

# Investore

## Too Much of a Good Thing

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### NEUTRAL

Investore (IPL) has been the beneficiary of increased demand for large format retail (LFR) property, stemming from the low interest rate environment and a lower risk premium attributed to the LFR sub-sector given its resilience against COVID-19 lockdowns. This has resulted in strong capitalisation rate compression for IPL's portfolio, lifting asset values substantially in FY21 and providing sizable share price gains for shareholders. Unfortunately, strong demand for the asset class has inhibited IPL's ability to deploy capital it raised in April 2020. With valuation upside tempered by the impact of higher interest rates on our DCF, and earnings growth contingent on acquisitions in a competitive market, we downgrade our rating to NEUTRAL.

NZX Code	IPL	Financials: Mar/	20A	21E	22E	23E	Valuation (x)	20A	21E	22E	23E
Share price	NZ\$2.15	NPAT* (NZ\$m)	21.1	28.1	30.8	33.1	PE	28.1	27.9	25.8	24.1
Target price	NZ\$2.20	EPS* (NZc)	7.7	7.7	8.3	8.9	EV/EBIT	27.2	23.6	22.0	20.9
Risk rating	Low	EPS growth* (%)	-4.4	0.7	7.8	7.4	EV/EBITDA	27.2	23.6	22.0	20.9
Issued shares	370.4m	DPS (NZc)	7.6	7.6	7.7	8.1	Price / NTA	1.2	1.0	1.0	0.9
Market cap	NZ\$796m	Imputation (%)	100	100	100	100	Cash div yld (%)	3.5	3.5	3.6	3.8
Avg daily turnover	305.5k (NZ\$617k)	*Based on normalised profits					Gross div yld (%)	5.0	5.0	5.1	5.4

#### What's changed?

- **Earnings:** FY21-23 AFFO -0.5%/-2.8%/-0.7% and DPS 0.0%/-1.4%/-0.7%
- **Target price:** -15cps to NZ\$2.20
- **Rating:** Downgrade from OUTPERFORM to NEUTRAL

#### Strong demand for LFR has driven cap rate compression

Low interest rates have driven demand for yield assets and properties, with 'essential' tenants viewed as lower risk post the pandemic lockdown. Given their relatively small size, strong tenant covenants and long WALT, stand alone LFR/supermarket assets have found particular favour with syndicates and high net worth individuals. IPL has been a beneficiary of this demand, announcing a 2H21 revaluation gain of +5.9% or NZ\$57.5m, largely attributable to a -30bp decline in its portfolio average cap rate to 5.23%. We estimate that 2H21 valuation gains add +16cps to NTA which is now NZ\$2.09/share.

#### This makes it difficult to deploy capital

IPL's April 2020 capital raise reduced gearing from 42% to 31% and provided headroom for acquisitions. Based on its current debt facilities, IPL currently has NZ\$168m of acquisition capacity. By way of example, we expect an NZ\$50m acquisition would equate to a c.5% lift in earnings, all else equal. While this prospective earnings accretion is attractive, the ability to deploy capital is increasingly difficult given the competitive environment. With no transactions announced to date, IPL has been disciplined with regards to its acquisition metrics but its above peers, earnings growth, track record is coming into question.

#### Earnings and valuation revised, d/g to NEUTRAL

We have adjusted our FY21-23 AFFO downwards marginally, reflecting 1) adjustments to our modelled NZ\$100m of acquisitions with all now occurring in FY22 (was split between 2H21 and FY22), 2) slightly higher asset values and management fees, and 3) updated interest rate forecasts.

