

Tower Limited

Edition 3 – NZ General Insurance Digest

JAMES LINDSAY

 James.Lindsay@forsythbarr.co.nz
 +64 9 368 0145

WILL TWISS

 will.twiss@forsythbarr.co.nz
 +64 9 368 0129


The New Zealand General Insurance Digest provides a snapshot of relevant information for the general insurance industry. We detail information pertinent to Tower (TWR), local financial comparables and Australasian listed insurance peers.

Insurance industry news and weather event update

- Provisional ICNZ data for Cyclone Gabrielle saw 44,650 claims worth ~NZ\$1.2 billion, and for the Auckland Anniversary Weekend floods there have been 51,936 claims provisionally valued at ~NZ\$1.3 billion. Around fifteen percent of claims have already settled.
- Insurers back the New Zealand Claims Resolution Service ([NZCRS](#)) for free, independent insurance advice during natural disasters. It aims to simplify claims, prevent misunderstandings, and speed up settlements in disputes on the value of the loss.
- The Reserve Bank of NZ (RBNZ) issued its final [Interim Solvency Standard](#), effective 1 January 2023, setting specific requirements for insurers reporting under NZ IFRS 17 and standardising insurance items for better economic reflection.
- TWR has appointed Sharyn Reichstein, formerly of the Australian Prudential Regulation Authority, as its new chief risk officer, effective from July 2023, while also appointing former product manager Will Hay as sustainability/ESG manager.
- A new [report](#) from Global Risk Consultants Corp. warns that many companies face insurance coverage gaps due to inflation, with under-reported valuations of property and equipment leading to insufficient claim payouts for rebuilding or replacement costs.
- TWR, in its [1Q23 update and ASM](#), reported a strong performance with a +12.5% increase in gross written premium (GWP) to NZ\$123m, driven by market share gains and inflation/cost pass-through while displaying an improved management expense ratio at 35%. It maintained its FY23 underlying NPAT guidance of NZ\$18m–NZ\$23m (lowered in February 2023 from the prior guidance of NZ\$27m and NZ\$32m, made before the two severe weather events impacted) and a dividend estimate of NZ5cps.
- IAG's 1H23 result saw NZ GWP grow +9.1% in NZD terms, with the NZ insurance margin rising to 15.2% in 1H23 due to lower natural perils cost in the half (versus 11.4% in 1H22) on overall flat volumes, but higher claims dampened margins. IAG updated FY23 group guidance for GWP growth of +10% from “mid to high single digits” and reported insurance margin forecast to come in at 10% (from 14%–16% previously). The natural perils allowance for FY23 increased to AU\$1.2b in the wake of the Auckland floods.
- SUN's 1H23 saw a +12% jump in GWP for its NZ segment. This flowed into profit after tax of NZ\$75m for the NZ general insurance unit. Natural hazard costs were lower than 1H22 but still +NZ\$21m above allowance, with higher claims costs driven by unit growth, large property fire losses in Q1 and inflationary pressures. Group guidance for FY23 was reiterated, with GWP growth still expected to be “mid to high single digits” and underlying insurance margin somewhere in the 10–12% range.

Stock performances

The listed Australasian insurance sector and TWR's financial peers have recently produced a range of stock price performances. Over the last three months, QBE is up +10% while IAG and SUN have made modest gains and Heartland Bank (HNZ) has fallen -11%. TWR has fallen -12% in the same period. Over twelve months: QBE (+25%), SUN (+17%), TWR (+2%), IAG (-1%), and HGH (-4%).

