FORSYTH BARR

NEW ZEALAND EQUITY RESEARCH | UTILITIES | ELECTRICITY GENERATOR

26 MAY 2020

Tilt Renewables
Focussed on Delivery — FY20 Result Review

ANDREW HARVEY-GREEN
andrew.harvey-green@forsythbarr.co.nz
+64 4 495 8185

OUTPERFORM

Tilt Renewables (TLT) FY20 result was in line with expectations at the operating level, the gain on the sale of Snowtown 2 dominating reported NPAT of A$478m. TLT's core focus at present is the development of its two wind farms, Dundonnell and Waipipi. Both are tracking well and are on time despite COVID-19 disruptions. We continue to like TLT's outlook and development pipeline. Our rating is OUTPERFORM.

NZX Code	TLT
Share price	NZ$3.15
Target price	NZ$3.50
Risk rating	Low
Issued shares	469.5m
Market cap	NZ$1,479m
Avg daily turnover	44.5k (NZ$131k)

Financials: Mar/	20A	21E	22E	23E
NPAT* (NZ$m)	49.0	53.3	61.2	65.3
EPS* (NZc)	10.4	11.4	13.0	13.9
EPS growth* (%)	-33.7	8.8	14.9	6.6
DPS (NZc)	0.0	0.0	0.0	1.4
Imputation (%)	0	0	0	0
*Based on normalised profits				

Valuation (x)	20A	21E	22E	23E
EV/EBITDA	11.7	14.5	15.0	14.8
EV/EBIT	30.5	43.4	n/a	n/a
PE	30.2	27.7	24.1	22.7
Price / NTA	1.2	1.5	1.5	1.4
Cash div yld (%)	0.0	0.0	0.0	0.4
Gross div yld (%)	0.0	0.0	0.0	0.4

Operating result in line with expectations

TLT's FY20 result was in line with expectations at the EBITDAF level, but there are some significant variances below this line. FY20 EBITDAF was A$117.5m, -A$17m lower than FY19 due to the sale of Snowtown 2 (ST2) in December 2019. TLT booked a gain of A $486m on the sale of ST2, taking reported NPAT to A$478m. Normalised FY20 NPAT was A$1m, -A$40m lower than our forecast due to higher depreciation and finance costs.

Following the sale of ST2, TLT's balance sheet is in a strong position and has net cash of A$418m (excluding lease liabilities). However, that will change in FY21 with the A$260m capital return taking place and wind farm developments eliminating that cash balance. TLT has cited the capital return and the fact it wants to use its balance sheet to fund future developments as the reasons for no final dividend (as expected).

Hedging profile lowers our FY21 forecast, first post-Dundonnell and Waipipi earnings in line with expectations

TLT's focus in FY21 is the completion of the 336MW Dundonnell wind farm in Victoria and the 133MW Waipipi wind farm in Taranaki. With commissioning wind volumes less certain (and not subject to fixed prices), TLT's FY21 EBITDAF guidance range is wider than normal at A$80m to A$95m. This is slightly lower than expected, with the main issue being renewable energy hedges locked in at lower prices (low to mid-A$20s/MWh) than current spot rates. We have cut our FY21 EBITDAF forecast -A$8m to A$90m.

TLT has also indicated that FY22 EBITDAF (which will be the first period with a full year's contribution from Dundonnell and Waipipi) is currently tracking between A$100m and A$110m (vs. our minimally changed FY22 EBITDAF forecast of A$107m).

No change to TLT investment case

There is no change to our target price (NZ$3.50) or OUTPERFORM rating. TLT is the pre-eminent wind farm developer in Australasia, with a strong development pipeline and excellent track record. In addition, the low interest rate environment will continue to be a tailwind for asset valuations. Whilst we are not forecasting any near-term dividends (we expect TLT to continue to develop its pipeline), if TLT were to run the business solely for cash, we estimate its underlying cash flows could support an ~NZ20cps dividend (following the completion of Dundonnell and Waipipi).

