

Reporting Season Preview

A Continuum of Low Growth

We are expecting negative EPS growth across the market at an aggregated level and low single digit growth at a median level in the upcoming reporting season. This is the larger of the quarterly reporting seasons with 40 companies under our coverage reporting. The season is dominated by companies reporting 1H20 interim results.

Negative/low growth forecast

Our analysts are forecasting Revenue growth of +0.3% at an aggregated level (median +2.8%) with EBITDA forecast at +0.5% (median +3.6%). Normalised EPS growth is forecast to be -4.1% (median +1.8%). Dividend per share growth is flat across both measures. Of the 40 companies reporting, 22 companies are forecast to have positive EPS growth versus 16 companies with negative growth forecast (with two companies deemed n/a).

Figure 1. Reporting Season Snapshot (6mth growth on pcp)

| | Aggregated Forecast | Median Forecast |
|--------------------|---------------------|-----------------|
| Total Revenue | +0.3% | +2.8% |
| EBITDA | +0.5% | +3.6% |
| EBIT | -4.3% | +1.0% |
| Normalised NPAT | -3.2% | +3.1% |
| Normalised EPS | -4.1% | +1.8% |
| Dividend per Share | -0.1% | +0.0% |
| No of Companies: | 40 | 40 |

Source: Forsyth Barr analysis

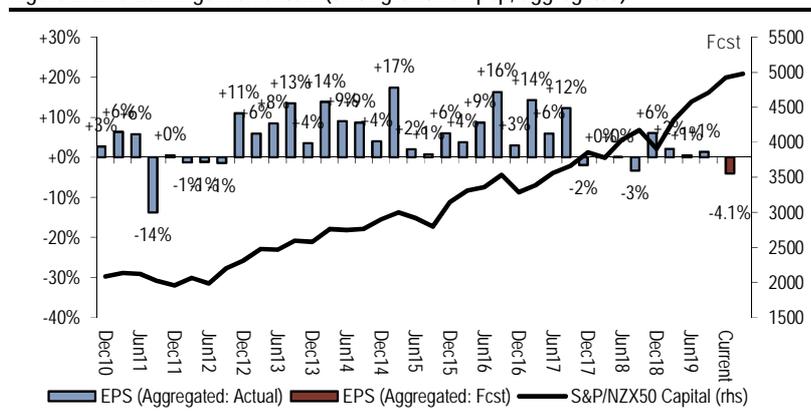
Risk to near term forecast earnings

We have canvassed our analysts for their qualitative view on the risk to forecast earnings and the potential that near term estimates are upgraded or downgraded.

Companies that have been signalled with a positive bias include: ATM, NZK & SUM.

Whereas the following companies have been signalled with a negative bias: AIA, AIR, CVT, DGL, FBU, FSF, KMD, NZM, PGW, POT, SCL, SKC, SKT & THL.

Figure 2. EPS Earnings Momentum (6mth growth on pcp, aggregated)



Source: Forsyth Barr analysis

Matthew Leach

matthew.leach@forsythbarr.co.nz

+64 4 495 1324

Liam Donnelly

liam.donnelly@forsythbarr.co.nz

+64 4 495 8194



Our Analysis

Surprise to the Upside/Downside

Companies to Watch

We present in Figure 3 the variance to our forecasts versus consensus, using the analysts preferred earnings measure. We have also looked over recent reporting seasons (previous 30mths) to see the history of result surprises (positive/negative). Finally, we have canvassed our analysts for their qualitative view on the risk to forecast earnings and the potential that near term estimates are upgraded or downgraded.

Figure 3. Forsyth Barr Estimates vs Consensus (Preferred Earnings Measure)

| Code | Rating | Target Price | Expected Total Return (ETR) | Result | Preferred Earnings Measure | Forsyth Barr Forecast | Consensus | Variance | Previous surprise run rate (last 30mths) | Risk to near term forecast earnings |
|------|--------------|--------------|-----------------------------|--------|----------------------------|-----------------------|-----------|----------|--|-------------------------------------|
| NZM | n/a | n/a | n/a | FY19 | EBITDA | \$65.3m | \$57.7m | +13% | 0 positive / 4 negative | Negative |
| SUM | OUTPERFORM | \$8.90 | +2.1% | FY19 | EPS | \$46.9m | \$47.0m | -0% | 2 positive / 1 negative | Positive |
| NZX | n/a | n/a | n/a | FY19 | NPAT | \$14.1m | \$14.2m | -0% | 1 positive / 1 negative | Neutral |
| PFI | NEUTRAL | \$2.00 | -16.3% | FY19 | EPS | \$8.6m | \$8.8m | -2% | 1 positive / 1 negative | Neutral |
| SCL | NEUTRAL | \$4.60 | +6.7% | FY19 | EBIT | \$44.3m | \$45.8m | -3% | 0 positive / 0 negative | Negative |
| BGP | n/a | n/a | n/a | FY20 | NPAT | \$61.7m | \$64.4m | -4% | 0 positive / 0 negative | Neutral |
| NZR | NEUTRAL | \$1.82 | +19.6% | FY19 | NPAT | -\$0.3m | \$32.3m | -101% | 1 positive / 1 negative | Neutral |
| AIR | NEUTRAL | \$2.60 | +2.4% | 1H20 | PBT | \$201.7m | n/a | n/a | 2 positive / 1 negative | Negative |
| AIA | UNDERPERFORM | \$7.90 | -2.3% | 1H20 | NPAT | \$135.9m | n/a | n/a | 0 positive / 1 negative | Negative |
| CNU | OUTPERFORM | \$6.40 | +2.5% | 1H20 | EBITDA | \$315.2m | n/a | n/a | 1 positive / 1 negative | Neutral |
| CVT | n/a | n/a | n/a | 1H20 | EBITDA | \$4.0m | n/a | n/a | 2 positive / 2 negative | Negative |
| CEN | OUTPERFORM | \$7.85 | +14.3% | 1H20 | EBITDA | \$220.4m | n/a | n/a | 0 positive / 0 negative | Neutral |
| DGL | n/a | n/a | n/a | 1H20 | EBIT | \$50.4m | n/a | n/a | 2 positive / 0 negative | Negative |
| EBO | NEUTRAL | \$24.00 | +4.5% | 1H20 | EBITDA | \$152.5m | n/a | n/a | 0 positive / 0 negative | Neutral |
| FBU | UNDERPERFORM | \$4.85 | -7.5% | 1H20 | EBIT | \$250.6m | n/a | n/a | 0 positive / 3 negative | Negative |
| FSF | n/a | n/a | n/a | 1H20 | EBIT | \$435.7m | n/a | n/a | 1 positive / 1 negative | Negative |
| FRE | NEUTRAL | \$8.10 | -0.9% | 1H20 | NPAT | \$32.5m | n/a | n/a | 0 positive / 2 negative | Neutral |
| GNE | OUTPERFORM | \$3.15 | +4.9% | 1H20 | EBITDA | \$167.2m | n/a | n/a | 0 positive / 1 negative | Neutral |
| KMD | NEUTRAL | \$3.00 | +2.6% | 1H20 | NPAT | \$18.4m | n/a | n/a | 2 positive / 1 negative | Negative |
| MCY | NEUTRAL | \$4.60 | -6.8% | 1H20 | EBITDA | \$253.7m | n/a | n/a | 1 positive / 1 negative | Neutral |
| MEL | NEUTRAL | \$4.40 | -12.0% | 1H20 | EBITDA | \$446.0m | n/a | n/a | 1 positive / 0 negative | Neutral |
| MET | NEUTRAL | \$6.30 | -6.6% | 1H20 | EPS | \$20.3m | n/a | n/a | 1 positive / 2 negative | Neutral |
| MHJ | NEUTRAL | \$0.70 | +15.7% | 1H20 | EBIT | \$33.9m | n/a | n/a | 1 positive / 2 negative | Neutral |
| NZK | OUTPERFORM | \$2.65 | +23.0% | 1H20 | EBIT | \$20.4m | n/a | n/a | 1 positive / 0 negative | Positive |
| PGW | n/a | n/a | n/a | 1H20 | EBITDA | \$20.7m | n/a | n/a | 0 positive / 1 negative | Negative |
| POT | UNDERPERFORM | \$5.15 | -27.2% | 1H20 | NPAT | \$48.5m | n/a | n/a | 0 positive / 0 negative | Negative |
| PCT | NEUTRAL | \$1.48 | -17.9% | 1H20 | EPS | \$3.0m | n/a | n/a | 0 positive / 1 negative | Neutral |
| SKL | n/a | n/a | n/a | 1H20 | EPS | \$7.0m | n/a | n/a | 2 positive / 1 negative | Neutral |
| SKT | UNDERPERFORM | \$0.80 | +19.4% | 1H20 | EBITDA | \$86.9m | n/a | n/a | 0 positive / 5 negative | Negative |
| SKC | NEUTRAL | \$4.00 | +16.3% | 1H20 | EPS | \$12.2m | n/a | n/a | 1 positive / 2 negative | Negative |
| SPK | OUTPERFORM | \$4.55 | +3.4% | 1H20 | NPAT | \$172.0m | n/a | n/a | 1 positive / 3 negative | Neutral |
| STU | OUTPERFORM | \$0.95 | +23.5% | 1H20 | EBIT | \$5.6m | n/a | n/a | 1 positive / 2 negative | Neutral |
| SML | NEUTRAL | \$9.50 | +13.8% | 1H20 | EBIT | \$66.2m | n/a | n/a | 0 positive / 0 negative | Neutral |
| ATM | OUTPERFORM | \$17.50 | +20.6% | 1H20 | EBITDA | \$252.5m | n/a | n/a | 4 positive / 1 negative | Positive |
| WHS | n/a | n/a | n/a | 1H20 | NPAT | \$48.8m | n/a | n/a | 1 positive / 0 negative | Neutral |
| THL | NEUTRAL | \$4.00 | +47.8% | 1H20 | NPAT | \$15.9m | n/a | n/a | 2 positive / 2 negative | Negative |
| VCT | UNDERPERFORM | \$3.20 | -5.1% | 1H20 | EBITDA | \$306.0m | n/a | n/a | 0 positive / 0 negative | Neutral |
| VHP | OUTPERFORM | \$2.69 | -2.5% | 1H20 | EPS | \$4.6m | n/a | n/a | 0 positive / 1 negative | Neutral |

Source: Forsyth Barr analysis, Bloomberg

Risk to near term forecast earnings

We provide more detail in Figure 4 with additional comments from our analysts for the companies that have been signalled with a positive bias or negative bias to near term forecast earnings.

