

Australian Brokers Call - 12 July 2023

Summary Of Brokers Calls

| Company | CMP | Call | Target AUD | By |
|---------|---------|-------------|------------|----------------|
| ALC | \$0.10 | Buy | \$0.12 | Bell Potter |
| CBA | \$99.62 | Underweight | \$82.00 | Morgan Stanley |
| CMM | \$4.39 | Outperform | \$4.90 | Macquarie |
| COS | \$0.83 | Buy | \$1.07 | Ord Minnett |
| HMC | \$4.78 | Add | \$5.18 | Morgans |
| JHG | \$41.07 | Hold | \$42.64 | Bell Potter |
| JIN | \$13.87 | Outperform | \$17.45 | Macquarie |
| MP1 | \$8.99 | Neutral | \$9.00 | Macquarie |

Some text

ALC ALCIDION GROUP LIMITED **Overnight Price: \$ 0.10**

Bell Potter rates ALC as Buy

Bell Potter transfers coverage of Alcidion Group to Thomas Wakim and retains a Buy rating, lowering the target to \$0.12 from \$0.20. Attention is on the upcoming fourth quarter update.

While negative FY23 EBITDA has been guided, the focus will also be on the opening balance for contracted revenue in FY24.

The broker notes in recent years the company has broadened its customer base and expanded its product offering, and remains well-positioned to leverage its investments, particularly in the UK.

Australian Brokers Call - 12 July 2023

CBA COMMONWEALTH BANK OF AUSTRALIA **Overnight Price: \$ 99.62**

Morgan Stanley rates CBA as Underweight

Morgan Stanley believes mortgage loss rates will remain modest for CommBank, but consumer unsecured loss rates will rise.

The broker suggests investors will be looking for any early signs of weaker consumer credit quality in the bank's FY23 result. The Underweight rating and \$82 target are maintained. Industry View: In-Line.

CMM CAPRICORN METALS LIMITED **Overnight Price: \$ 4.39**

Macquarie rates CMM as Outperform

From Capricorn Metals' preliminary Q4 metrics, Macquarie determines underlying free cash (and bullion) build was a \$13.4m beat, while gold production from Karlawinda was a -7% miss.

Gold sales and gold price received were misses and beats of -3% and 9%, respectively, against the analyst's forecasts.

The broker's target rises to \$4.90 from \$4.80 on improving near-term earnings, while the Outperform rating is unchanged.

COS COSOL LIMITED **Overnight Price: \$ 0.83**

Ord Minnett rates COS as Buy

Ord Minnett only initiated coverage of Cosol in March this year. By now, the company has announced a major contract renewal, with Ok Tedi in PNG, worth \$17m over three years.

Renewal had already been assumed and thus the announcement triggers no changes. The broker does highlight this contract represents circa 6.5% of forecast FY24 revenues. Ord Minnett's comfort with projections has received a boost. Target remains at \$1.07. Rating remains Buy.

Australian Brokers Call - 12 July 2023

HMC HMC CAPITAL LIMITED

Overnight Price: \$ 4.78

Morgans rates HMC as Add

HMC Capital's five platforms comprise three unlisted funds and two listed REITs, which Morgans expects to drive growth in assets under management (AUM).

Following a trading update, the analyst notes the REIT's unlisted fund raising activities are tracking in line with forecasts. FY23 DPS guidance was unchanged and AUM is on track to reach \$10bn by the end of 2023. No EPS guidance was provided. The Add rating and \$5.18 target are maintained.

JHG JANUS HENDERSON GROUP PLC

Overnight Price: \$ 41.07

Bell Potter rates JHG as Hold

Janus Henderson is due to report its first half results on August 1 and Bell Potter adjusts forecasts, expecting investment returns will be positive and forecasting outflows of -US\$3.9bn over the June quarter.

As a result, earnings forecasts increase by 4.6% for FY23 and by 2.9% for FY24. At some stage, the broker expects the company's new strategy will lead to stronger operating results and a positive impact on the share price.