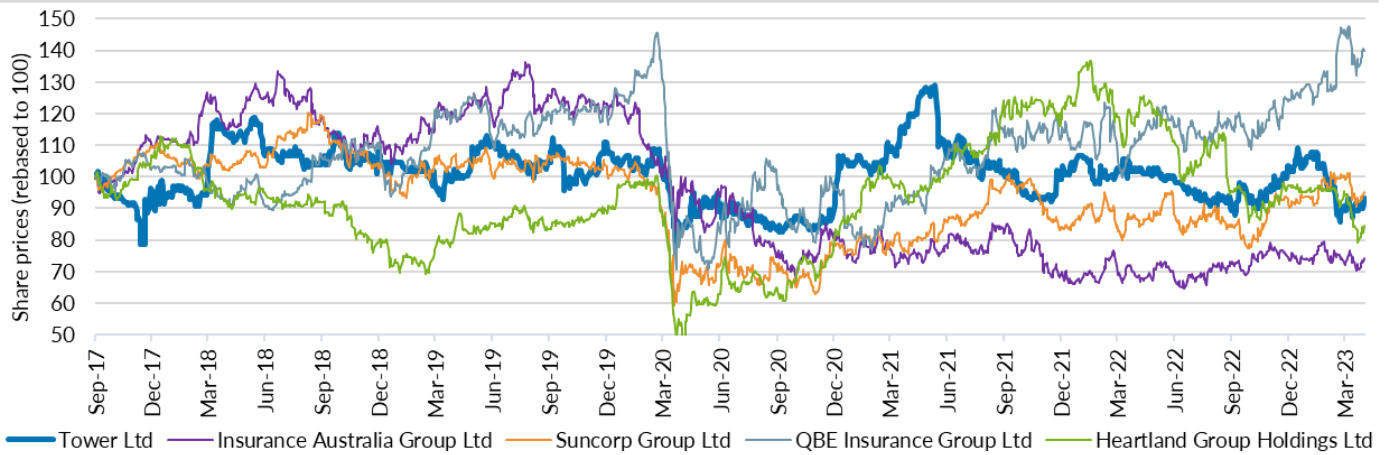
Tower Limited (TWR)