Figure 4. Risk to near term forecast earnings

| Code | Risk Bias | Comment |
|------|-----------|--|
| ATM | Positive | Recent anecdotes and data from China supportive to growing market share and potential for more favourable margin commentary under a different CEO. |
| NZK | Positive | Pricing trends positive. Some volume upside risk versus expectations from new farming techniques. |
| SUM | Positive | Earnings upside from better margins and volumes on the back of robust demand. |
| AIA | Negative | Subdued passenger growth rates exacerbated by coronavirus risk and potential deferral of Runway Land Charge beyond FY21. |
| AIR | Negative | Coronavirus demand uncertainty partially offset by weaker oil price. |
| CVT | Negative | Risk of negative surprise from 'clearing the cupboard' after a period of strategic review and new CEO commencing. |
| DGL | Negative | Indications of US market slow down and negative COGS impact from weaker prior harvest. |
| FBU | Negative | Australian activity continues to contract, and bushfires may have had an additional short-term impact. Competitive and cost pressures not likely to have abated. |
| FSF | Negative | Challenges of a higher milk price and material strategic change underway. |
| KMD | Negative | Combination of tough Australian retail backdrop and impact on consumer from bushfires. Risk around acquisition integration. |
| NZM | Negative | Revenue pressures from structural pressures on print, and declines in digital advertising. Ongoing cost out needed to moderate earnings decline. |
| PGW | Negative | Subdued farmer confidence and high farm debt expected to weigh on farmer activity. |
| POT | Negative | Trade growth has slowed and outlook impacted by expected slowdown in log exports to China in light of coronavirus. |
| SCL | Negative | Challenging supply dynamics for food ingredients business combined with venison price decline. |
| SKC | Negative | Accounting treatment around the NZICC fire and the expected completion delay, coupled with risk to Chinese tourist visitation from Coronavirus. |
| SKT | Negative | Large earnings downgrade provided in November. Continued revenue and cost pressures may further impact medium-term outlook. |
| THL | Negative | More challenging operating environment as suggested in latest Apollo Tourism & Leisure downgrade places margins at risk. |

Source: Forsyth Barr analysis

Estimated market median growth circa +2.8% for FY20

Figure 5 shows the growth across the market through FY20–22, at both a weighted average level and median level. We also break the market growth down into large, mid and small caps.

Figure 5. Estimated Market Earnings Growth (median EPS)

| | 2020 | 2021 | 2022 |
|----------------------------|-------|--------|-------|
| S&P/NZX 50 | +2.8% | +7.7% | +6.2% |
| S&P/NZX 50 (wgt'd) | +3.6% | +6.1% | +5.5% |
| S&P/NZX 50 ex Prop (wgt'd) | +3.9% | +6.5% | +6.0% |
| S&P/NZX Large Cap | +1.1% | +2.4% | +2.2% |
| S&P/NZX Mid Cap | +3.0% | +7.7% | +6.5% |
| S&P/NZX Small Cap | +0.1% | +15.8% | +3.9% |
| FB Coverage | +2.7% | +7.8% | +5.4% |

Source: Forsyth Barr analysis

Market growth comparisons and revisions

Across our full coverage of 62 companies, our weighted average growth expectations for FY20 are up slightly since the last major reporting season. However, at a median level we have reduced our growth expectations. Our three-year annualised weighted average growth figures remain circa +5.0% with median growth estimates up +60bp with +5.3% growth now forecast (from +4.7%).

Figure 6. S&P/NZX 50 Market EPS Growth

| | Weighted | | Median | | Weighted ex Prop | |
|-------------|----------|---------|--------|---------|------------------|---------|
| | Aug-19 | Current | Aug-19 | Current | Aug-19 | Current |
| FY20 | +3.2% | ▲ +3.6% | +3.4% | ▼ +2.8% | +3.6% | ▲ +4.0% |
| FY21 | +6.4% | ▼ +6.1% | +6.3% | ▲ +7.7% | +6.7% | ▼ +6.5% |
| FY22 | +5.1% | ▲ +5.4% | +4.5% | ▲ +5.6% | +5.6% | ▲ +5.9% |
| Annualised: | +4.9% | ▲ +5.0% | +4.7% | ▲ +5.3% | +5.3% | ▲ +5.4% |

Source: Forsyth Barr analysis

Revisions by GIC for companies reporting this season

Containing the revisions to companies announcing results in the upcoming reporting season, we present the revisions to median growth, per GIC, for FY20 and FY21 since the last major reporting season in Figure 7. In general what we see is a pattern of downgrades across the board for most GIC sectors.

Figure 7. EPS Growth Revisions per GIC (current versus August 2019)

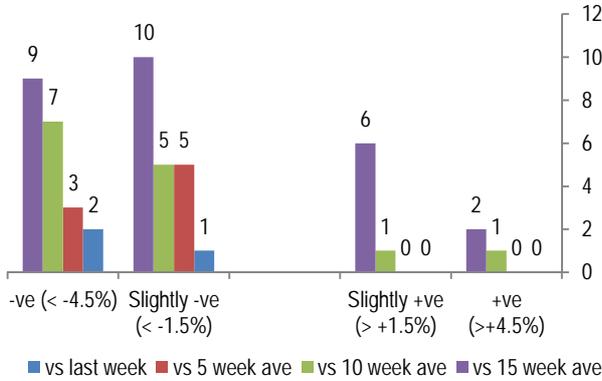
| | FY20 EPS | | | FY21 EPS | | |
|------------------------|----------|--------------|-----------|----------|--------------|-----------|
| | Current | As at Aug 19 | Change | Current | As at Aug 19 | Change |
| Consumer Discretionary | +2.7% | +3.1% | ▼ -42bp | +5.3% | +0.8% | ▲ +453bp |
| Consumer Staples | +19.0% | +21.4% | ▼ -245bp | +21.2% | +29.0% | ▼ -784bp |
| Energy | n/a | n/a | n/a | +24.0% | +23.0% | ▲ +105bp |
| Financials | +11.1% | +11.1% | +0bp | +12.6% | +12.6% | +0bp |
| Health Care | +14.5% | +10.2% | ▲ +431bp | +7.7% | +7.7% | +0bp |
| Industrials | +1.5% | +5.0% | ▼ -348bp | +8.5% | +13.3% | ▼ -474bp |
| Information Technology | n/a | n/a | n/a | n/a | n/a | n/a |
| Materials | -37.8% | -4.8% | ▼ -3294bp | +63.1% | +115.5% | ▼ -5244bp |
| Real Estate | +3.0% | +3.0% | -0bp | +4.0% | +5.8% | ▼ -175bp |
| Communication Services | -20.0% | -10.0% | ▼ -1004bp | -11.3% | +3.5% | ▼ -1475bp |
| Utilities | +1.7% | -4.5% | ▲ +623bp | +11.7% | +11.6% | ▲ +9bp |

Source: Forsyth Barr analysis

Market consensus EPS momentum

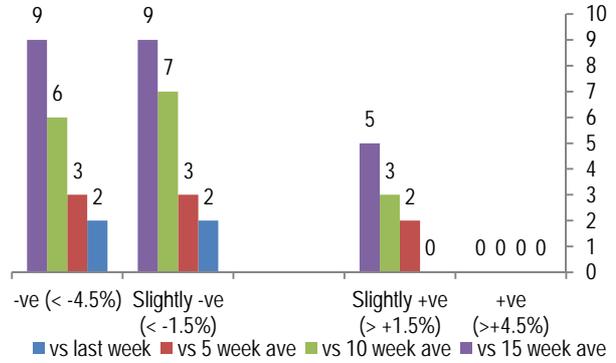
Using consensus estimates, Figures 8 & 9 show EPS momentum for FY20 and FY21 over various time frames, both years have a negative skew, with FY21 being the largest.