**Investore (IPL)**

Priced as at 16 Apr 2021 (NZ\$)						2.15						
<b>12-month target price (NZ\$)*</b>						<b>2.20</b>	<b>Spot valuations (NZ\$)</b>					
Expected share price return						2.3%	1. DCF					2.08
Net dividend yield						3.6%	2. NAV					2.20
Estimated 12-month return						5.9%	n/a					n/a
<b>Key WACC assumptions</b>						<b>DCF valuation summary (NZ\$m)</b>						
Risk free rate						2.30%	Total firm value					994
Equity beta						0.67	(Net debt)/cash					(233)
WACC						4.4%	Less: Capitalised operating leases					0
Terminal growth						1.5%	Value of equity					759
<b>Profit and Loss Account (NZ\$m)</b>						<b>Valuation Ratios</b>						
	2019A	2020A	2021E	2022E	2023E		2019A	2020A	2021E	2022E	2023E	
Sales revenue	46.1	46.9	53.5	57.9	60.9	EV/EBITDA (x)	27.6	27.0	23.4	21.8	20.7	
<b>Normalised EBITDA</b>	<b>40.1</b>	<b>39.6</b>	<b>44.8</b>	<b>48.9</b>	<b>51.5</b>	EV/EBIT (x)	27.6	27.0	23.4	21.8	20.7	
Depreciation and amortisation	0	0	0	0	0	PE (x)	26.8	28.1	27.9	25.8	24.1	
<b>Normalised EBIT</b>	<b>40.1</b>	<b>39.6</b>	<b>44.8</b>	<b>48.9</b>	<b>51.5</b>	Price/NTA (x)	1.3	1.2	1.0	1.0	0.9	
Net interest	(13.8)	(13.4)	(11.8)	(12.1)	(11.7)	Free cash flow yield (%)	2.0	2.3	2.5	3.4	3.8	
Associate income	0	0	0	0	0	Net dividend yield (%)	3.5	3.5	3.5	3.6	3.8	
Tax	(5.3)	(5.2)	(4.9)	(6.0)	(6.7)	Gross dividend yield (%)	5.0	5.0	5.0	5.1	5.4	
Minority interests	0	0	0	0	0	<b>Capital Structure</b>						
<b>Normalised NPAT</b>	<b>20.9</b>	<b>21.1</b>	<b>28.1</b>	<b>30.8</b>	<b>33.1</b>	Interest cover EBIT (x)	2.9	3.0	3.8	4.0	4.4	
Abnormals/other	(17.7)	(7.5)	(143.0)	(57.4)	(62.0)	Interest cover EBITDA (x)	2.9	3.0	3.8	4.0	4.4	
<b>Reported NPAT</b>	<b>38.6</b>	<b>28.6</b>	<b>171.2</b>	<b>88.2</b>	<b>95.1</b>	Net debt/ND+E (%)	41.3	30.6	25.8	30.7	29.2	
Normalised EPS (cps)	8.0	7.7	7.7	8.3	8.9	Net debt/EBITDA (x)	7.8	5.9	6.0	7.6	7.2	
DPS (cps)	7.6	7.6	7.6	7.7	8.1	<b>Key Ratios</b>						
<b>Growth Rates</b>							2019A	2020A	2021E	2022E	2023E	
Revenue (%)	6.8	1.8	14.0	8.1	5.3	Return on assets (%)	5.2	5.0	4.2	4.0	4.0	
EBITDA (%)	6.2	-1.0	13.0	9.2	5.2	Return on equity (%)	4.7	4.0	3.6	3.7	3.7	
EBIT (%)	6.2	-1.0	13.0	9.2	5.2	Return on funds employed (%)	4.1	4.1	4.1	3.5	3.4	
Normalised NPAT (%)	1.8	0.8	33.3	9.6	7.4	EBITDA margin (%)	86.9	84.5	83.8	84.6	84.5	
Normalised EPS (%)	2.1	-4.4	0.7	7.8	7.4	EBIT margin (%)	86.9	84.5	83.8	84.6	84.5	
Ordinary DPS (%)	1.9	0.0	0.0	1.2	5.1	Capex to sales (%)	12.0	3.1	15.0	6.7	5.1	
<b>Cash Flow (NZ\$m)</b>							2019A	2020A	2021E	2022E	2023E	
<b>EBITDA</b>	<b>40.1</b>	<b>39.6</b>	<b>44.8</b>	<b>48.9</b>	<b>51.5</b>	Capex to depreciation (%)	n/a	n/a	n/a	n/a	n/a	
Working capital change	0.2	1.1	(0.0)	(0.0)	0	Imputation (%)	100	100	100	100	100	
Interest & tax paid	(19.0)	(20.8)	(16.7)	(18.1)	(18.4)	Pay-out ratio (%)	95	99	98	93	91	
Other	0	0	0	0	0	<b>Portfolio Summary</b>						
<b>Operating cash flow</b>	<b>21.2</b>	<b>19.9</b>	<b>28.1</b>	<b>30.8</b>	<b>33.1</b>		2017A	2018A	2019A	2020A		
Capital expenditure	(5.5)	(1.4)	(8.0)	(3.8)	(3.1)	Investment properties (NZ\$m)	660.4	738.3	761.2	761.4		
(Acquisitions)/divestments	0	7.1	(130.4)	(100.0)	0	Weighted average lease term (yrs)	14.3	13.1	12.4	11.5		
Other	98.5	(1.6)	0	0	0	Occupancy rate (%)	99.8	99.9	99.9	99.7		
<b>Funding available/(required)</b>	<b>114.1</b>	<b>24.0</b>	<b>(110.3)</b>	<b>(73.0)</b>	<b>30.0</b>	M'ment/Admin cost % of assets (%)	0.6	0.8	0.8	0.9		
Dividends paid	(19.7)	(20.7)	(27.7)	(28.5)	(30.0)	NTA per share (NZ\$)	1.55	1.64	1.70	1.73		
Equity raised/(returned)	(2.6)	76.0	102.6	(0.0)	(0.0)	Portfolio cap rate (%)	6.36	6.19	6.05	6.06		
<b>(Increase)/decrease in net debt</b>	<b>91.8</b>	<b>79.2</b>	<b>(35.3)</b>	<b>(101.6)</b>	<b>(0.0)</b>	Portfolio initial yield (%)	6.57	6.36	6.26	6.29		
<b>Balance Sheet (NZ\$m)</b>												
	2019A	2020A	2021E	2022E	2023E							
Working capital	(3.8)	(5.4)	(5.4)	(5.4)	(5.4)							
Fixed assets	742.1	772.5	1,059.4	1,220.6	1,285.8							
Intangibles	0	0	0	0	0							
Right of use asset	0	0	0	0	0							
Other assets	22.2	9.3	3.9	3.9	3.9							
<b>Total funds employed</b>	<b>760.6</b>	<b>776.5</b>	<b>1,057.9</b>	<b>1,219.2</b>	<b>1,284.3</b>							
Net debt/(cash)	311.5	232.7	268.1	369.6	369.7							
Lease liability	0	11.1	11.1	11.1	11.1							
Other liabilities	5.8	6.0	6.0	6.0	6.0							
Shareholder's funds	443.2	526.7	772.8	832.4	897.5							
Minority interests	0	0	0	0	0							
<b>Total funding sources</b>	<b>760.6</b>	<b>776.5</b>	<b>1,057.9</b>	<b>1,219.2</b>	<b>1,284.3</b>							

\* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend

## Book value should keep rising

### Transactional evidence supports higher NTA

IPL has announced a 2H21 revaluation gain of +5.9% or NZ\$57.5m, largely driven by -30bp decline in its portfolio average cap rate to 5.23%. We estimate that 2H21 valuations gains add +16cps to NTA which is now NZ\$2.09/share. This comes on top of the 1H21 valuations that saw its portfolio lift +9.4% or +NZ\$85.3m driven by a -55bp decline in the portfolio average cap rate. IPL's portfolio was valued at NZ\$1,038m as at 31 March 2021.

Low interest rates have driven demand for yield assets. Properties with 'essential' tenants have been viewed as lower risk post the pandemic lockdown. Given their relatively small size, strong tenant covenants and long WALT, stand alone LFR/supermarket assets have found particular favour with syndicates and high net worth individuals.

There have been a number of recent supermarket and bulk retail transactions. We highlight the sales of:

1. Countdown Mosgiel and Countdown Stratford, both with 10 year lease terms, which transacted on yields of 4.73% and 5.30% respectively
2. Bunnings Grey Lynn and Bunnings Hamilton South, both with fixed annual rent growth, which transacted on yields of 3.75% and 3.90% respectively.

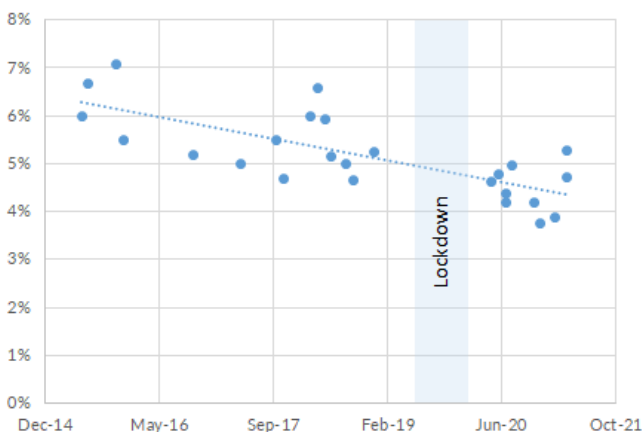
In our view, recent transactions support further NTA growth. As highlighted in Figure 1, the majority of the supermarket and bulk retail transactions that have occurred post lockdown have been below IPL's 5.23% cap rate. That said, the recent steepening of the yield curve presents a risk to continued cap rate compression as higher funding costs (typically 3–5 year rates are used by private buyers to purchase property) reduce the attractiveness of low yielding, direct property investment.

### But is a headwind to earnings

IPL is externally managed by Stride Property Group (SPG) which charges asset management fees of 0.55% on asset value up to NZ\$750m and 0.45% for asset value over NZ\$750m. As such, rising asset values without increasing rental income is a headwind to better earnings and distribution growth. An NZ\$57.5m rise in asset values impacts our FY22E AFFO by 0.7%.

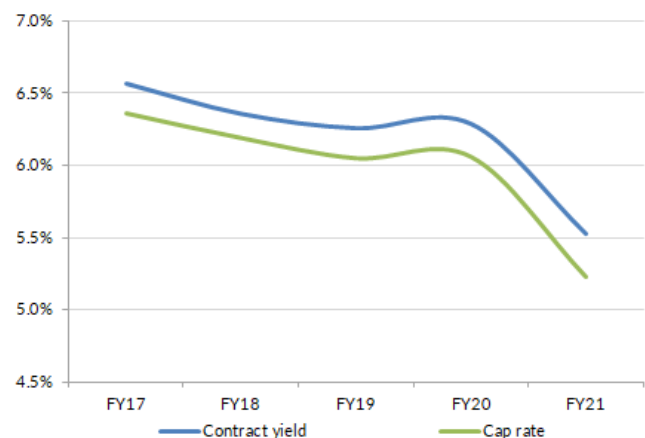
As the capitalisation rate of the portfolio falls a higher portion of the portfolio's net operating income (NOI) is consumed by management fees. Given the portfolio's capitalisation rate of 5.23%, passing yield of c.5.52%, and the effective base management fee of 0.52% of portfolio assets, c.9.5% of NOI is required to pay management fees compared to c.8.4% 12 months ago.