Tilt Renewables Limited (TLT)

Priced as at 25 May 2020 (NZ$)	**3.15**

12-month target price (NZ$)*	**3.50**
Expected share price return	11.1%
Net dividend yield	0.0%
Estimated 12-month return	11.1%

Spot valuations (NZ$)	
1. DCF	3.22
2. Multiple	3.54
3. n/a	n/a

Key WACC assumptions	
Risk free rate	2.00%
Equity beta	0.94
WACC	7.4%
Terminal growth	1.5%

DCF valuation summary (NZ$m)	
Total firm value	1,066
(Net debt)/cash	447
Less: Capitalised operating leases	
Value of equity	1,513

Profit and Loss Account (A$m)	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Sales revenue	193.3	170.2	152.5	186.1	186.4
Normalised EBITDA	**134.8**	**117.5**	**90.3**	**107.3**	**106.8**
Depreciation and amortisation	(83.6)	(71.5)	(59.0)	(83.7)	(82.1)
Normalised EBIT	**51.2**	**46.0**	**31.3**	**23.6**	**24.7**
Net interest	(30.1)	(39.4)	(10.7)	(17.3)	(12.3)
Other	(2.0)	(8.5)	0	0	0
Tax	(6.9)	(4.7)	(5.8)	(1.5)	(3.4)
Depreciation capex adjustment	55.4	46.2	37.2	54.1	52.8
Normalised NPAT	**69.0**	**47.7**	**52.0**	**58.8**	**61.9**
Abnormals/other	(56.8)	431.8	(37.2)	(54.1)	(52.8)
Reported NPAT	**12.2**	**479.5**	**14.8**	**4.7**	**9.1**
Normalised EPS (cps)	14.7	10.2	11.1	12.5	13.2
DPS (cps)	1.1	0	0	0	1.3

Valuation Ratios	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
EV/EBITDA (x)	13.7	11.7	14.5	15.0	14.8
EV/EBIT (x)	36.0	30.5	43.4	71.2	66.9
PE (x)	20.0	30.2	27.7	24.1	22.7
Price/NTA (x)	2.2	1.2	1.5	1.5	1.4
Free cash flow yield (%)	5.4	3.0	2.4	6.7	6.5
Net dividend yield (%)	0.4	0.0	0.0	0.0	0.4
Gross dividend yield (%)	0.4	0.0	0.0	0.0	0.4

Capital Structure	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Interest cover EBIT (x)	1.7	1.2	2.9	1.4	2.0
Interest cover EBITDA (x)	4.5	3.0	8.4	6.2	8.7
Net debt/ND+E (%)	34.6	-54.6	18.3	10.9	2.3
Net debt/EBITDA (x)	2.6	n/a	2.3	1.1	0.2

Growth Rates	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Revenue (%)	22.4	-11.9	-10.4	22.0	0.2
EBITDA (%)	29.9	-12.8	-23.1	18.8	-0.5
EBIT (%)	91.4	-10.1	-32.0	-24.7	4.9
Normalised NPAT (%)	49.0	-30.9	9.1	13.2	5.2
Normalised EPS (%)	-0.6	-30.9	9.1	13.2	5.2
Ordinary DPS (%)	-65.0	-100.0	n/a	n/a	n/a

Key Ratios	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Return on assets (%)	3.3	2.7	1.5	1.2	1.3
Return on equity (%)	10.5	4.0	5.5	6.3	6.5
Return on funds employed (%)	3.6	4.3	1.9	1.6	1.8
EBITDA margin (%)	69.7	69.0	59.2	57.7	57.3
EBIT margin (%)	26.5	27.0	20.5	12.7	13.3
Capex to sales (%)	47.0	189.7	266.5	3.8	3.8
Capex to depreciation (%)	109	452	688	8	9
Imputation (%)	0	0	0	0	0
Pay-out ratio (%)	7	0	0	0	10