Figure 8. Consensus EPS Momentum: FY20



Source: Forsyth Barr analysis, Bloomberg

Figure 9. Consensus EPS Momentum: FY21

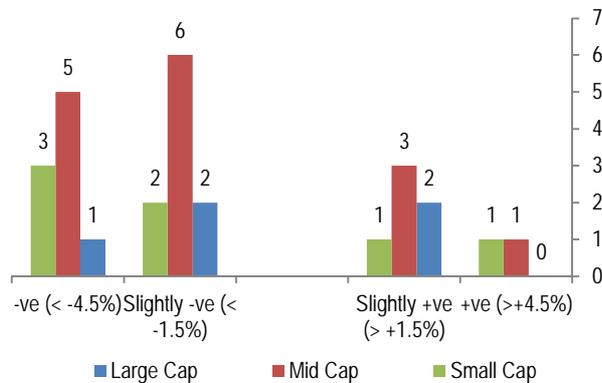


Source: Forsyth Barr analysis, Bloomberg

Consensus momentum by size and thematic

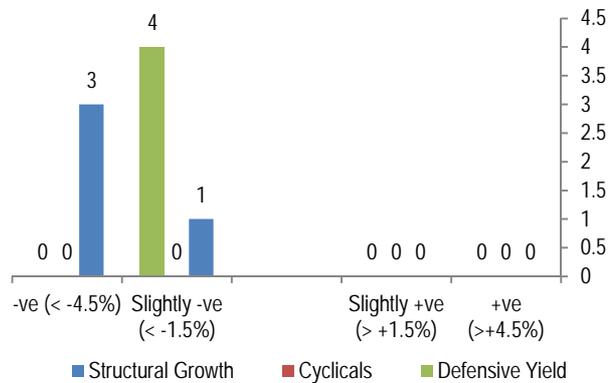
Diving deeper, we explore momentum across the large, mid and small caps in Figure 10 (vs a 15 week average) and also by thematic (Structural Growth, Cyclical and Defensive Yield) in Figures 11–13 (vs 5, 10 & 15 week averages).

Figure 10. Consensus 15 week EPS Momentum (by Size): FY20



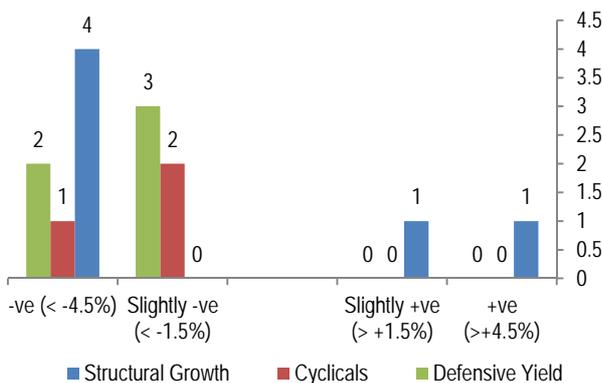
Source: Forsyth Barr analysis, Bloomberg

Figure 11. Consensus 5 week EPS Momentum (by Thematic): FY20



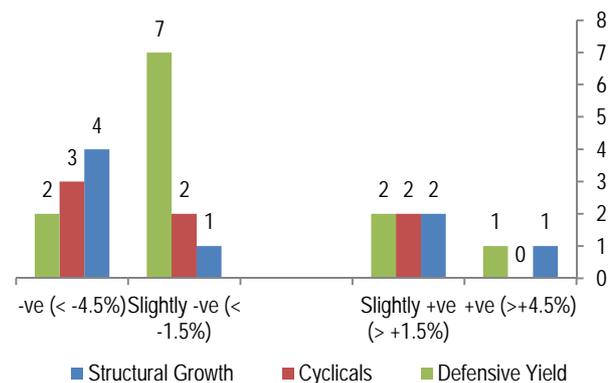
Source: Forsyth Barr analysis, Bloomberg

Figure 12. Consensus 10 week EPS Momentum (by Thematic): FY20



Source: Forsyth Barr analysis, Bloomberg

Figure 13. Consensus 15 week EPS Momentum (by Thematic): FY20



Source: Forsyth Barr analysis, Bloomberg

Outlook comments need to show support

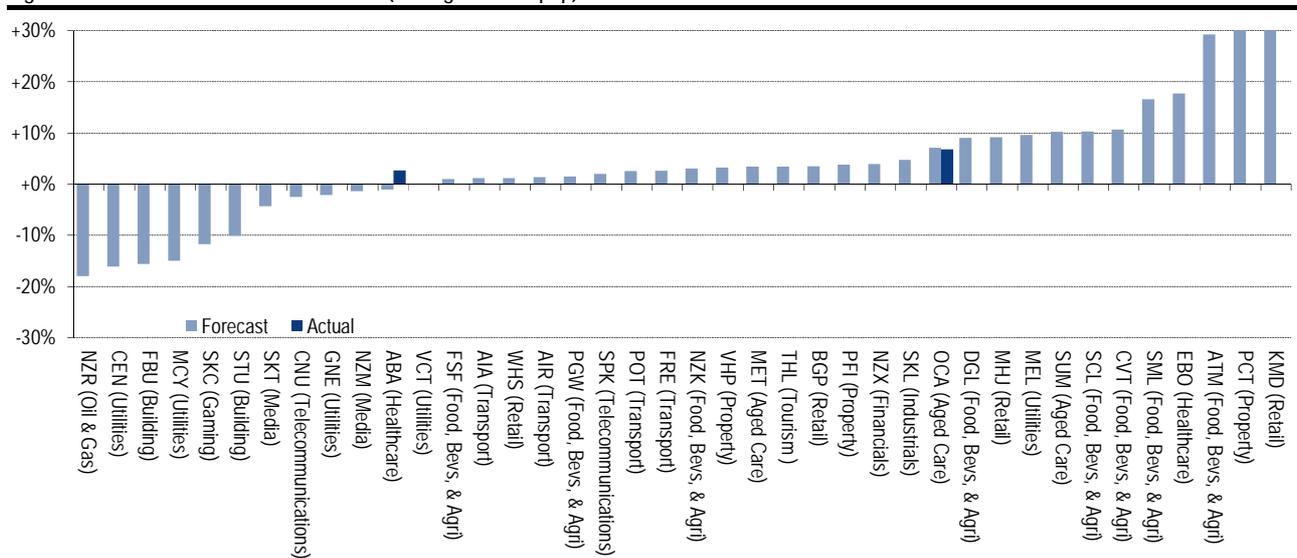
Figure 14 outlines companies reporting in the upcoming season whose FY20 EPS growth expectations exceed our current market growth (median of +2.8%). Given the heightened valuation level of the market, should outlook comments surprise on the downside the price reaction may be swift.

Figure 14. Rep Season Companies: FY20 growth above FB median growth expectations (+2.8%)

| Code | Company | Result | Index Status | FY20 Growth |
|------|-------------------------|--------|--------------|-------------|
| PGW | PGG Wrightson | 1H20 | Small Cap | +62.0% |
| FSF | Fonterra | 1H20 | Mid Cap | +28.8% |
| NZK | New Zealand King Salmon | 1H20 | Small Cap | +21.4% |
| ATM | The a2 Milk Company | 1H20 | Large Cap | +19.0% |
| EBO | EBOS Group | 1H20 | Mid Cap | +17.1% |
| SUM | Summerset Group | FY19 | Mid Cap | +16.7% |
| MHJ | Michael Hill Intl | 1H20 | Small Cap | +15.2% |
| OCA | Oceania Healthcare | 1H20 | Mid Cap | +14.5% |
| SML | Synlait Milk | 1H20 | Mid Cap | +12.5% |
| NZX | NZX | FY19 | Mid Cap | +11.1% |
| AIR | Air New Zealand | 1H20 | Mid Cap | +9.0% |
| KMD | Kathmandu Holdings | 1H20 | Mid Cap | +7.7% |
| MEL | Meridian Energy | 1H20 | Large Cap | +6.7% |
| PCT | Precinct Properties NZ | 1H20 | Mid Cap | +6.4% |
| VCT | Vector | 1H20 | Mid Cap | +4.6% |
| FRE | Freightways | 1H20 | Mid Cap | +3.1% |
| VHP | Vital Healthcare | 1H20 | Mid Cap | +3.0% |
| SCL | Scales | FY19 | Mid Cap | +3.0% |

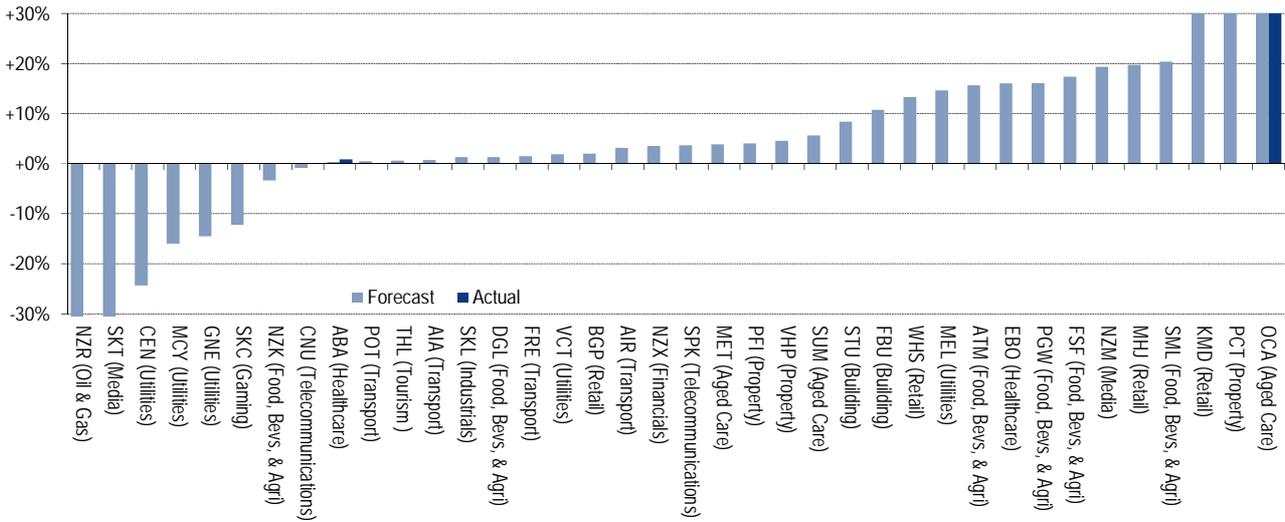
Source: Forsyth Barr analysis

Figure 15. Total Revenue Growth Forecast (6mth growth on pcp)