Figure 1. Bulk retail and supermarket transaction yields



Source: Forsyth Barr analysis

Figure 2. IPL cap rate and contract yield



Source: Company reports, Forsyth Barr analysis

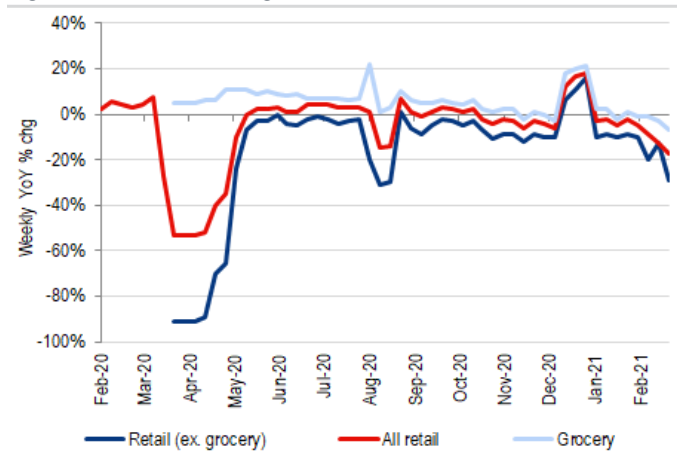
## Softer supermarket sales

### Supermarket sales moderating more than expected

Post the fixed +5% increase across c.50% of its supermarket portfolio in FY20, IPL is now more reliant on supermarket turnover to drive rent growth. Turnover rent is calculated monthly and based on an annual rolling average, with IPL receiving a portion of the sales over a threshold. Base rents are lifted to the new turnover level after a period and a new turnover threshold is set. Supermarket sales lifted significantly during the COVID-19 lockdown as kiwis stockpiled supplies and eat out/takeaway options closed. Surprisingly, post lockdown grocery sales growth remained strong, with Paymark data suggesting growth of +9% yoy but this has since moderated and is now -7% but is cycling strong pre-lockdown sales. Supermarket sales growth is likely to continue to moderate over the next 6-9 months as consumers shopping habits return to more normal patterns.

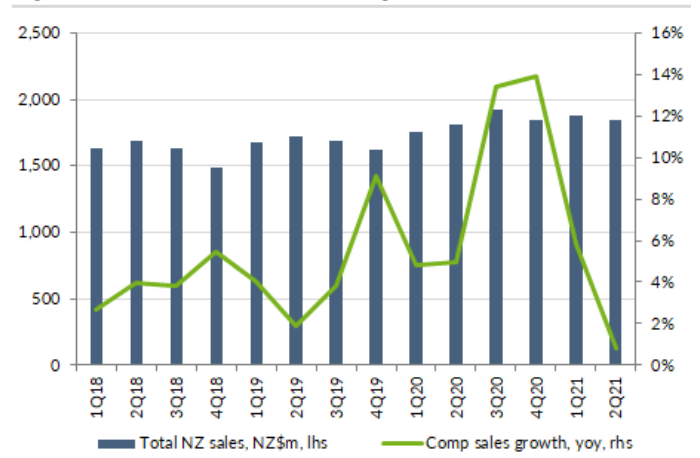
Countdown NZ comparable sales growth was +0.8% over the December 2020 quarter. The slower sales growth was attributed to a lack of international tourists with borders closed and muted food price growth, particularly in seafood and meat, which was partly attributed to pandemic impacts on international demand.