Market data (NZ\$)						Spot valuation (NZ\$)					
Priced as at 04 Apr 2023						0.64					
52 week high / low						0.75 / 0.59					
Market capitalisation (NZ\$m)						242.9					
Key WACC assumptions						DCF valuation summary (NZ\$m)					
Risk free rate						4.50%					
Equity beta						1.10					
WACC						10.1%					
Terminal growth						1.8%					
Profit and Loss Account (NZ\$m)						Valuation Ratios					
	2021A	2022A	2023E	2024E	2025E		2021A	2022A	2023E	2024E	2025E
Sales revenue (GEP)	386.6	418.3	479.0	549.0	605.8	EV/EBITDA (x)	n/a	n/a	n/a	n/a	n/a
Normalised EBITDA	n/a	n/a	n/a	n/a	n/a	EV/EBIT (x)	n/a	n/a	n/a	n/a	n/a
Depreciation and amortisation	n/a	n/a	n/a	n/a	n/a	PE (x)	15.2	14.4	10.4	6.9	6.5
Normalised EBIT	n/a	n/a	n/a	n/a	n/a	Price/NTA (x)	1.2	1.4	2.1	2.9	3.9
Net interest	n/a	n/a	n/a	n/a	n/a	Free cash flow yield (%)	41.0	5.4	13.1	18.6	19.6
Associate income	0	0	0	0	0	Net dividend yield (%)	7.8	10.2	7.8	11.7	12.5
Tax	(9.2)	(7.5)	(9.4)	(16.1)	(17.2)	Gross dividend yield (%)	7.8	10.2	7.8	11.7	14.9
Minority interests	0.6	0.1	0	0	0						
Normalised NPAT	17.8	17.7	20.2	35.0	37.4	Key Ratios					
Abnormals/other	0	0	3.2	0	0	2021A	2022A	2023E	2024E	2025E	
Reported NPAT	17.8	17.7	23.4	35.0	37.4	Return on assets (%)	n/a	n/a	n/a	n/a	n/a
Normalised EPS (cps)	4.2	4.4	6.2	9.2	9.9	Return on equity (%)	5.1	5.8	9.3	15.7	17.9
DPS (cps)	5.0	6.5	5.0	7.5	8.0	Return on funds employed (%)	0.0	0.0	0.0	0.0	0.0
						EBITDA margin (%)	n/a	n/a	n/a	n/a	n/a
						EBIT margin (%)	n/a	n/a	n/a	n/a	n/a
						Capex to sales (%)	3.1	4.1	2.9	2.9	2.8
						Capex to depreciation (%)	n/a	n/a	n/a	n/a	n/a
						Imputation (%)	0	0	0	0	50
						Pay-out ratio (%)	119	146	81	81	81
						Capital Structure					
						2021A	2022A	2023E	2024E	2025E	
						Solvency capital	155.9	150.5	179.4	136.4	164.9
						Minimum solvency capital (MSC)	56.6	52.3	66.3	66.5	75.6
						Total regulatory capital	106.6	102.3	83.3	91.3	91.3
						Solvency ratio (%)	275	287	271	205	218
						Operating Performance					
						2021A	2022A	2023E	2024E	2025E	
						Gross written premium	396.0	445.6	512.4	585.6	626.0
						Gross earned premium	386.6	418.3	479.0	549.0	605.8
						Reinsurance premium	(58.8)	(66.3)	(81.8)	(92.1)	(101.0)
						Net earned premium	327.9	352.1	397.2	456.9	504.7
						Net claims expense	(202.3)	(224.9)	(275.1)	(305.5)	(344.8)
						* includes Large event claims of	(13.9)	(19.0)	(40.0)	(40.0)	(42.0)
						Management & sales expenses	(123.3)	(129.9)	(139.0)	(150.0)	(155.9)
						Underwriting profit	27.2	23.6	16.1	36.8	40.6
						Investment and other revenue	0.2	1.2	14.4	15.3	15.0
						Financing and other costs	(0.4)	(0.9)	(0.9)	(0.9)	(1.0)
						Profit before tax (from continuing operations)	27.6	25.2	30.7	51.2	54.6
						Tax expense	(9.2)	(7.5)	(9.4)	(16.1)	(17.2)
						Profit after taxation	18.4	17.7	21.3	35.0	37.4
						NPAT (from discontinued operation)	(0.2)	5.1	2.1	0	0
						NPAT (Reported)	18.2	22.8	23.4	35.0	37.4
						Key ratios					
						Tower Direct GWP growth %	26.4%	17.2%	15.0%	15.0%	7.0%
						Partnership GWP growth %	-30.0%	13.0%	15.0%	15.0%	7.0%
						Total GWP growth %	5.0%	12.5%	15.0%	14.3%	6.9%
						Total claims ratio %	54.3%	54.1%	61.0%	59.1%	61.1%
						MER %	37.1%	36.0%	35.0%	32.8%	30.9%
						Combined ratio %	91.4%	90.1%	95.9%	91.9%	92.0%
Balance Sheet (NZ\$m)											
	2021A	2022A	2023E	2024E	2025E						
Working capital	146.9	183.2	180.0	205.7	219.9						
Fixed assets	9.4	5.4	7.0	8.5	10.0						
Intangibles	120.6	132.5	133.2	140.6	146.0						
Right of use asset	25.6	23.3	20.6	17.9	15.2						
Other assets	313.0	295.6	295.6	295.6	295.6						
Total funds employed	615.5	640.0	636.4	668.4	686.7						
Net debt/(cash)	(116.1)	(84.5)	(80.6)	(73.3)	(65.0)						
Lease liability	39.4	35.1	28.1	20.2	11.7						
Other liabilities	342.5	383.5	438.7	498.3	531.2						
Shareholder's funds	347.0	306.0	250.2	223.2	208.8						
Minority interests	2.7	0	0	0	0						
Total funding sources	615.5	640.0	636.4	668.4	686.7						

* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend** Information on Forsyth Barr's Carbon and ESG (CESG) ratings can be found at www.forsythbarr.co.nz/corporate-news-events/cesg-report

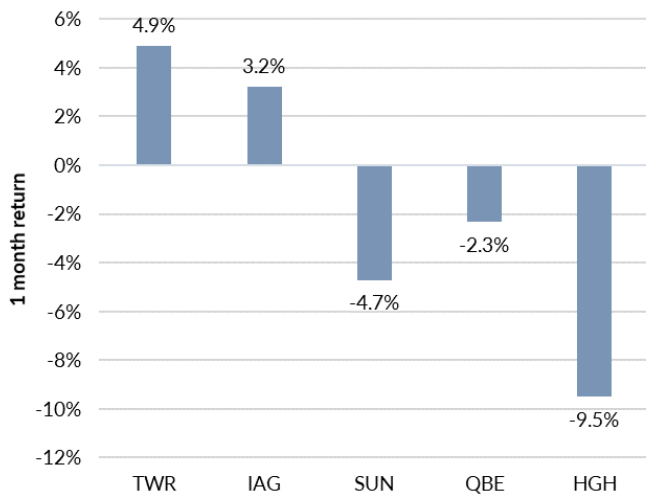
Sector performance (of relevant peers)

Figure 1. Sector performance of relevant comparables



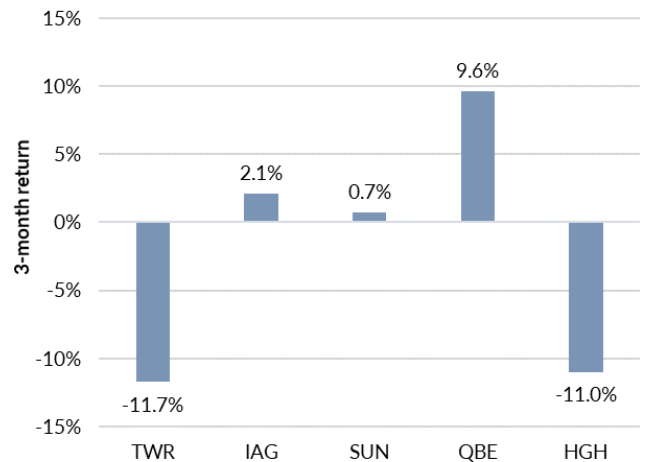
Source: Refinitiv, Forsyth Barr analysis

Figure 2. Peer group returns over one month



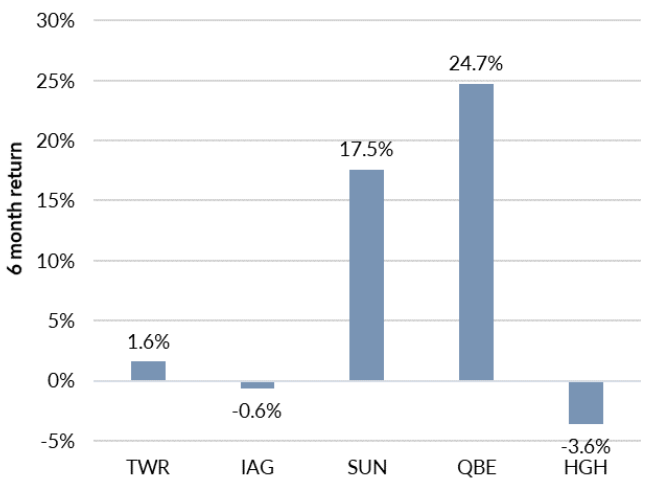
Source: Refinitiv, Forsyth Barr analysis

