03) 9608 4111

Newcastle
426 King Street
Newcastle NSW 2300
Tel: (02) 4910 2400

Perth
Level 27
108 St Georges Terrace
Perth WA 6000
Tel: (02) 4910 2400

Head Office
Sydney
Level 18, Grosvenor Place
225 George Street
Sydney NSW 2000
Tel: (02) 8216 6300
www.ords.com.au

International
Hong Kong
1801 Ruttonjee House
11 Duddell Street
Central, Hong Kong
Tel: +852 2912 8980
www.ords.com.hk

Guide to Ord Minnett Recommendations

Our recommendations are based on the total return of a stock – nominal dividend yield plus capital appreciation – and have a 12-month time horizon.

SPECULATIVE BUY	We expect the stock's total return (nominal yield plus capital appreciation) to exceed 20% over 12 months. The investment may have a strong capital appreciation but also has high degree of risk and there is a significant risk of capital loss.
BUY	The stock's total return (nominal dividend yield plus capital appreciation) is expected to exceed 15% over the next 12 months.
ACCUMULATE	We expect a total return of between 5% and 15%. Investors should consider adding to holdings or taking a position in the stock on share price weakness.
HOLD	We expect the stock to return between 0% and 5%, and believe the stock is fairly priced.
LIGHTEN	We expect the stock's return to be between 0% and negative 15%. Investors should consider decreasing their holdings.
SELL	We expect the total return to lose 15% or more.
RISK ASSESSMENT	Classified as Lower, Medium or Higher, the risk assessment denotes the relative assessment of an individual stock's risk based on an appraisal of its disclosed financial information, historical volatility of its share price, nature of its operations and other relevant quantitative and qualitative criteria. Risk is assessed by comparison with other Australian stocks, not across other asset classes such as Cash or Fixed Interest.