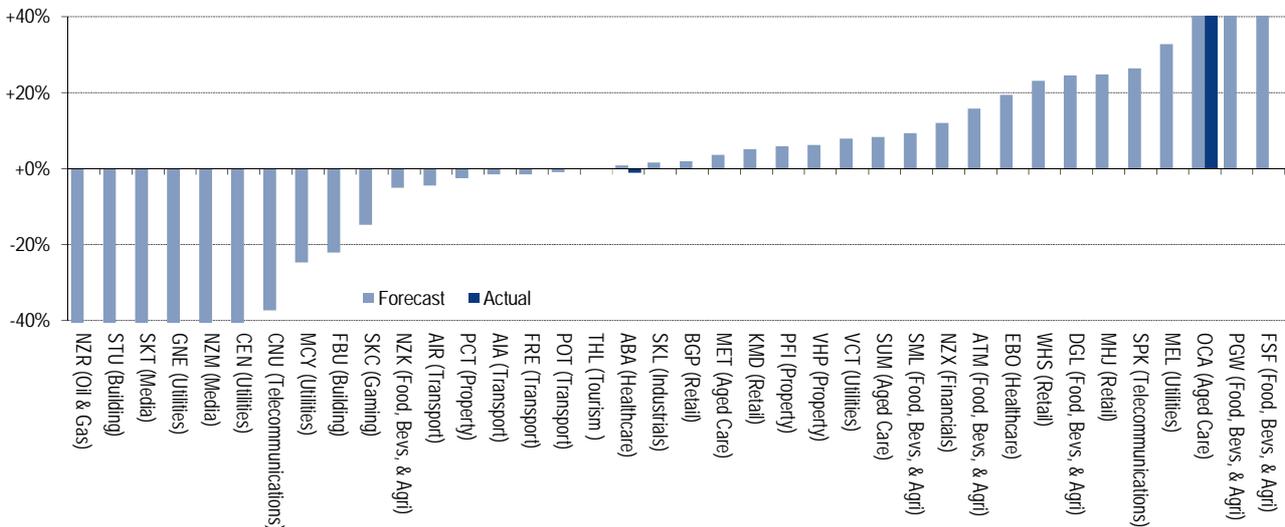
Source: Forsyth Barr analysis

Figure 16. EBITDA Growth Forecast (6mth growth on pcp)



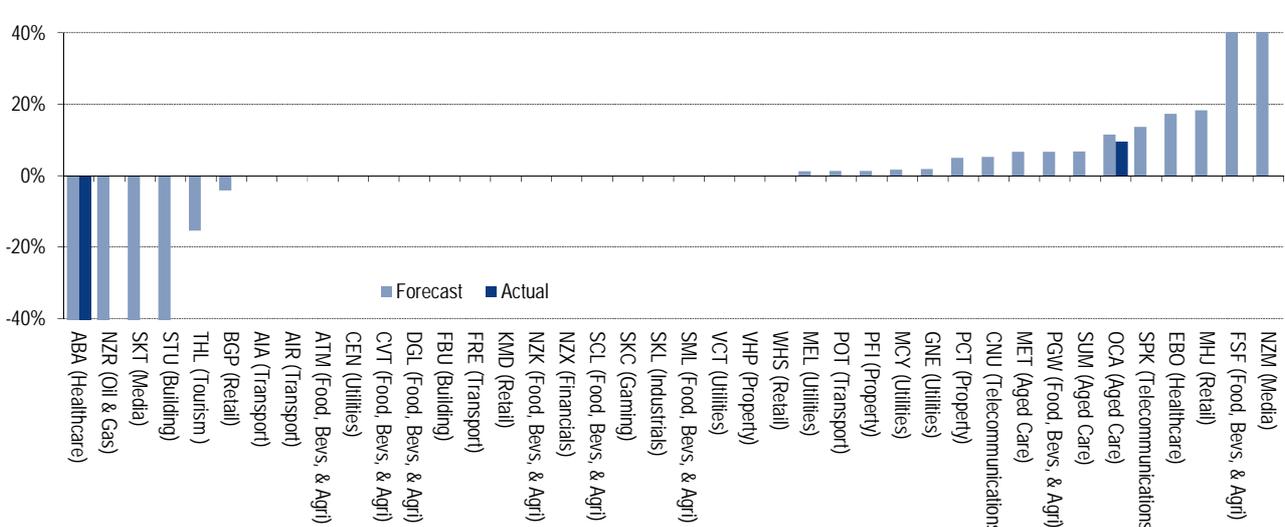
Source: Forsyth Barr analysis

Figure 17. Normalised EPS Growth Forecast (6mth growth on pcp)



Source: Forsyth Barr analysis

Figure 18. Dividend per Share Growth Forecast (6mth growth on pcp)

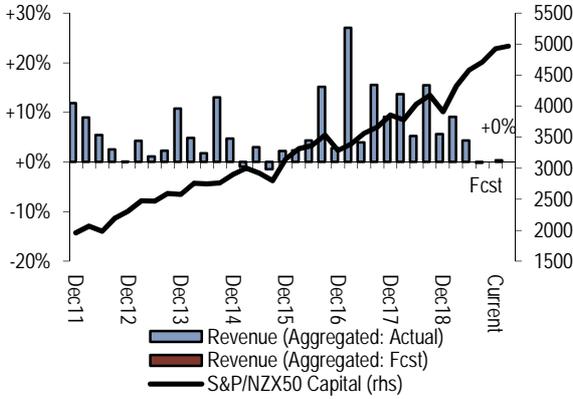


Source: Forsyth Barr analysis

Reporting season — Historic growth versus forecast growth

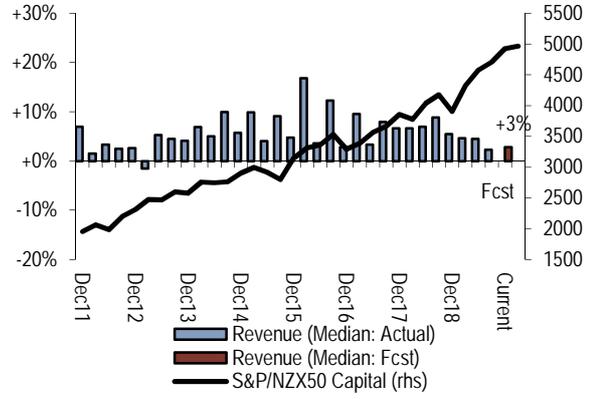
Figures 19–24 show the historic and forecast growth for Total Revenue, EBITDA, Normalised EPS and Dividend per Share versus the S&P/NZX 50 capital index. Growth is based on the six-month reporting period.

Figure 19. Aggregated Total Revenue Growth (6mth on pcp)



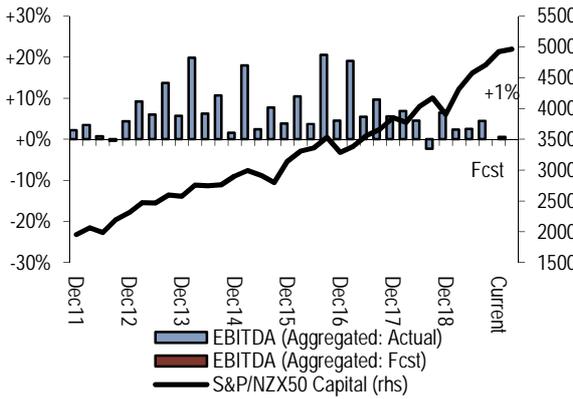
Source: Forsyth Barr analysis

Figure 20. Median Total Revenue Growth (6mth on pcp)



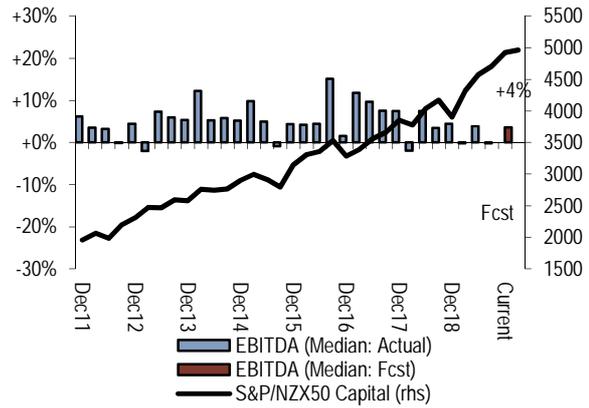
Source: Forsyth Barr analysis

Figure 21. Aggregated EBITDA Growth (6mth on pcp)