Figure 3. Peer group returns over three months



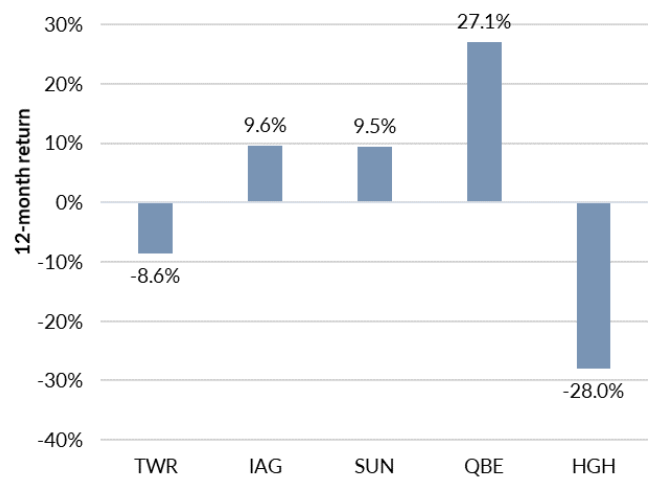
Source: Refinitiv, Forsyth Barr analysis

Figure 4. Peer group returns over six months



Source: Refinitiv, Forsyth Barr analysis

Figure 5. Peer group returns over 12 months



Source: Refinitiv, Forsyth Barr analysis

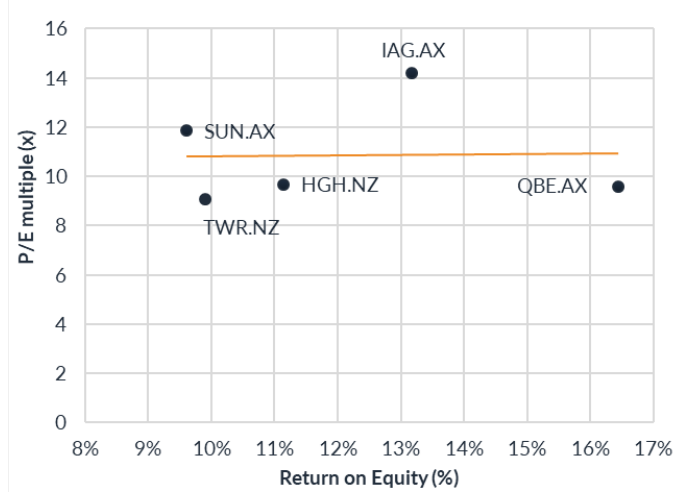
Sector ratios (of relevant peers)

Figure 6. Table of relevant peers

Ticker	Next Bal Date	Company	Share Price	Market Cap (NZ\$m)	PE (x)		Div Yield (%)	P/B (x)		ROE (%)	
					1-yr fwd	2-yr fwd		1-yr fwd	2-yr fwd	1-yr fwd	2-yr fwd
TWR.NZ	30/09/2023	Tower	0.64	239	9.1	7.5	10.2	0.8	0.8	9.9	12.3
IAG.AX	30/06/2023	Insurance Australia	4.80	12,330	14.2	12.6	2.8	1.7	1.6	13.2	13.9
SUN.AX	30/06/2023	Suncorp Group	12.13	16,388	11.9	11.5	5.9	1.1	1.1	9.6	9.6
QBE.AX	31/12/2023	QBE Insurance	14.70	23,322	9.6	8.9	2.8	1.5	1.3	16.5	16.1
HGH.NZ	30/06/2023	Heartland Group	1.62	1,128	9.7	8.9	9.5	1.0	1.0	11.1	11.5
Peer Median					11.9	10.2	4.3	1.3	1.2	12.2	12.7