Figure 3. Paymark sales growth



Source: Paymark, Forsyth Barr analysis

Figure 4. Countdown NZ sales and growth

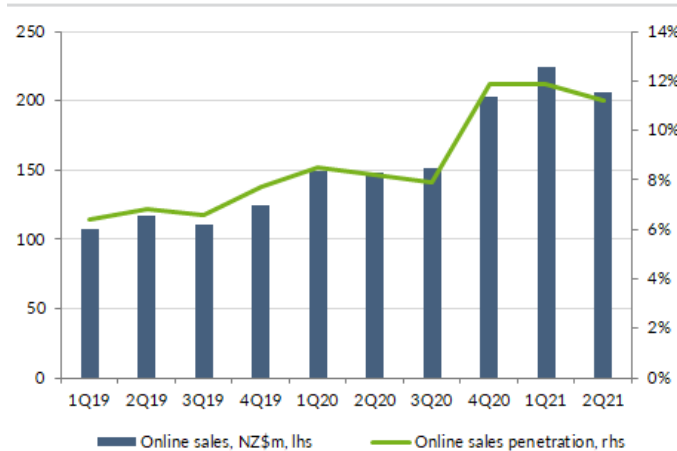


Source: Company data, Forsyth Barr analysis

### Online remains strong despite NZ being COVID-19 free

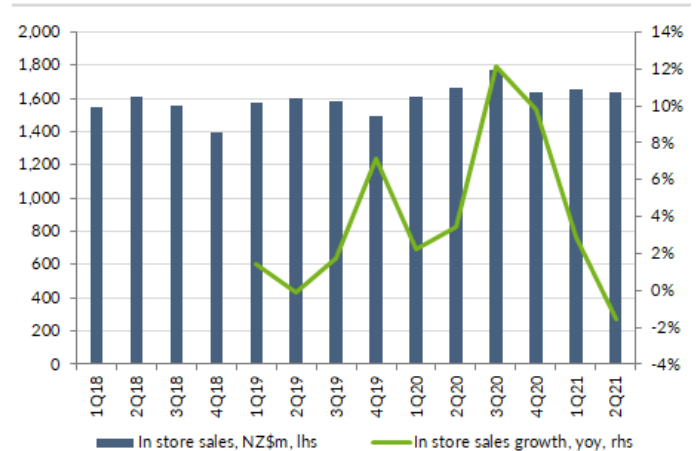
One longer-term issue for IPL is increasing online supermarket sales. Online sales, both click and collect, and delivered, has grown faster than in-store and now make up >11% of Countdown's NZ sales, having grown steadily even after lockdown. Having reached packing capacity in its existing stores and to more efficiently deliver online orders, Countdown has opened dedicated online distribution centres in Auckland and Wellington. This higher online sales penetration suggests in-store sales may actually be declining on average. Currently online sales fulfilled out of c.50% of IPL owned supermarkets are included in turnover.

Figure 5. Countdown NZ online sales and penetration



Source: Company data, Forsyth Barr analysis

Figure 6. Countdown NZ in-store sales and growth



Source: Company data, Forsyth Barr analysis

## Balance sheet headroom but buying assets is a challenge

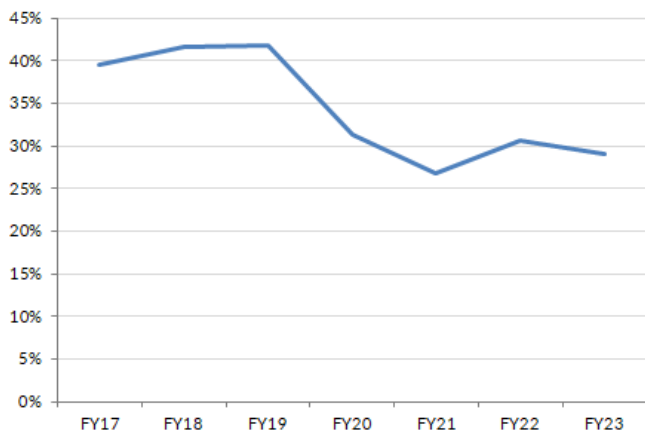
IPL's strategy is to acquire and/or develop LFR assets with a focus on tenants who provide everyday needs. While IPL's assets are typically standalone stores, the recent acquisition of two shopping centres with a higher proportion of speciality tenants suggests its mandate has broadened slightly and now includes assets with an LFR anchor and <20 speciality stores. Furthermore, IPL has a goal to diversify its tenant base (Countdown is 63% of contract rent) and recent acquisitions have lifted the weighting of Bunnings.

IPL's April 2020 capital raise reduced gearing from 42% to 31% and provided headroom for acquisitions. Earnings dilution was moderated by tax benefits from the reintroduction of depreciation on building structure which partially offset the higher share count. Following this raise, we expected IPL to be acquisitive given its external management structure incentivises growth in the asset values. IPL has capacity within its current debt facilities of NZ\$168m. If IPL was to acquire assets and fully gear its balance sheet up to its current policy maximum it has the potential to acquire NZ\$423m of assets. While we don't believe IPL will be that acquisitive it does demonstrate the potential for a transformative portfolio acquisition within.

However, low interest rates and strong private investor demand (as highlighted earlier) has seen IPL miss out on a number of opportunities. At its August 2020 bond issue, IPL stated it was considering NZ\$100m acquisition and redevelopment opportunities. By the 1H21 result one of these assets was no longer under consideration and IPL was now considering 'at least' NZ\$50m of acquisitions. We had expected IPL to transact on NZ\$50m of assets in FY21E but we are now past year end and no acquisitions have been made. By way of example an NZ\$50m acquisition would equate to a c.5% lift in earnings, all else equal.

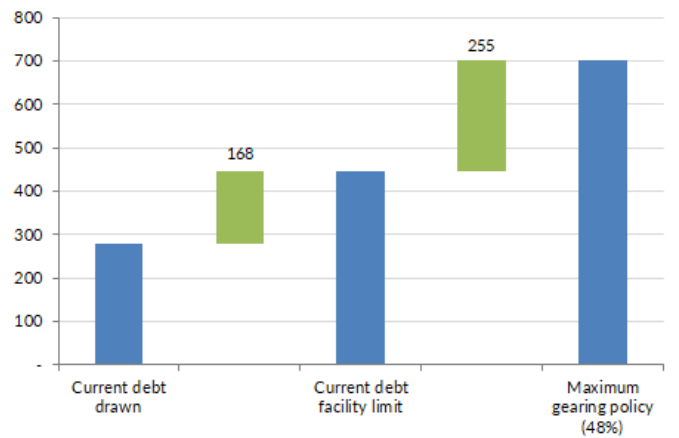
On the positive side, management appears to be disciplined with respect to acquisition metrics. On the negative side, our earnings growth profile (FY21-23E DPS CAGR of 3.2%) is largely driven by NZ\$100m of acquisitions; Figures 9 and 10 highlights our forecast DPS tracks with and without acquisitions. We assume IPL reaches 100% AFFO payout by FY23.