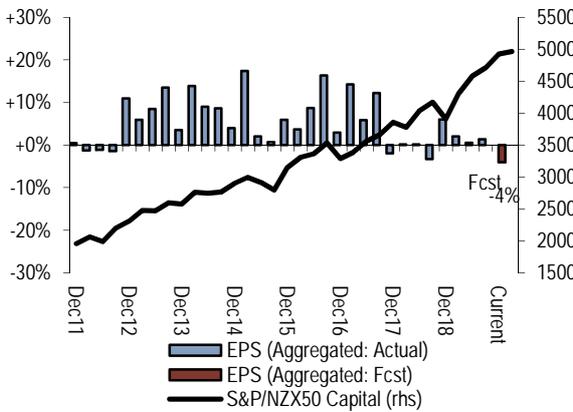
Source: Forsyth Barr analysis

Figure 22. Median EBITDA Growth (6mth on pcp)



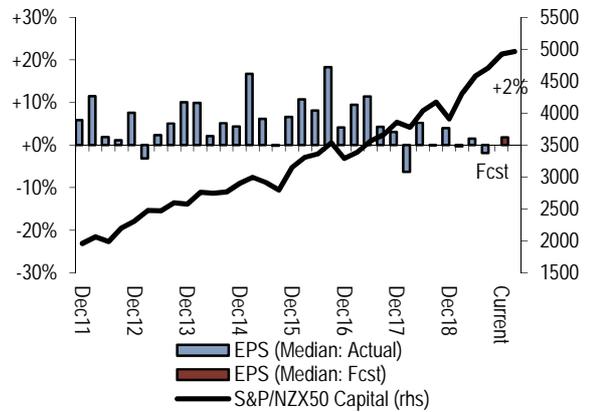
Source: Forsyth Barr analysis

Figure 23. Aggregated Normalised EPS Growth (6mth on pcp)



Source: Forsyth Barr analysis

Figure 24. Median Normalised EPS Growth (6mth on pcp)



Source: Forsyth Barr analysis

Figure 25. Reporting Calendar

| Week Beginning 10 Feb 2020 | | | | |
|----------------------------|---------|-----------|-------------------------------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 10-Feb | 11-Feb | 12-Feb | 13-Feb | 14-Feb |
| Contact Energy | | Sky TV | SKYCITY Skellerup Holdings | NZX |

| Week Beginning 17 Feb 2020 | | | | |
|----------------------------|---------|---|--|----------------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 17-Feb | 18-Feb | 19-Feb | 20-Feb | 21-Feb |
| Property For Industry | | Fletcher Building Spark NZ Vital Healthcare | Auckland Airport EBOS Group Precinct Properties NZ | Genesis Energy |

| Week Beginning 24 Feb 2020 | | | | |
|----------------------------|-----------------|-------------------|-------------------------|------------------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 24-Feb | 25-Feb | 26-Feb | 27-Feb | 28-Feb |
| Chorus | Comvita | Meridian Energy | Air New Zealand | Port of Tauranga |
| Freightways | Delegat Group * | Mettlifecare | The a2 Milk Company | Tourism Holdings |
| Steel & Tube Holdings | Mercury | Michael Hill Intl | New Zealand King Salmon | |
| | NZME | PGG Wrightson | Refining NZ | |
| | Summerset Group | Scales | | |
| | Vector | | | |

| Week Beginning 02 Mar 2020 | | | | |
|----------------------------|---------|-----------|----------|-----------------------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 2-Mar | 3-Mar | 4-Mar | 5-Mar | 6-Mar |
| | | | | The Warehouse Group * |

| Week Beginning 09 Mar 2020 | | | | |
|----------------------------|---------|-----------|----------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 9-Mar | 10-Mar | 11-Mar | 12-Mar | 13-Mar |
| | | | | |

| Week Beginning 16 Mar 2020 | | | | |
|----------------------------|---------|-----------|--------------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 16-Mar | 17-Mar | 18-Mar | 19-Mar | 20-Mar |
| Briscoe Group | | Fonterra | Synlait Milk | |

| Week Beginning 23 Mar 2020 | | | | |
|----------------------------|---------|-----------|----------------------|--------|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| 23-Mar | 24-Mar | 25-Mar | 26-Mar | 27-Mar |
| | | | Kathmandu Holdings * | |

Source: Forsyth Barr analysis, IRESS, NZX, *estimated

Figure 26. Reporting Season: Company Detail

Companies Reported

| Code | Company | Rating | Analyst | Result | 6mth Result vs Forecast (eps) | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cps) | DPS (c/mth) | Comment |
|------|------------------------|---------|------------------------|---------|-------------------------------|--------|---------------|--------------|------------|-----------------|-----------|-------------|--|
| ABA | Abano Healthcare Group | NEUTRAL | Chelea Leadbetter, CFA | Interim | In-line | 1H20 | 146.2 | 17.9 | 11.8 | 6.0 | 22.9 | 0.0 | ABA's 1H20 result was modestly weaker than we expected, albeit largely overshadowed by focus on the proposed NZ\$5.70/share takeover via Scheme of Arrangement. ABA's expectation is the Scheme of Arrangement documentation will be sent next month, with a shareholder vote in March. If the scheme is approved and conditions are satisfied, implementation (i.e. sale to Bibco) is anticipated in April. |
| | | | | | | % chg | +2.7% | +0.9% | -2.0% | -0.2% | -1.1% | -100.0% | |
| OCA | Ozania Healthcare | NEUTRAL | Jeremy Simpson, CFA | Interim | Above | 1H20 | 124.3 | 34.1 | 26.9 | 24.1 | 4.0 | 2.3 | OCA reported a solid 1H20 result, slightly ahead of our expectations in most areas, and delivered +15% EPS growth that was boosted by new sales volumes and margins. OCA continues to make progress in terms of its development activity and the transition of its older care portfolio; meanwhile, sentiment continues to lift on the back of an improved housing market. |
| | | | | | | % chg | +6.8% | +94.7% | +103.5% | +52.4% | +51.4% | +9.5% | |

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cps) | DPS (c/mth) | Comment |
|------|---------------------|--------------|------------------------|-------------------|---------|----------------------|--------|---------------|--------------|------------|-----------------|-----------|-------------|---|
| AIA | Auckland Airport | UNDERPERFORM | Andy Bowley | Jun-19 | Interim | Thu, 20 Feb 20 | 1H20 | 375.1 | 279.3 | 224.3 | 135.9 | 11.2 | 11.0 | A reduction in aeronautical charges and softer international passenger trends creates a subdued profit backdrop at AIA. We expect management has pursued a greater cost focus as a result, which will help hold prior year profit levels. Capex will again be in focus in light of the under-spend of recent years. Coronavirus implications will dampen the near term outlook. |
| | | | | | | % chg (Forsyth Barr) | | +1.2% | +0.8% | -1.3% | -0.8% | -1.6% | +0.0% | |
| AR | AR New Zealand | NEUTRAL | Andy Bowley | Jun-19 | Interim | Thu, 27 Feb 20 | 1H20 | 2,968.4 | 502.2 | 197.2 | 145.3 | 12.8 | 11.0 | An improving domestic demand backdrop helped by market structure changes with Jetstar Regional's exit are key 1H20 highlights. Other features will be a weak cargo market, lower capacity growth and stable fuel costs. New CEO Greg Foran may offer some initial observations on the opportunities ahead. The outlook will be dogged by the evolving coronavirus impact on passengers and freight. |
| | | | | | | % chg (Forsyth Barr) | | +1.4% | +3.1% | -5.7% | -4.4% | -4.4% | +0.0% | |
| ATM | The a2 Milk Company | OUTPERFORM | Chelea Leadbetter, CFA | Jun-19 | Interim | Thu, 27 Feb 20 | 1H20 | 792.5 | 252.5 | 251.4 | 176.8 | 24.2 | 0.0 | Momentum in the brand is strong and we expect a standout result (again). Our key focus areas are: (1) cost trajectory, particularly marketing (2) China market share; (3) an update on Coronavirus and any implications; (4) US progress and outlook; (5) new products/markets; (6) updated strategic priorities, given a number of recent changes in the senior exec team. |
| | | | | | | % chg (Forsyth Barr) | | +29.3% | +15.6% | +15.6% | +15.8% | +15.8% | +0.0% | |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