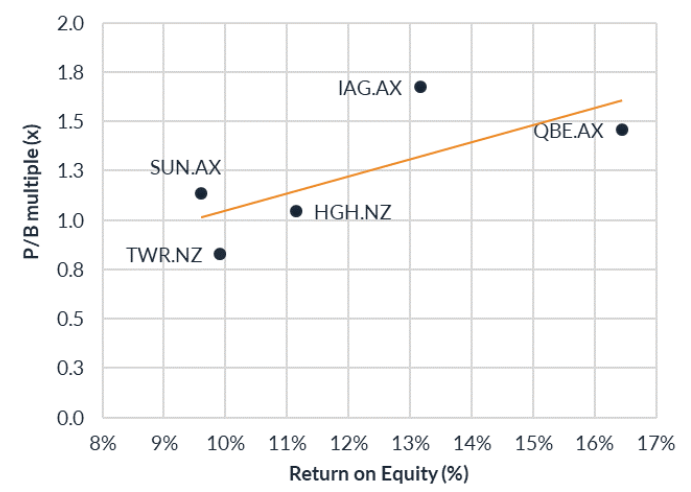
Source: Refinitiv, Bloomberg, Forsyth Barr analysis

Figure 7. TWR relevant Australasian financials – P/E versus ROE one-year forward



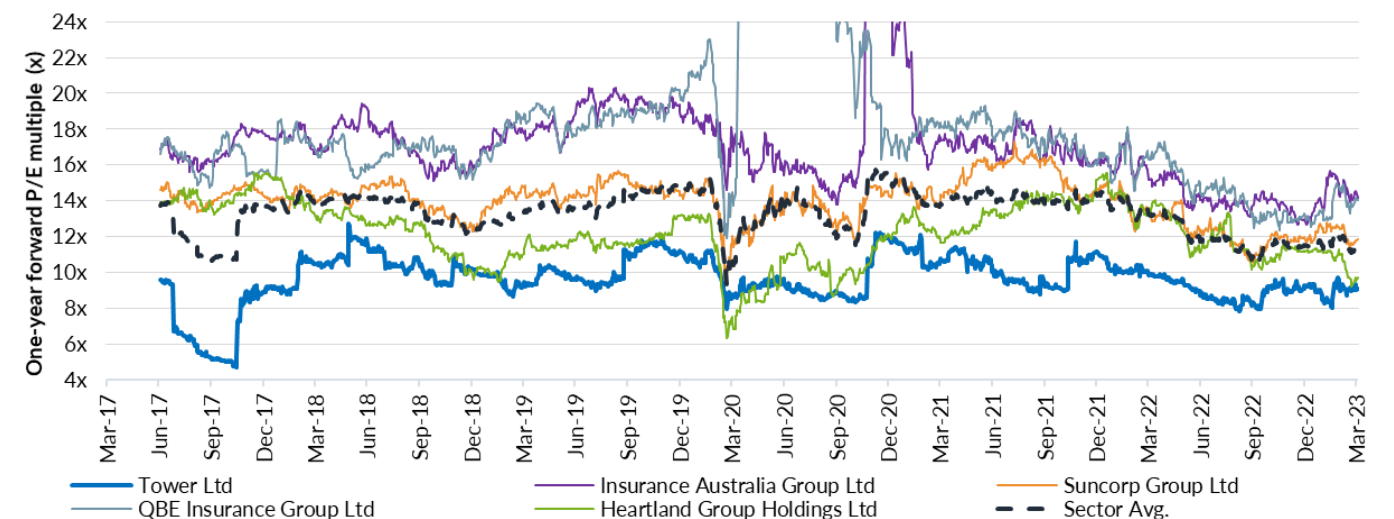
Source: Refinitiv, Bloomberg, Forsyth Barr analysis

Figure 8. TWR relevant Australasian financials – Price to Book versus ROE one-year forward