JIN JUMBO INTERACTIVE LIMITED

Overnight Price: \$ 13.87

Macquarie rates JIN as Outperform

In the lead up to FY23 results for Jumbo Interactive, Macquarie forecasts a 48% EBITDA margin (excluding Stride and StarVale), which is at the low-end of the 48-50% guidance range.

During FY24, the analyst forecast \$74m EBITDA, an increase of 29% year-on-year, which is broadly consistent with the consensus estimate. Growth in FY24 is thought to be underpinned by lottery volumes normalisation and a price increase in mid-May 2023. The broker continues to see a re-rating opportunity for the company's shares from jackpot activity, digital penetration growth and the re-pricing, and raises its target to \$17.45 from \$17.20.

Australian Brokers Call - 12 July 2023

MP1 MEGAPORT LIMITED

Overnight Price: \$ 8.99

Macquarie rates MP1 as Neutral

Macquarie's target for Megaport jumps to \$9 from \$6 after management upgraded FY23 earnings (EBITDA) guidance by 18%. There was faster-than-expected cost out and lower churn than anticipated from virtual cross connects (VXC) re-pricing.

Management wasn't specific but noted FY24 guidance will be higher. The analyst suggests reinvestment may impact FY24 earnings and the company is currently working out the extent of investment required to grow its distribution strategy.

The execution of this distribution strategy remains a key risk, according to the Neutral-rated broker, and may result in 6-12 months of slower than historical revenue growth.

Australian Brokers Call - 12 July 2023

DISCLAIMER for General Advice: (This document is for general advice only).

This document is provided by Laverne Securities Pty Ltd T/as Investor Desk. Laverne Securities Pty Ltd, CAR 001269781 of Laverne Capital Pty Ltd AFSL No. 482937.

The material in this document may contain general advice or recommendations which, while believed to be accurate at the time of publication, are not appropriate for all persons or accounts. This document does not purport to contain all the information that a prospective investor may require. The material contained in this document does not take into consideration an investor's objectives, financial situation or needs. Before acting on the advice, investors should consider the appropriateness of the advice, having regard to the investor's objectives, financial situation, and needs. The material contained in this document is for sales purposes. The material contained in this document is for information purposes only and is not an offer, solicitation or recommendation with respect to the subscription for, purchase or sale of securities or financial products and neither or anything in it shall form the basis of any contract or commitment. This document should not be regarded by recipients as a substitute for the exercise of their own judgment and recipients should seek independent advice.

The material in this document has been obtained from sources believed to be true but neither Investor Desk and Banyan Tree nor its associates make any recommendation or warranty concerning the accuracy or reliability or completeness of the information or the performance of the companies referred to in this document. Past performance is not indicative of future performance. Any opinions and or recommendations expressed in this material are subject to change without notice and, Investor Desk and Banyan Tree are not under any obligation to update or keep current the information contained herein. References made to third parties are based on information believed to be reliable but are not guaranteed as being accurate.

Investor Desk and Banyan Tree and its respective officers may have an interest in the securities or derivatives of any entities referred to in this material. Investor Desk and Banyan Tree do and seek to do, business with companies that are the subject of its research reports. The analyst(s) hereby certify that all the views expressed in this report accurately reflect their personal views about the subject investment theme and/or company securities.

Although every attempt has been made to verify the accuracy of the information contained in the document, liability for any errors or omissions (except any statutory liability which cannot be excluded) is specifically excluded by Investor Desk and Banyan Tree, its associates, officers, directors, employees, and agents. Except for any liability which cannot be excluded, Investor Desk and Banyan Tree, its directors, employees and agents accept no liability or responsibility for any loss or damage of any kind, direct or indirect, arising out of the use of all or any part of this material. Recipients of this document agree in advance that Investor Desk and Banyan Tree are not liable to recipients in any matters whatsoever otherwise; recipients should disregard, destroy or delete this document. All information is correct at the time of publication. Investor Desk and Banyan Tree do not guarantee reliability and accuracy of the material contained in this document and is not liable for any unintentional errors in the document.

The securities of any company(ies) mentioned in this document may not be eligible for sale in all jurisdictions or to all categories of investors. This document is provided to the recipient only and is not to be distributed to third parties without the prior consent of Investor Desk and Banyan Tree.