Figure 27. Reporting Season: Company Detail

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cps) | DPS (c/mth) (c/mth) | Comment |
|------|-------------------|--------------|------------------------|-------------------|---------|----------------------|---------------------------|---------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|---|
| BGP | Briscoe Group | n/a | Guy Hooper | Jan-19 | Final | Mon, 16 Mar 20 | FY19 FY20 Consensus | 638.9 660.5 660.7 | 92.8 90.8 109.2 | 86.0 84.7 93.9 | 63.4 61.7 64.4 | 28.7 27.8 29.0 | 12.0 11.5 12.5 | BGP continues to deliver sales growth amid a challenging retail environment, however SSS momentum has slowed through 4Q20. Commentary suggests margin pressure remains and will be a focus when BGP reports. |
| | | | | | | % chg (Forsyth Barr) | | +3.4% | -2.1% | -1.5% | -2.7% | -3.1% | -4.2% | In addition to CEN lapping a very strong pcp period (which also included earnings from subsequently sold assets), 1Q20 hydrology was below average and gas supply is hampering CEN's ability to compete in the commercial market. Our 1H20 EBITDA/F forecast is therefore -24% below the pcp. |
| CEN | Contact Energy | OUTPERFORM | Andrew Harvey-Green | Jun-19 | Interim | Mon, 10 Feb 20 | 1H19 1H20 Consensus | 1,363.0 1,143.0 n/a | 291.0 220.4 n/a | 189.0 119.4 n/a | 107.0 63.4 n/a | 14.9 8.9 n/a | 16.0 16.0 n/a | We expect limited new information in CNU's 1H, including flatish EBITDA with broadband connection growth offset by losses in lower ARPU voice. We sit near the bottom of FY20 guidance: cost savings represents upside risk. CNU's views on the fibre regulatory process will be of most interest. |
| | | | | | | % chg (Forsyth Barr) | | -16.1% | -24.3% | -36.8% | -40.8% | -40.8% | +0.0% | We expect limited new information in CNU's 1H, including flatish EBITDA with broadband connection growth offset by losses in lower ARPU voice. We sit near the bottom of FY20 guidance: cost savings represents upside risk. CNU's views on the fibre regulatory process will be of most interest. |
| CNU | Chorus | OUTPERFORM | Matt Henry, CFA | Jun-19 | Interim | Mon, 24 Feb 20 | 1H19 1H20 Consensus | 489.0 476.7 n/a | 318.0 315.2 n/a | 122.0 109.6 n/a | 30.0 19.5 n/a | 7.2 4.5 n/a | 9.5 10.0 n/a | We expect limited new information in CNU's 1H, including flatish EBITDA with broadband connection growth offset by losses in lower ARPU voice. We sit near the bottom of FY20 guidance: cost savings represents upside risk. CNU's views on the fibre regulatory process will be of most interest. |
| | | | | | | % chg (Forsyth Barr) | | -2.5% | -0.9% | -10.2% | -34.9% | -37.3% | +5.3% | We expect limited new information in CNU's 1H, including flatish EBITDA with broadband connection growth offset by losses in lower ARPU voice. We sit near the bottom of FY20 guidance: cost savings represents upside risk. CNU's views on the fibre regulatory process will be of most interest. |
| CVT | Comviva | n/a | Chelsea Leadbeter, CFA | Jun-19 | Interim | Tue, 25 Feb 20 | 1H19 1H20 Consensus | 78.5 86.9 n/a | 0.0 4.0 n/a | -3.3 0.8 n/a | -2.7 0.1 n/a | -5.9 0.1 n/a | 0.0 0.0 n/a | CVT is in the midst of strategic changes which, along with a number of moving parts, makes interim forecasting challenging. We look for (1) strategic priorities from the new CEO, outlook and any colour on expected benefits of changes underway (2) early read on the honey season, (3) inventory & gearing levels. |
| | | | | | | % chg (Forsyth Barr) | | +10.6% | n/a | n/a | n/a | n/a | +0.0% | DGL reiterated FY20 Op. NPAT guidance of ~NZ\$52m at its ASM in December. Growing conditions have been mixed over recent months with warm but dry weather, we look for harvest commentary to be announced at the result. |
| DGL | Delegat Group | n/a | Guy Hooper | Jun-19 | Interim | Tue, 25 Feb 20 | 1H19 1H20 Consensus | 143.0 155.9 n/a | 57.6 58.3 n/a | 49.8 50.4 n/a | 25.3 31.5 n/a | 25.0 31.2 n/a | 0.0 0.0 n/a | DGL reiterated FY20 Op. NPAT guidance of ~NZ\$52m at its ASM in December. Growing conditions have been mixed over recent months with warm but dry weather, we look for harvest commentary to be announced at the result. |
| | | | | | | % chg (Forsyth Barr) | | +9.0% | +1.4% | +1.2% | +24.6% | +24.6% | +0.0% | We forecast a strong headline result with modest underlying growth topped up by the first period of Chemist Warehouse volumes. Key areas of focus are (1) broader industry backdrop comments & outlook, (2) cashflow, particularly as EBO adjusts for the material step-change in volumes, (3) M&A outlook. |
| EBO | EROS Group | NEUTRAL | Chelsea Leadbeter, CFA | Jun-19 | Interim | Thu, 20 Feb 20 | 1H19 1H20 Consensus | 3,496.5 4,115.2 n/a | 131.4 152.5 n/a | 116.1 134.3 n/a | 72.7 86.8 n/a | 47.8 57.0 n/a | 34.5 40.5 n/a | We forecast a strong headline result with modest underlying growth topped up by the first period of Chemist Warehouse volumes. Key areas of focus are (1) broader industry backdrop comments & outlook, (2) cashflow, particularly as EBO adjusts for the material step-change in volumes, (3) M&A outlook. |
| | | | | | | % chg (Forsyth Barr) | | +17.7% | +16.1% | +15.6% | +19.4% | +19.4% | +17.3% | FBU's Nov. update highlighted earnings remain under pressure from (1) competition/cost inflation in NZ, and (2) weak activity and competition in AU. We forecast underlying 1H EBIT down -9%. Whilst a guidance change at the result is unlikely, we see the risks to earnings expectations as negative over the balance of the year. |
| FBU | Fletcher Building | UNDERPERFORM | Matt Henry, CFA | Jun-19 | Interim | Wed, 19 Feb 20 | 1H19 1H20 Consensus | 4,754.0 4,012.9 n/a | 398.0 436.4 n/a | 285.0 246.3 n/a | 160.0 121.6 n/a | 22.2 16.8 n/a | 8.0 8.0 n/a | FBU's Nov. update highlighted earnings remain under pressure from (1) competition/cost inflation in NZ, and (2) weak activity and competition in AU. We forecast underlying 1H EBIT down -9%. Whilst a guidance change at the result is unlikely, we see the risks to earnings expectations as negative over the balance of the year. |
| | | | | | | % chg (Forsyth Barr) | | -15.6% | +9.6% | -13.6% | -24.0% | -24.0% | +0.0% | A tough first quarter with NPAT down -8% should be the low point in the cyclical downturn of late in New Zealand. Anecdotal feedback suggests peak season (second quarter) volumes in New Zealand were robust with FRE continuing to successfully action its pricing for effort price increases on B2C parcels. |
| FRE | Freightways | NEUTRAL | Andy Bowley | Jun-19 | Interim | Mon, 24 Feb 20 | 1H19 1H20 Consensus | 314.8 323.0 n/a | 58.2 59.1 n/a | 49.7 50.1 n/a | 33.0 32.5 n/a | 21.3 21.0 n/a | 15.0 15.0 n/a | A tough first quarter with NPAT down -8% should be the low point in the cyclical downturn of late in New Zealand. Anecdotal feedback suggests peak season (second quarter) volumes in New Zealand were robust with FRE continuing to successfully action its pricing for effort price increases on B2C parcels. |
| | | | | | | % chg (Forsyth Barr) | | +2.6% | +1.5% | +0.8% | -1.5% | -1.5% | +0.0% | A tough first quarter with NPAT down -8% should be the low point in the cyclical downturn of late in New Zealand. Anecdotal feedback suggests peak season (second quarter) volumes in New Zealand were robust with FRE continuing to successfully action its pricing for effort price increases on B2C parcels. |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