Cash Flow (A$m)	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
EBITDA	**134.8**	**117.5**	**90.3**	**107.3**	**106.8**
Working capital change	0.6	39.8	(57.0)	(0.4)	(1.8)
Interest & tax paid	(41.7)	(57.8)	8.5	(0.6)	(1.2)
Other	(8.6)	(49.4)	0	0	0
Operating cash flow	**85.0**	**50.2**	**41.9**	**106.3**	**103.9**
Capital expenditure	(90.8)	(322.9)	(406.3)	(7.0)	(7.1)
(Acquisitions)/divestments	0	455.0	0	0	0
Other	0	(3.9)	(3.9)	(3.9)	(3.9)
Funding available/(required)	**(5.8)**	**178.3**	**(368.3)**	**95.4**	**92.8**
Dividends paid	(10.6)	0	0	0	0
Equity raised/(returned)	259.9	(1.1)	(260.0)	0	0
(Increase)/decrease in net debt	**243.5**	**177.3**	**(628.3)**	**95.4**	**92.8**

Operating Performance	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Australia installed capacity (MW)	440	170	506	506	506
NZ installed capacity (MW)	197	197	197	330	330
TLT installed capacity (MW)	**637**	**367**	**703**	**836**	**836**
Australia wind generation (GWh)	1,395	1,170	1,331	1,771	1,771
NZ wind generation (GWh)	658	664	672	1,119	1,119
TLT wind generation (GWh)	**2,053**	**1,834**	**2,003**	**2,890**	**2,890**
Price assumptions					
Australia REC price (A$/MWh)	78.3	65.2	23.0	23.7	24.2
SA wholesale price (A$/MWh)	81.0	56.0	56.2	50.7	49.0
VIC wholesale price (A$/MWh)		85.8	73.9	64.0	54.5
Australia PPA price (A$/MWh)	94.8	94.5	55.8	57.8	58.9
NZ PPA price (NZ$/MWh)	64.8	63.7	64.8	66.1	67.1
Australia spot sales (GWh)	155	365	905	458	458
Australia PPA sales (GWh)	1,239	805	426	1,313	1,313
Australia spot revenue (A$m)	34	53	62	25	23
Australia PPA revenue (A$m)	117	76	24	76	77
Australia revenue (A$m)	**151**	**129**	**110**	**115**	**116**
NZ revenue (A$m)	**42**	**42**	**42**	**71**	**71**
Australia EBITDAF (A$m)	**109**	**93**	**66**	**62**	**61**
NZ EBITDAF (A$m)	**25**	**24**	**25**	**46**	**46**

Balance Sheet (A$m)	**2019A**	**2020A**	**2021E**	**2022E**	**2023E**
Working capital	14.3	(38.3)	16.6	15.1	14.9
Fixed assets	1,066.7	1,000.7	1,347.9	1,271.2	1,196.3
Intangibles	0.5	0.5	0.5	0.5	0.5
Right of use asset	0	13.4	13.4	13.4	13.4
Other assets	114.3	9.0	9.0	9.0	9.0
Total funds employed	**1,195.9**	**985.2**	**1,387.4**	**1,309.1**	**1,234.0**
Net debt/(cash)	346.4	(417.9)	210.4	115.0	22.2
Lease liability	22.9	125.5	125.5	125.5	125.5
Other liabilities	170.6	94.3	114.4	127.8	137.5
Shareholder's funds	656.0	1,183.3	937.1	940.8	948.8
Minority interests	0	0	0	0	0
Total funding sources	**1,195.9**	**985.2**	**1,387.4**	**1,309.1**	**1,234.0**