Source: Refinitiv, Bloomberg, Forsyth Barr analysis

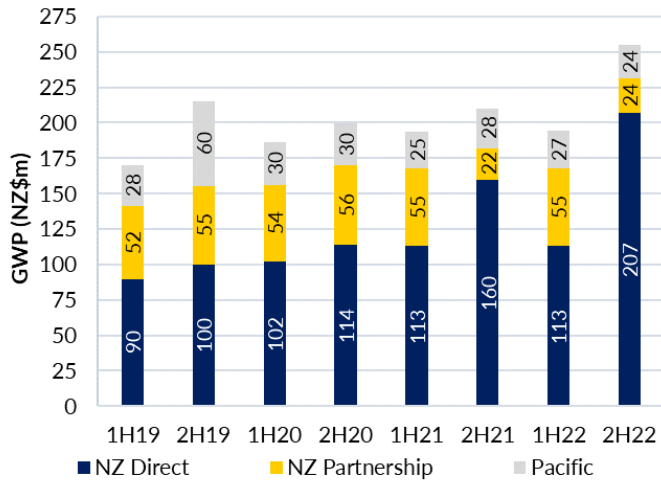
Figure 9. TWR relevant Australasian financials – 12-month forward P/E multiple (x)



Source: Refinitiv, Forsyth Barr analysis

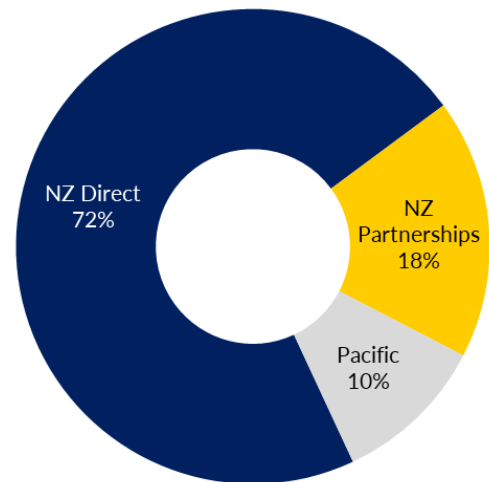
Key TWR related charts

Figure 10. TWR – GWP by division (interim periods)



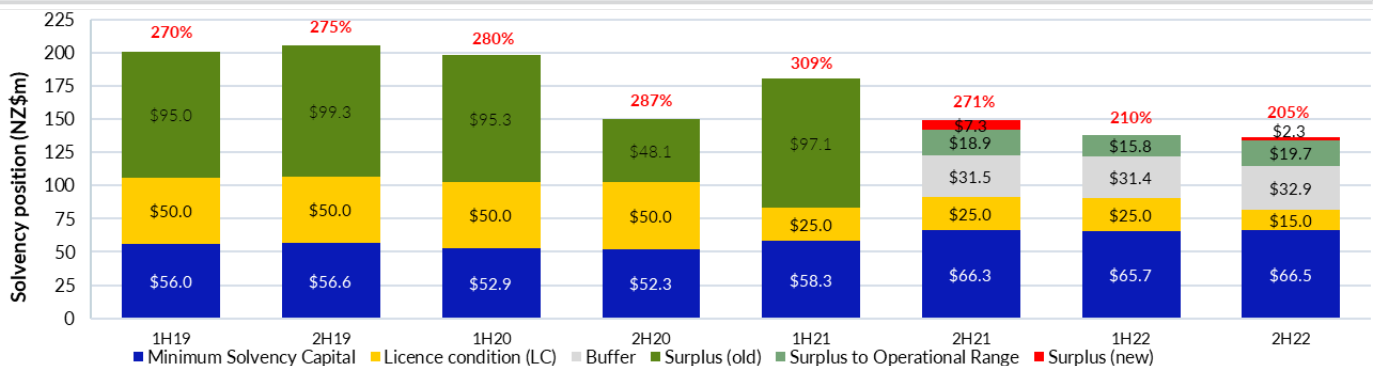
Source: Company data, Forsyth Barr analysis

Figure 11. TWR – GWP segmental split (FY23 estimate)