Figure 28. Reporting Season: Company Detail

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cpts) | DPS (cpts) | Comment |
|------|-------------------------|------------|------------------------|-------------------|---------|----------------------|---------------------------|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|--|
| FSF | Fonterra | n/a | Chebea Leadbetter, CFA | Jul-19 | Interim | Wed, 18 Mar 20 | 1H19 1H20 Consensus | 9,746.0 9,843.5 n/a | 587.0 689.0 n/a | 303.0 435.7 n/a | 76.0 199.5 n/a | 4.7 12.4 n/a | 0.0 2.5 n/a | FSF's interim results remain volatile, and can be skewed by seasonal milk production and commodity price movements. Considerable strategic change is underway, hence focus is on execution (reducing debt, simplifying and improving earnings). 1Q was strong, but the recent lift in the milk price makes FY20 guidance more challenging to meet. |
| | | | | | | % chg (Forsyth Barr) | | +1.0% | +17.4% | +43.8% | +162.6% | +162.6% | +100.0% | |
| GNE | Genesis Energy | OUTPERFORM | Andrew Harvey-Green | Jun-19 | Interim | Fri, 21 Feb 20 | 1H19 1H20 Consensus | 1,361.0 1,332.1 n/a | 195.5 167.2 n/a | 97.2 64.6 n/a | 43.3 20.0 n/a | 4.3 1.9 n/a | 8.5 8.6 n/a | A weak 1H20 for GNE, with high gas and coal fuel costs and a large Kape maintenance shut-down impacting on earnings. 1H20 EBITDAF is expected to be ~15% below the cpts. However, we expect a good performance from the retail segment which bodes well for future results. |
| | | | | | | % chg (Forsyth Barr) | | -2.1% | -14.5% | -33.6% | -53.9% | -54.5% | +1.8% | |
| KMD | Kahmanudu Holdings | NEUTRAL | Guy Hooper | Jul-19 | Interim | Thu, 26 Mar 20 | 1H19 1H20 Consensus | 232.0 359.6 n/a | 28.7 40.7 n/a | 20.9 28.6 n/a | 14.0 18.4 n/a | 6.2 6.5 n/a | 4.0 4.0 n/a | Expect investor focus to be on Rtp. Cof performance and international strategy progression. We expect like for like earnings growth to be muted with flat sales growth combined with margin pressure. KMD investor day in early February should provide additional insight. |
| | | | | | | % chg (Forsyth Barr) | | +55.0% | +42.0% | +36.7% | +32.2% | +5.1% | +0.0% | |
| MCY | Mercury | NEUTRAL | Andrew Harvey-Green | Jun-19 | Interim | Tue, 25 Feb 20 | 1H19 1H20 Consensus | 659.0 729.8 n/a | 302.0 253.7 n/a | 198.0 154.9 n/a | 114.1 85.8 n/a | 8.4 6.3 n/a | 6.2 6.3 n/a | A solid 1H20 from MCY, although we are expecting EBITDAF to be ~16% below the cpts due to below average hydro volumes (cpts was well above average) and the sale of the Metix business in 2H19. |
| | | | | | | % chg (Forsyth Barr) | | -14.9% | -16.0% | -21.8% | -24.8% | -24.7% | +1.6% | |
| MEL | Meridian Energy | NEUTRAL | Andrew Harvey-Green | Jun-19 | Interim | Wed, 26 Feb 20 | 1H19 1H20 Consensus | 1,691.0 1,853.2 n/a | 389.0 446.0 n/a | 252.0 290.2 n/a | 144.0 191.2 n/a | 5.6 7.5 n/a | 8.1 8.2 n/a | Another record result for MEL, due to strong hydro generation volumes, firm wholesale electricity prices and increased retail volumes. MEL had previously indicated it would update its capital management policy, but we suspect that will be deferred until there is more clarity on NZAS's future. |
| | | | | | | % chg (Forsyth Barr) | | +9.6% | +14.6% | +15.2% | +32.8% | +32.8% | +1.2% | |
| MET | Mellifcare | NEUTRAL | Jeremy Simpson, CFA | Jun-19 | Interim | Wed, 26 Feb 20 | 1H19 1H20 Consensus | 102.8 106.4 n/a | 45.1 46.8 n/a | 42.9 43.2 n/a | 41.7 43.2 n/a | 19.6 20.3 n/a | 3.8 4.0 n/a | We expect MET to report that core demand metrics for its retirement business remain robust in terms of new sales and resales vacancy. Of key interest will be any update on the takeover proceedings and also its Auckland centric development progress. |
| | | | | | | % chg (Forsyth Barr) | | +3.4% | +3.8% | +0.8% | +3.7% | +3.7% | +6.7% | |
| MHJ | Michael Hill Intl | NEUTRAL | Guy Hooper | Jun-19 | Interim | Wed, 26 Feb 20 | 1H19 1H20 Consensus | 315.4 325.5 n/a | 38.2 43.2 n/a | 28.5 33.9 n/a | 19.5 22.7 n/a | 5.0 5.9 n/a | 2.7 3.2 n/a | Ongoing margin pressure as a result of elevated competitor discounting, increasing costs, and market share based pricing strategy. Execution on turn around initiatives such as branded collections and store productivity will be of interest. |
| | | | | | | % chg (Forsyth Barr) | | +3.2% | +13.1% | +18.8% | +16.4% | +16.4% | +18.3% | |
| NZK | New Zealand King Salmon | OUTPERFORM | Guy Hooper | Jun-19 | Interim | Thu, 27 Feb 20 | 1H19 1H20 Consensus | 87.7 90.3 n/a | 24.8 24.0 n/a | 21.9 20.4 n/a | 15.1 14.3 n/a | 10.9 10.3 n/a | 10.0 10.0 n/a | Focus will include progression of open ocean farming opportunities, and performance of summer temperature mitigation strategies such as upwelling devices and the shift to single year class operating model. FY20 EBITDA guidance of NZ\$25.0 - NZ\$28.5m. |
| | | | | | | % chg (Forsyth Barr) | | +3.0% | -3.4% | -6.8% | -5.0% | -5.0% | +0.0% | |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

Figure 29. Reporting Season: Company Detail

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cpts) | DPS (cpts) | Comment |
|------|------------------------|--------------|---------------------|-------------------|---------|----------------|---------------------------|-------------------------|-------------------------|----------------------|----------------------|----------------------|-------------------|---|
| NZM | NZME | n/a | Matt Henry, CFA | Dec-18 | Final | Tue, 26 Feb 20 | FY18 FY19 Consensus | 388.9 377.8 376.3 | 54.7 65.3 57.7 | 30.2 31.4 30.4 | 19.1 16.0 17.0 | 9.7 8.2 8.7 | 0.0 2.0 2.2 | Always a high margin of error result. Print is in structural decline, and digital advertising is under pressure. The magnitude of radio revenue, net cost of digital initiatives (OneRoof, payroll subs) and cost savings will influence the leverage of the revenue decline into earnings. |
| | | | | | | | % chg (Forsyth Barr) | +2.9% | +19.2% | +3.9% | -16.0% | +100.0% | | |
| NZR | Reining NZ | NEUTRAL | Andrew Harvey-Green | Dec-18 | Final | Thu, 27 Feb 20 | FY18 FY19 Consensus | 362.5 347.4 361.3 | 152.6 117.2 131.3 | 55.6 12.7 27.9 | 29.6 -0.3 32.3 | 9.5 -0.1 3.0 | 4.5 0.0 5.7 | A weak end to the year means we are forecasting break-even NPAT. Our 2H19 NPAT forecast is \$3.2m. We also assume NZR will be conservative and pay no dividend given debt levels are above target and current refining margins are weak. |
| | | | | | | | % chg (Forsyth Barr) | -4.2% | -23.2% | -77.1% | n/a | n/a | -100.0% | |
| NZX | NZX | n/a | Matt Henry, CFA | Dec-18 | Final | Fri, 14 Feb 20 | FY18 FY19 Consensus | 64.6 67.3 67.5 | 28.6 29.7 29.9 | 21.3 21.6 21.4 | 13.7 14.1 14.2 | 5.1 5.2 5.2 | 3.1 3.1 3.1 | No surprises likely. EBITDA guidance narrowed to top of NZ\$28m-\$31m range in December benefiting from heightened market activity, including capital raisings up +96% yoy. Progress on its strategic transformation will be a focus as NZX seeks to reposition towards higher growth segments. |
| | | | | | | | % chg (Forsyth Barr) | +4.2% | +3.9% | +1.3% | +3.4% | +3.4% | +0.0% | |
| PCT | Precinct Properties NZ | NEUTRAL | Jeremy Simpson, CFA | Jun-19 | Interim | Thu, 20 Feb 20 | 1H19 1H20 Consensus | 47.3 64.0 n/a | 39.6 57.7 n/a | 39.6 57.7 n/a | 37.7 39.8 n/a | 3.1 3.0 n/a | 3.0 3.2 n/a | Project updates on Commercial Bay, Wynyard and Bowen Campus will of interest and we expect PCT to reaffirm its +5% FY20 dividend growth guidance and maintain the strong portfolio metrics that were in place at 1Q20 being 99% occupancy and an 8.6 year WALT. An interim portfolio reval is possible. |
| | | | | | | | % chg (Forsyth Barr) | +35.2% | +45.7% | +45.7% | +5.7% | -2.6% | +5.0% | |
| PFI | Property For Industry | NEUTRAL | Jeremy Simpson, CFA | Dec-18 | Final | Mon, 17 Feb 20 | FY18 FY19 Consensus | 76.1 79.1 81.0 | 71.4 74.3 74.5 | 71.4 74.3 74.9 | 41.8 43.0 43.5 | 8.4 8.6 8.8 | 4.0 4.0 4.2 | PFI has already announced a +10% portfolio reval gain highlighting the strong market for Auckland industrial assets. Positive underlying rent trends are expected along with robust portfolio metrics around occupancy and lease expiry. Comments on transactional activity will also be of interest. |
| | | | | | | | % chg (Forsyth Barr) | +3.9% | +4.1% | +4.1% | +2.8% | +2.8% | +1.3% | |
| PGW | PGW Wightson | n/a | Guy Hooper | Jun-19 | Interim | Wed, 26 Feb 20 | 1H19 1H20 Consensus | 473.8 480.8 n/a | 17.8 20.7 n/a | 13.6 16.4 n/a | 7.5 11.2 n/a | 10.0 14.8 n/a | 7.5 8.0 n/a | PGW reiterated its FY20E guidance of operating EBITDA in excess of NZ\$30m, assuming normal trading conditions at its ASM. We remain cautious of some operating weakness given subdued farmer confidence and tight credit backdrop. |
| | | | | | | | % chg (Forsyth Barr) | +1.5% | +16.1% | +20.1% | +48.6% | +48.6% | +6.7% | |
| POT | Port of Tauranga | UNDERPERFORM | Andy Bowley | Jun-19 | Interim | Fri, 28 Feb 20 | 1H19 1H20 Consensus | 153.0 156.9 n/a | 83.9 84.3 n/a | 70.0 70.1 n/a | 49.0 48.5 n/a | 7.2 7.1 n/a | 6.0 6.1 n/a | A modest profit decline in the first quarter (as acknowledged in the ASM trading update) will be difficult to fully offset. While container volumes have been robust, log volumes have slipped in part due to the drop in log export prices. These may come under further pressure through 2H20 as China puts a stop on log imports. Associates are difficult to forecast, particularly Coda, which is cycling prior year losses. |
| | | | | | | | % chg (Forsyth Barr) | +2.6% | +0.5% | +0.1% | -1.0% | -1.0% | +1.2% | |
| SCL | Scales | NEUTRAL | Guy Hooper | Dec-18 | Final | Wed, 26 Feb 20 | FY18 FY19 Consensus | 402.5 479.2 467.0 | 51.7 51.1 54.9 | 42.5 44.3 45.8 | 28.6 34.1 34.4 | 20.4 24.3 24.3 | 0.0 0.0 9.3 | We expect SCL's horticulture division to have benefited from strong Northern Hemisphere apple prices in 2H19, with SCL reiterating its FY19E underlying NPAT guidance of NZ\$32m to NZ\$37m. Given recent weakness in its Food Ingredients division, progression of its value add strategy will be of interest to investors. |
| | | | | | | | % chg (Forsyth Barr) | +19.0% | -1.3% | +4.3% | +19.1% | +19.2% | +0.0% | |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