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

FY20 result summary

Figure 1. Summary FY20 result and commentary

	FY19 A$m	FY20 A$m	Diff % chg	Forsyth Barr A$m	Diff A$m	Commentary
Australia revenue	151.3	128.6	-15%	135.8	(7.2)	Lower Australian sales price than forecast. Down vs. pcp due to ST2 sale
NZ revenue	42.0	41.6	-1%	41.8	(0.2)	
Total Revenue	**193.3**	**170.2**	**-12%**	**177.6**	**(7.4)**	
Operating costs	(58.5)	(52.7)	-10%	(60.5)	7.8	Lower generation costs than expected offsets the lower Australian price received
Australia EBITDAF	109.5	93.2	-15%	92.4	0.8	
NZ EBITDAF	25.3	24.3	-4%	24.7	(0.4)	
EBITDAF	**134.8**	**117.5**	**-13%**	**117.1**	**0.4**	EBITDAF down on pcp due to sale of ST2
Depreciation & amortisation	(83.6)	(72.5)	-13%	(56.4)	(16.1)	Lease depreciation and 2H20 ST2 depreciation higher than forecast
EBIT	**51.2**	**45.0**	**-12%**	**60.7**	**(15.7)**	
Fair value gain/(loss) & other	(2.0)	477.5		476.0	1.4	Big gain on sale of ST2
Interest costs	(30.1)	(39.4)	31%	(9.1)	(30.3)	Lease interest costs ($5m) and big lift in "other finance costs " up +$20m on pcp
Pre-tax profit	**19.1**	**483.1**		**527.6**	**(44.6)**	
Tax expense	(6.9)	(4.7)	-33%	(11.6)	7.0	
Reported NPAT	**12.2**	**478.4**		**516.0**	**(37.6)**	
Normalised NPAT	**13.6**	**0.5**		**40.0**	**(39.6)**	
EPS	4.3	0.1		8.5	(8.4)	
DPS (cps)	1.1	0.0		0.0	0.0	No dividend as expected
Australia generation (GWh)	1,395	1,170	-16%	1,170	0	Decline in volumes due to ST2 sale
NZ generation (GWh)	658	664	1%	664	0	
Total generation (GWh)	**2,053**	**1,834**	**-11%**	**1,834**	**0**	Portfolio wind volumes increased +3% on pcp excluding ST2 sale
Australian sales price (A$/MWh)	108.5	109.9	1%	116.1	(6.2)	Lower realised electricity price than forecast
NZ sales price (A$/MWh)	63.8	62.7	-2%	62.9	(0.2)	
Weighted avg price (A$/MWh)	**94.2**	**92.8**	**-1%**	**96.8**	**(4.0)**	

Source: TLT, Forsyth Barr analysis

Key points:

- The sale of Snowtown 2 resulted in significant decline in FY20 earnings vs. FY19, but gave rise to a significant A$486m gain on sale.
- Operational performance was robust and in line with expectations. Whilst Australian electricity prices were lower than forecast, that was offset by lower than expected production costs. New Zealand's performance was similar to FY19 and our expectations.
- Depreciation came in higher than forecast, as we assumed that TLT would cease ST2 depreciation at 30 September and due to the inclusion of right-of-use depreciation.
- Finance costs were surprisingly high — A$28.5m in 2H20 vs. A$6.0m in 1H20. Factors increasing finance costs were significant fx translation movements, the write-off of establishment fees following the early repayment of debt that would ordinarily be amortised and the inclusion of lease interest costs. Most of the increase is one-off in nature.