Figure 7. IPL gearing



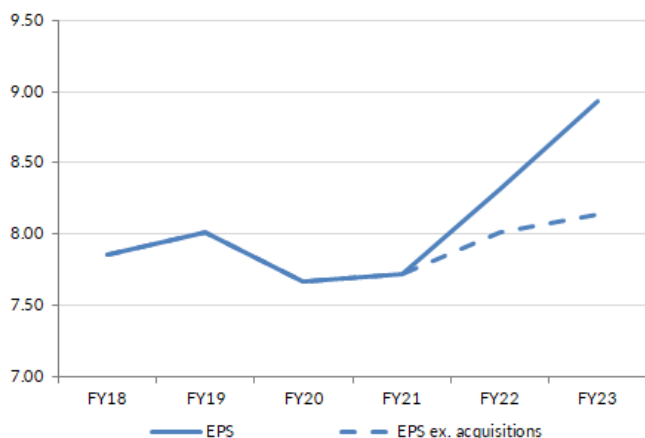
Source: Company data, Forsyth Barr analysis

Figure 8. IPL balance sheet headroom (NZ\$m)



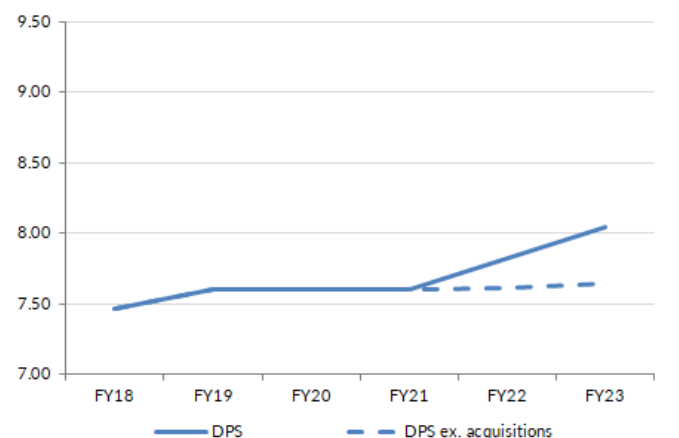
Source: Company data, Forsyth Barr analysis

Figure 9. IPL EPS forecasts



Source: Company data, Forsyth Barr analysis

Figure 10. IPL DPS forecasts



Source: Company data, Forsyth Barr analysis

## Earnings and target price changes

### Adjusting acquisition assumptions and higher management fees lowers earnings

We have adjusted our FY21–23 AFFO by -0.5%/-2.8%/-0.7% and DPS by 0.0%/-1.4%/-0.7%, reflecting 1) adjustments to our modelled NZ\$100m of acquisitions with all now occurring in FY22 (was split between 2H21 and FY22), 2) slightly higher asset values and management fees, and 3) updated interest rate forecasts.

Figure 11. IPL forecast changes

	2021E			2022E			2023E		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
Net income	54.1	53.5	-1.2%	59.1	57.9	-2.1%	60.9	60.9	0.0%
Corporate costs	(8.8)	(8.7)	-1.3%	(8.9)	(8.9)	0.9%	(9.3)	(9.5)	2.1%
<b>EBITDA</b>	<b>45.3</b>	<b>44.8</b>	<b>-1.1%</b>	<b>50.2</b>	<b>48.9</b>	<b>-2.6%</b>	<b>51.7</b>	<b>51.5</b>	<b>-0.4%</b>
Net interest	(12.2)	(11.8)	-2.8%	(12.5)	(12.1)	-3.5%	(11.7)	(11.7)	-0.3%
Current tax	(4.9)	(4.9)	-1.0%	(6.1)	(6.0)	-1.8%	(6.8)	(6.7)	-1.0%
<b>NPAT (underlying)</b>	<b>28.2</b>	<b>28.1</b>	<b>-0.5%</b>	<b>31.6</b>	<b>30.8</b>	<b>-2.4%</b>	<b>33.2</b>	<b>33.1</b>	<b>-0.3%</b>
Maintenance capex	(1.8)	(1.8)	-0.4%	(2.8)	(2.8)	1.6%	(3.0)	(3.1)	4.7%
<b>AFFO</b>	<b>26.4</b>	<b>26.3</b>	<b>-0.5%</b>	<b>28.8</b>	<b>28.0</b>	<b>-2.8%</b>	<b>30.2</b>	<b>30.0</b>	<b>-0.7%</b>
EPS (cps)	7.75	7.72	-0.5%	8.53	8.32	-2.4%	8.96	8.93	-0.3%
<b>AFFO (cps)</b>	<b>7.25</b>	<b>7.22</b>	<b>-0.5%</b>	<b>7.77</b>	<b>7.55</b>	<b>-2.8%</b>	<b>8.15</b>	<b>8.09</b>	<b>-0.7%</b>
<b>DPS (cps)</b>	<b>7.60</b>	<b>7.60</b>	<b>-</b>	<b>7.80</b>	<b>7.69</b>	<b>-1.4%</b>	<b>8.15</b>	<b>8.09</b>	<b>-0.7%</b>