Figure 30. Reporting Season: Company Detail

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cps) | DPS (cmts) | Comment |
|------|-----------------------|--------------|------------------------|-------------------|---------|----------------------|--------|---------------|--------------|------------|-----------------|-----------|------------|--|
| SKC | SKYCITY | NEUTRAL | Chelsea Leadbeter, CFA | Jun-19 | Interim | Thu, 13 Feb 20 | 1H19 | 542.6 | 189.1 | 141.8 | 96.9 | 14.3 | 10.0 | Headline results will be weighed by recent divestments (Darwin, AKL carpark concession) and any accounting implications from the NZ/CC fire. We expect low underlying EBITDA growth – with growth in NZ outweighing weakness in IB, Adelaide and higher corporate costs. Key focus: (1) major project updates, particularly Auckland; (2) Coronavirus and any implications, (3) update on other growth projects/plans; (4) outlook commentary. |
| | | | | | | % chg (Forsyth Barr) | | -11.7% | -12.2% | -16.3% | -14.9% | -14.8% | +0.0% | |
| SKL | Skeleton Holdings | n/a | Guy Hooper | Jun-19 | Interim | Thu, 13 Feb 20 | 1H20 | 120.2 | 23.0 | 19.4 | 13.4 | 6.9 | 5.5 | SKL has previously highlighted a number of growth opportunities within its Industrial division. Performance and outlook commentary for the division will be of particular interest given the slowing global growth outlook. Growth is challenged within its Agri division, we expect a flat result. |
| | | | | | | % chg (Forsyth Barr) | | +4.8% | +1.3% | +2.4% | +1.6% | +1.6% | +0.0% | |
| SKT | Sky TV | UNDERPERFORM | Matt Henry, CFA | Jun-19 | Interim | Wed, 12 Feb 20 | 1H20 | 403.0 | 128.3 | 81.0 | 53.4 | 13.7 | 7.5 | FY20 guidance of LFL EBITDA down -32-40% reflects both falling revenue and rising costs. Subs resilience (or otherwise) while Spark screened the Rugby World Cup will of interest. We'd like a better understanding of cost composition and outlook, including the impact of new content contracts. |
| | | | | | | % chg (Forsyth Barr) | | -4.3% | -32.3% | -66.5% | -72.5% | -74.5% | -100.0% | |
| SML | Synlait Milk | NEUTRAL | Chelsea Leadbeter, CFA | Jul-19 | Interim | Thu, 19 Mar 20 | 1H20 | 471.0 | 70.4 | 57.0 | 37.3 | 20.8 | 0.0 | Interim results for dairy companies are inherently volatile - skewed by seasonal milk production, product mix and commodity price movements. Of interest: (1) any new customers to fill capacity expansion underway (2) regulatory registrations; (3) finished IF volume guidance or outlook commentary. |
| | | | | | | % chg (Forsyth Barr) | | +16.6% | +20.3% | +16.1% | +9.3% | +9.3% | +0.0% | |
| SPK | Spark NZ | OUTPERFORM | Matt Henry, CFA | Jun-19 | Interim | Wed, 19 Feb 20 | 1H20 | 1,754.0 | 489.0 | 244.0 | 136.0 | 7.4 | 11.0 | Should be no material surprises following November's reiteration of guidance. We expect mobile, cloud/security, and labour savings, outpacing legacy voice declines; to drive EBITDA growth. Any insight into the net cost of the Rugby World Cup, and Spark Sport economics will be of interest. |
| | | | | | | % chg (Forsyth Barr) | | +2.0% | +3.7% | +8.1% | +26.4% | +26.4% | +13.6% | |
| STU | Steel & Tube Holdings | OUTPERFORM | Matt Henry, CFA | Jun-19 | Interim | Mon, 24 Feb 20 | 1H20 | 259.0 | 13.1 | 9.4 | 5.6 | 4.0 | 3.5 | STU has guided to 1H EBIT down -70-80% softer activity, bad debts, and one-off costs. IFRS 16 will take an additional bite out of the bottom line. We're most interested in current and forward looking comments - competitive intensity, volume trends, efficiency/cost gains. |
| | | | | | | % chg (Forsyth Barr) | | 232.9 | 14.2 | 5.6 | 0.8 | 0.5 | 1.0 | |
| | | | | | | % chg (Forsyth Barr) | | -10.1% | +8.4% | -40.1% | -85.4% | -87.5% | -71.4% | |
| SUM | Summerset Group | OUTPERFORM | Jeremy Simpson, CFA | Dec-18 | Final | Tue, 25 Feb 20 | FY18 | 230.9 | 118.4 | 111.8 | 98.8 | 43.9 | 7.2 | SUM has already confirmed robust resales and new sales volumes and we expect that SUM will report a strong result also helped by healthy margins and robust pricing. The development progress report for NZ and Australia is of interest given the large pipeline. |
| | | | | | | % chg (Forsyth Barr) | | 251.1 | 125.8 | 119.0 | 106.0 | 46.9 | 7.7 | |
| | | | | | | % chg (Forsyth Barr) | | 154.0 | 138.8 | 120.0 | 104.6 | 47.0 | 7.8 | |
| | | | | | | % chg (Forsyth Barr) | | +8.8% | +6.2% | +6.5% | +7.3% | +6.9% | +6.7% | |
| THL | Tourism Holdings | NEUTRAL | Andy Bowley | Jun-19 | Interim | Fri, 28 Feb 20 | 1H20 | 207.3 | 60.0 | 34.7 | 17.5 | 14.2 | 13.0 | The interim dividend will be front and centre. THL's dividend policy is 75%-90% of NPAT ex Togo. Unless the board proposes a dividend outside of the policy we expect a cut from the previous year in light of softer trading performance in the US market given the woes experienced in the vehicle sales market. Coronavirus risks will have an impact on the outlook. |
| | | | | | | % chg (Forsyth Barr) | | +3.5% | +0.7% | -7.7% | -9.2% | no chg | -15.4% | |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

Figure 31. Reporting Season: Company Detail

Companies Yet to Report

| Code | Company | Rating | Analyst | Last Balance Date | Result | Release Date | Period | Revenue (\$m) | EBITDA (\$m) | EBIT (\$m) | Norm NPAT (\$m) | EPS (cps) | DPS (6mth) (cps) | Comment |
|------|---------------------|--------------|---------------------|-------------------|---------|----------------------|---------------------------|---------------------------|-----------------------|-----------------------|---------------------|---------------------|-------------------|--|
| VCT | Vector | UNDERPERFORM | Andrew Harvey-Green | Jun-19 | Interim | Tue, 25 Feb 20 | 1H19 1H20 Consensus | 677.6 677.5 n/a | 300.4 306.0 n/a | 180.5 171.5 n/a | 77.1 83.2 n/a | 7.7 8.4 n/a | 8.3 8.3 n/a | We are expecting a result roughly in line with the pop, although NPAT will increase due to lower interest costs. The main focus of the result will be VCT's dividend policy. We expect VCT will maintain its modest headline dividend growth, but cut imputation levels from 100% to ~70%. |
| | | | | | | % chg (Forsyth Barr) | | -0.0% | +1.9% | -1.7% | +7.9% | +7.9% | +0.0% | |
| VHP | Vital Healthcare | OUTPERFORM | Jeremy Simpson, CFA | Jun-19 | Interim | Wed, 19 Feb 20 | 1H19 1H20 Consensus | 48.8 50.4 n/a | 40.4 42.3 n/a | 40.4 42.3 n/a | 19.0 20.2 n/a | 4.3 4.6 n/a | 4.4 4.4 n/a | The 1H20 result is the first chance to hear from VHP's new management team. We expect strong portfolio metrics to be maintained and that solid development progress is achieved in the period. Confirmation of its flat dividend guidance is expected. |
| | | | | | | % chg (Forsyth Barr) | | +3.2% | +4.5% | +4.5% | +6.6% | +6.2% | +0.0% | |
| WHS | The Warehouse Group | n/a | Guy Hooper | Jul-19 | Interim | Fri, 06 Mar 20 | 1H19 1H20 Consensus | 1,640.5 1,660.9 n/a | 90.8 102.9 n/a | 60.5 72.3 n/a | 40.4 48.8 n/a | 11.5 14.1 n/a | 9.0 9.0 n/a | Solid TO20 sales were encouraging, albeit continuing momentum through Christmas is key. We are expecting operating leverage for Red Sheds. Traciton of new online platform and its earnings drag will be of interest. |
| | | | | | | % chg (Forsyth Barr) | | +1.2% | +13.3% | +19.7% | +20.8% | +23.1% | +0.0% | |

* estimated release date, # revised forecasts

Source: Forsyth Barr analysis

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