Forecast changes

Figure 2. Forecast changes

	FY21 Old A$m	FY21 New A$m	% Chg	FY22 Old A$m	FY22 New A$m	% Chg	FY23 Old A$m	FY23 New A$m	% Chg
Australia revenue	123	110	-10%	118	115	-2%	114	116	2%
NZ revenue	43	42	0%	71	71	0%	71	71	0%
Total Revenue	**165**	**152**	**-8%**	**189**	**186**	**-2%**	**185**	**186**	**1%**
Operating costs	(67)	(62)	-7%	(81)	(79)	-3%	(82)	(80)	-3%
Australia EBITDAF	73	66	-10%	62	62	0%	56	61	8%
NZ EBITDAF	25	25	-2%	46	46	-1%	46	46	-1%
EBITDAF	**98**	**90**	**-8%**	**108**	**107**	**0%**	**103**	**107**	**4%**
Depreciation & amortisation	(43)	(60)	41%	(74)	(85)	14%	(73)	(83)	13%
EBIT	**56**	**30**	**-46%**	**33**	**23**	**-32%**	**29**	**24**	**-19%**
Fair value gain/(loss) & other	0	0		0	0		0	0	
Interest costs	(10)	(11)	5%	(26)	(17)	-33%	(23)	(12)	-47%
Pre-tax profit	**46**	**20**	**-57%**	**7**	**5**	**-30%**	**6**	**11**	**96%**
Tax expense	(13)	(6)	-57%	(2)	(2)	-30%	(2)	(3)	96%
Reported NPAT	**32**	**14**	**-57%**	**5**	**4**	**-30%**	**4**	**8**	**96%**
Adjusted (depn/capex) NPAT	58	**51**	**-12%**	**53**	**58**	**9%**	**51**	**61**	**20%**
EPS	6.8	2.9	-57%	1.1	0.8	-30%	0.9	1.7	96%
DPS	0.00	0.00		0.00	0.00		1.15	1.30	13%
Australia generation (GWh)	1,375	1,331	-3%	1,771	1,771	0%	1,771	1,771	0%
NZ generation (GWh)	672	672	0%	1,119	1,119	0%	1,119	1,119	0%
Total generation (GWh)	**2,047**	**2,003**	**-2%**	**2,890**	**2,890**	**0%**	**2,890**	**2,890**	**0%**
Australian sales price (A$/MWh)	89	83	-7%	67	65	-2%	64	65	2%
NZ sales price (A$/MWh)	63	63	0%	63	63	0%	64	63	0%
Weighted avg price (A$/MWh)	**81**	**76**	**-6%**	**65**	**64**	**-2%**	**64**	**64**	**1%**

Source: Forsyth Barr analysis

Key changes:

- Reduction in FY21 Australian sales price, with the main driver being a fall in our renewable energy certificate assumption -A$6/MWh to A$23/MWh per TLT guidance.
- Slightly lower (-3%) Australian generation volumes.
- Depreciation increased to include right-of-use depreciation and due to a modest asset revaluation.
- Whilst we are forecasting a nil dividend for the next two years, TLT has the cash flow and balance sheet capacity to recommence dividends in FY21. However, TLT is keen to progress further developments. We, therefore, assume no dividend in the near-term. If TLT were to cease developments, we estimate that the underlying free cash flow would support a dividend of ~NZ20cps.

Investment Summary

Our rating is OUTPERFORM. TLT offers exposure to renewable energy developments, particularly in Australia. It has a strong pipeline and excellent development track record. In addition, the low interest rate environment is attractive for low cost funding.

Business quality

- **Strong development pipeline:** TLT has a large portfolio of renewable energy development options, predominantly in Australia. Most of the options are wind, but also include solar, pumped hydro, and batteries. The total pipeline is over 3,000MW.
- **Excellent development track record:** TLT's development track record is very good, with projects typically coming in on time and at/below budget. It has also demonstrated an ability to attract strong offtake partners.

Earnings and cashflow outlook

- **Long-term growth from new developments:** TLT's earnings outlook is positive as its wind farm developments come to fruition. However, LGC prices are falling which will temper near-term earnings growth.
- **Mix of fixed prices and wholesale price exposure:** Most of TLT's developments have long-term fixed price offtake agreements, providing a reliable earnings stream. However, it also has some (~20%) long-term exposure to wholesale electricity prices in Australia, which we view as positive in a tightening market.