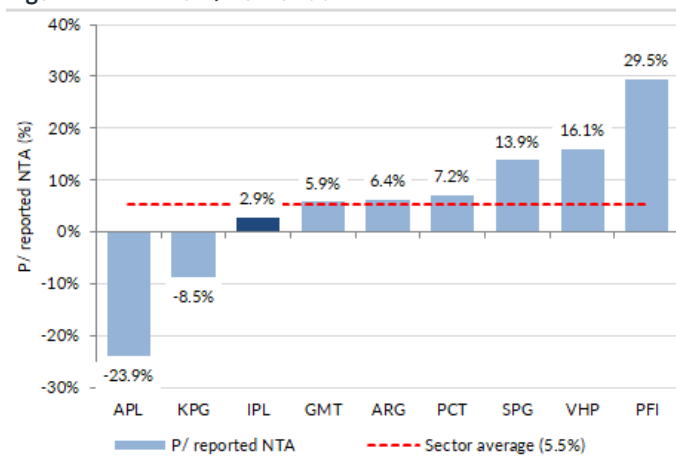
Source: Forsyth Barr analysis

### Target price -15cps to NZ\$2.20

Our 12 month target price declines 15cps to NZ\$2.20 which reflects:

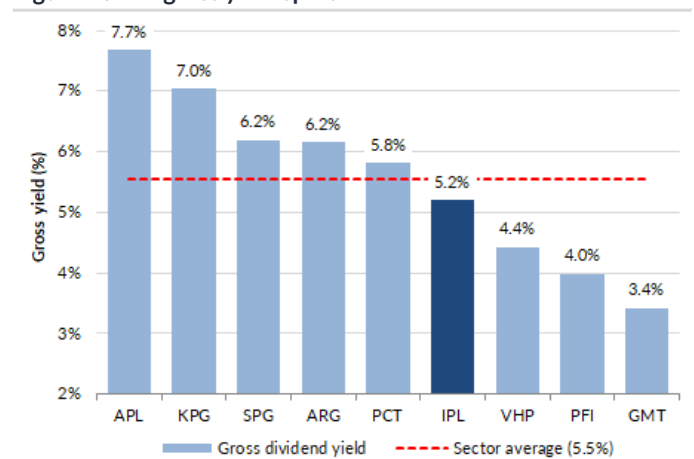
- Our DCF decreases 20%, reflecting our lower earnings track but largely due to changes to our risk free rate (from 1.3% to 2.3%) and market risk premium (from 6.0% to 5.5%) which combined have lifted our WACC 52bp, consistent with our strategy report, *Still a One Way Bet? – Updated WACC Assumptions*, published 12 February 2021. IPL's yield spread to long bonds has compressed, with exposure to pandemic proof supermarket assets being well sort after by investors. However, this compressed spread has increased IPL's sensitivity to higher interest rates/WACC.
- We have revisited our NAV valuation and now assume -25bp of cap rate compression on IPL's portfolio over the next 12 months. This is partly offset by IPL's higher than sector average management expense ratio and results in a NAV of NZ\$2.20 a share.

Figure 12. Premium/discount to NTA

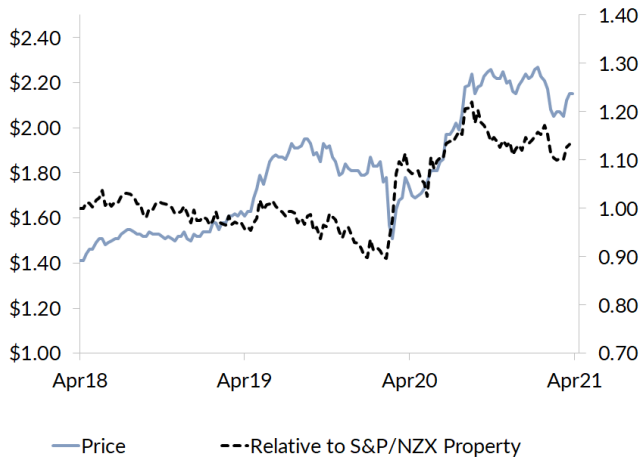


Source: Forsyth Barr analysis

Figure 13. IPL gross yield spread



Source: Forsyth Barr analysis

**Figure 14. Price performance**


Source: Forsyth Barr analysis

**Figure 15. Substantial shareholders**

Shareholder	Latest Holding
Stride Property	18.8%
ANZ NZ Investments	8.1%
ACC	7.8%
Salt Funds Management	6.1%
Forsyth Barr Investment Management	5.0%