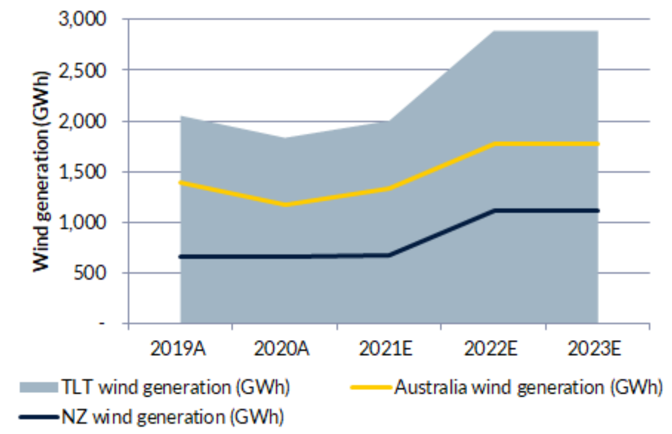
Financial structure

- **Strong balance sheet following sale of Snowtown 2:** We estimate that TLT has surplus capital of more than A$550m following the successful sale of its Snowtown 2 wind farm. However, we expect much of that will be returned to shareholders.

Risk factors

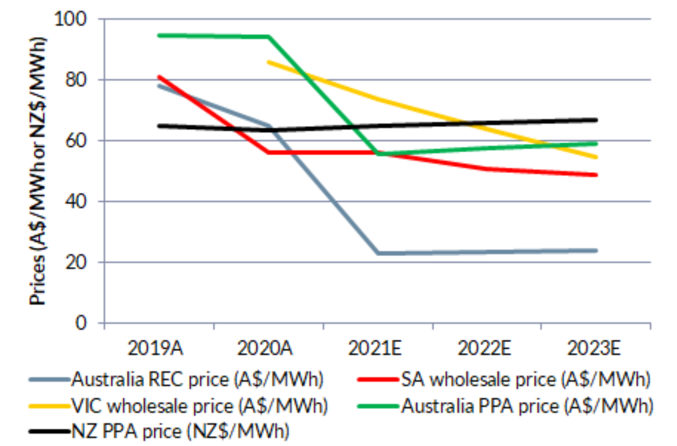
- **Competing developers with low cost of capital requirements:** The power purchase agreement (PPA) market at present is well below A$60/MWh, with the low end of the range partly driven by low return requirements. TLT could be outbid if low return expectations become the norm, limiting the value upside from new developments.
- **Regulatory uncertainty:** Whilst renewable electricity generation is going to be a core part of Australia decarbonising its economy, there is significant policy uncertainty. In addition, electricity prices are a politically sensitive topic, adding to the uncertainty.

Figure 3. Generation volumes



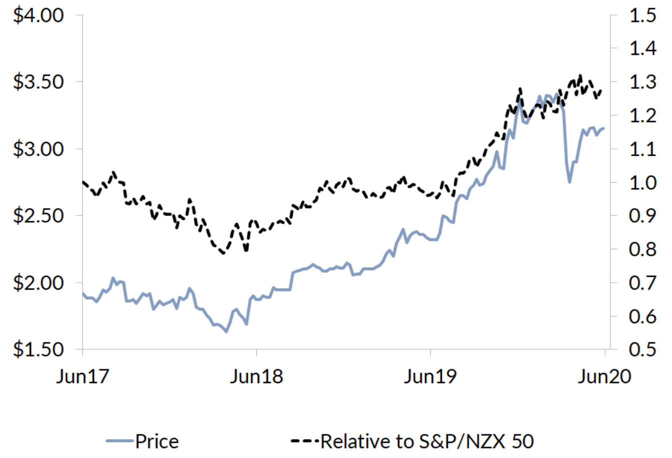
Source: TLT, Forsyth Barr analysis

Figure 4. Prices received



Source: TLT, Forsyth Barr analysis

Figure 5. Price performance



Source: Refinitiv, Forsyth Barr analysis

Figure 6. Substantial shareholders

Shareholder	Latest Holding
Infratil	65.3%
Mercury NZ Ltd	20.0%

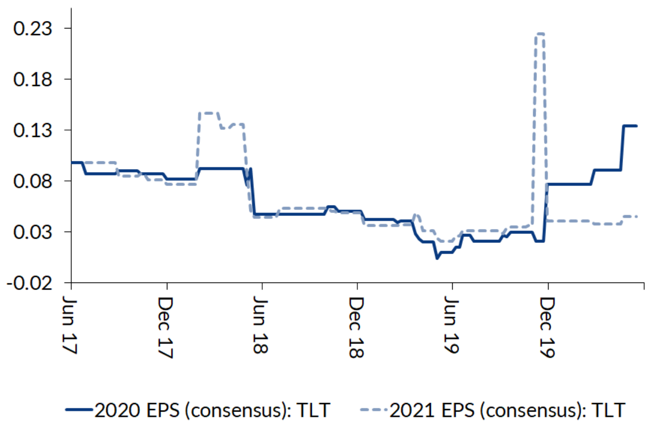
Source: NZX, Forsyth Barr analysis, NOTE: based on SSH notices only

Figure 7. International valuation comparisons

Company	Code	Price	Mkt Cap	PE		EV/EBITDA		EV/EBIT		Cash Yld
(metrics re-weighted to reflect TLT's balance date - March)			(m)	2021E	2022E	2021E	2022E	2021E	2022E	2022E
Tilt Renewables	**TLT NZ**	**NZ$3.15**	**NZ$1,479**	**27.7x**	**24.1x**	**11.1x**	**9.2x**	**33.1x**	**43.9x**	**0.0%**
Trustpower *	TPW NZ	NZ$7.08	NZ$2,216	26.5x	22.9x	14.8x	13.7x	18.8x	17.0x	4.8%
Contact Energy *	CEN NZ	NZ$6.21	NZ$4,459	18.6x	17.9x	11.8x	11.4x	23.1x	22.7x	6.3%
Genesis Energy *	GNE NZ	NZ$2.85	NZ$2,957	16.0x	13.4x	10.7x	9.9x	26.5x	23.4x	6.2%
Meridian Energy *	MEL NZ	NZ$4.88	NZ$12,494	27.3x	27.7x	17.1x	17.2x	27.7x	27.7x	4.4%
Mercury *	MCY NZ	NZ$4.81	NZ$6,546	25.7x	23.8x	15.0x	14.3x	25.4x	23.6x	3.7%
INFIGEN ENERGY	IFN AT	A$0.57	A$548	17.8x	31.0x	7.2x	8.1x	12.8x	16.5x	3.5%
			Compco Average:	**22.0x**	**22.8x**	**12.8x**	**12.4x**	**22.4x**	**21.8x**	**4.8%**
EV = Current Market Cap + Actual Net Debt			**TLT Relative:**	**26%**	**6%**	**-13%**	**-26%**	**48%**	**101%**	**-100%**

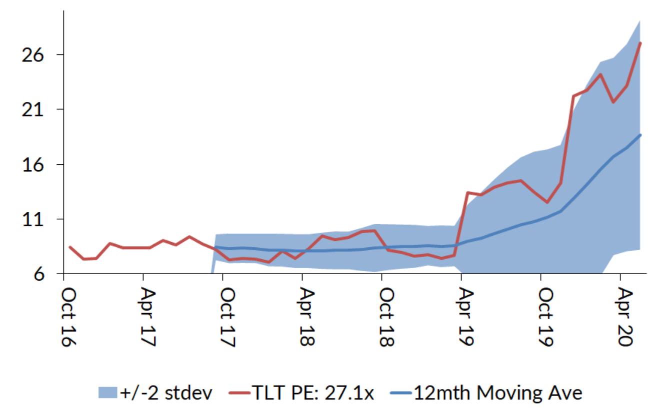
Source: *Forsyth Barr analysis, Bloomberg Consensus, Compco metrics re-weighted to reflect headline (TLT) companies fiscal year end

Figure 8. Consensus EPS momentum (NZ$)