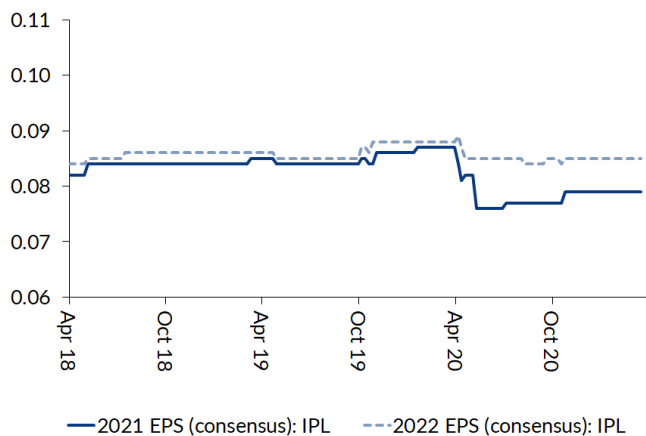
Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

**Figure 16. International valuation comparisons**

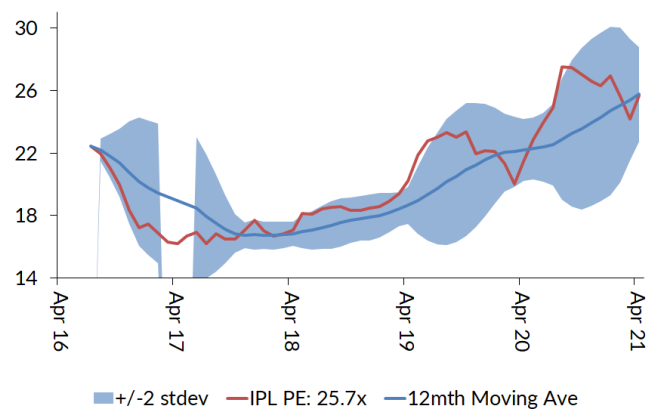
Company (metrics re-weighted to reflect IPL's balance date - March)	Code	Price	Mkt Cap (m)	PE		EV/EBITDA		EV/EBIT		Cash Yld 2022E
				2021E	2022E	2021E	2022E	2021E	2022E	
<b>Investore</b>	<b>IPL NZ</b>	<b>NZ\$2.15</b>	<b>NZ\$796</b>	<b>27.9x</b>	<b>25.8x</b>	<b>23.0x</b>	<b>21.0x</b>	<b>23.0x</b>	<b>21.0x</b>	<b>3.6%</b>
ARGOSY PROPERTY *	ARG NZ	NZ\$1.49	NZ\$1,251	19.7x	20.3x	21.7x	20.2x	21.7x	20.2x	4.3%
GOODMAN PROPERTY TRUST *	GMT NZ	NZ\$2.29	NZ\$3,186	34.2x	33.9x	28.0x	26.7x	28.0x	26.7x	2.4%
KIWI PROPERTY GROUP *	KPG NZ	NZ\$1.24	NZ\$1,946	20.6x	18.0x	19.8x	17.0x	19.8x	17.0x	4.9%
PRECINCT PROPERTIES NZ *	PCT NZ	NZ\$1.64	NZ\$2,155	24.5x	23.4x	28.6x	25.0x	28.6x	25.0x	4.1%
PROPERTY FOR INDUSTRY *	PFI NZ	NZ\$2.84	NZ\$1,427	31.1x	31.1x	25.9x	26.3x	25.9x	26.3x	2.8%
STRIDE PROPERTY *	SPG NZ	NZ\$2.29	NZ\$1,083	20.9x	21.7x	31.5x	27.4x	31.5x	27.4x	4.3%
BWP TRUST	BWP AT	A\$4.11	A\$2,640	20.5x	22.7x	n/a	23.6x	23.7x	23.6x	4.5%
CHARTER HALL LONG WALE REIT	CLW AT	A\$4.88	A\$2,793	16.7x	15.9x	n/a	17.1x	34.6x	17.1x	6.2%
CHARTER HALL RETAIL REIT	CQR AT	A\$3.87	A\$2,223	20.9x	13.9x	n/a	17.4x	19.6x	16.9x	6.4%
SHOPPING CENTRES AUSTRALASIA	SCP AT	A\$2.56	A\$2,765	20.7x	16.8x	25.9x	18.9x	27.2x	19.1x	5.3%
<b>Comppo Average:</b>				<b>23.0x</b>	<b>21.8x</b>	<b>25.9x</b>	<b>21.9x</b>	<b>26.1x</b>	<b>21.9x</b>	<b>4.5%</b>
<b>IPL Relative:</b>				<b>21%</b>	<b>19%</b>	<b>-11%</b>	<b>-4%</b>	<b>-12%</b>	<b>-4%</b>	<b>-21%</b>

EV = Current Market Cap + Actual Net Debt

Source: \*Forsyth Barr analysis, Bloomberg Consensus, Comppo metrics re-weighted to reflect headline (IPL) companies fiscal year end

**Figure 17. Consensus EPS momentum (NZ\$)**


Source: Forsyth Barr analysis

**Figure 18. One year forward PE (x)**


Source: Forsyth Barr analysis



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