Source: Refinitiv, Forsyth Barr analysis

Figure 9. One year forward PE (x)



Source: Refinitiv, Forsyth Barr analysis

Analyst certification: The research analyst(s) primarily responsible for the preparation and content of this publication ("**Analysts**") are named on the first page of this publication. Each such Analyst certifies (other than in relation to content or views expressly attributed to another analyst) that (i) the views expressed in this publication accurately reflect their personal views about each issuer and financial product referenced and were prepared in an independent manner, including with respect to Forsyth Barr Limited and its related companies; and (ii) no part of the Analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that Analyst in this report.

Analyst holdings: The following Analyst(s) have a threshold interest in the financial products referred to in this publication: N/A. For these purposes, a threshold interest is defined as being a holder of more than $50,000 in value or 1% of the financial products on issue, whichever is the lesser.

Ratings distributions: As at 22 May 2020, Forsyth Barr's research ratings were distributed as follows:

OUTPERFORM	NEUTRAL	UNDERPERFORM
49.0%	**36.7%**	**14.3%**

Forsyth Barr's research ratings are OUTPERFORM, NEUTRAL, and UNDERPERFORM. The ratings are relative to our other equity security recommendations across our New Zealand market coverage and are based on risk-adjusted Estimated Total Returns for the securities in question. Risk-adjusted Estimated Total Returns are calculated from our assessment of the risk profile, expected dividends and target price for the relevant security.

Disclosure: Forsyth Barr Limited and its related companies (and their respective directors, officers, agents and employees) ("Forsyth Barr") may have long or short positions or otherwise have interests in the financial products referred to in this publication, and may be directors or officers of, and/or provide (or be intending to provide) investment banking or other services to, the issuer of those financial products (and may receive fees for so acting). Forsyth Barr is not a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989. Forsyth Barr may buy or sell financial products as principal or agent, and in doing so may undertake transactions that are not consistent with any recommendations contained in this publication. Other Forsyth Barr business units may hold views different from those in this publication; any such views will generally not be brought to your attention. Forsyth Barr confirms no inducement has been accepted from the issuer(s) that are the subject of this publication, whether pecuniary or otherwise, in connection with making any recommendation contained in this publication. In preparing this publication, non-financial assistance (for example, access to staff or information) may have been provided by the issuer(s) being researched.

Investment banking engagements: Other than confidential engagements, Forsyth Barr has within the past 12 months been engaged to provide investment banking services to the following issuers that are the subject of this publication: IFT MCY TPW VCT

Not personalised financial advice: The recommendations and opinions in this publication do not take into account your personal financial situation or investment goals. The financial products referred to in this publication may not be suitable for you. If you wish to receive personalised financial advice, please contact your Forsyth Barr Investment Adviser. The value of financial products may go up and down and investors may not get back the full (or any) amount invested. Past performance is not necessarily indicative of future performance. Disclosure statements for Forsyth Barr Investment Advisers are available on request and free of charge.

Disclaimer: This publication has been prepared in good faith based on information obtained from sources believed to be reliable and accurate. However, that information has not been independently verified or investigated by Forsyth Barr. Forsyth Barr does not make any representation or warranty (express or implied) that the information in this publication is accurate or complete, and, to the maximum extent permitted by law, excludes and disclaims any liability (including in negligence) for any loss which may be incurred by any person acting or relying upon any information, analysis, opinion or recommendation in this publication. Forsyth Barr does not undertake to keep current this publication; any opinions or recommendations may change without notice to you. Any analyses or valuations will typically be based on numerous assumptions; different assumptions may yield materially different results. Nothing in this publication should be construed as a solicitation to buy or sell any financial product, or to engage in or refrain from doing so, or to engage in any other transaction. This publication is not intended to be distributed or made available to any person in any jurisdiction where doing so would constitute a breach of any applicable laws or regulations or would subject Forsyth Barr to any registration or licensing requirement within such jurisdiction.