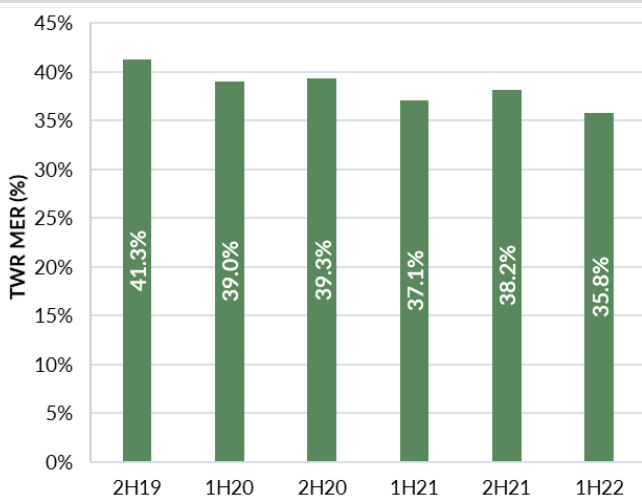
Source: Company data, Forsyth Barr analysis

Figure 12. TWR – solvency position



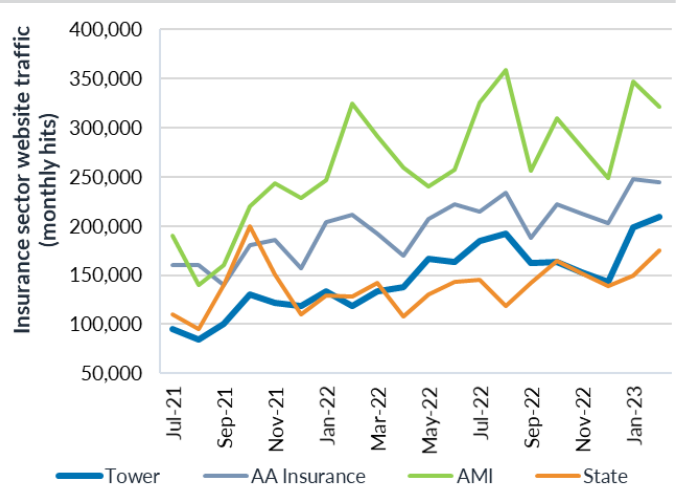
Source: Company data, Forsyth Barr analysis

Figure 13. TWR – Group MER interim periods (% of NEP)



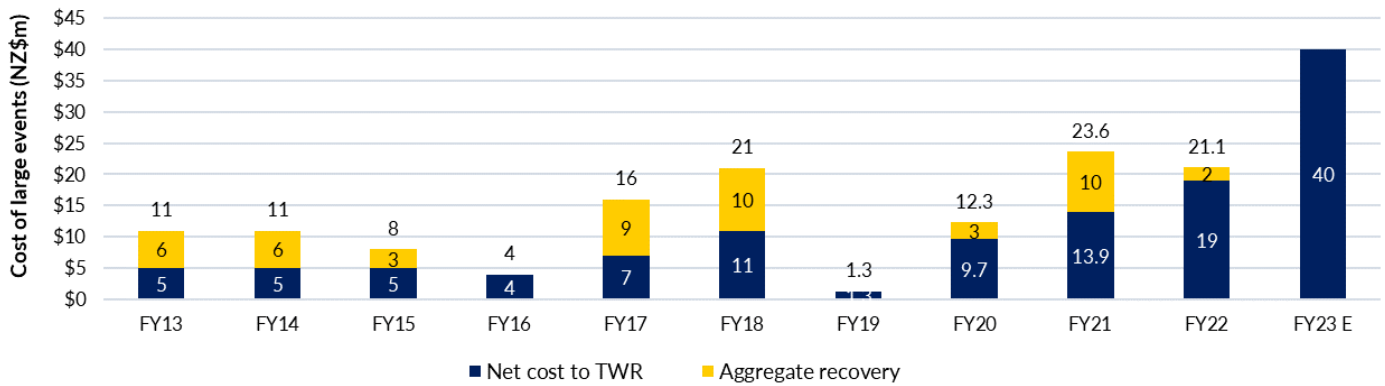
Source: Company data, Forsyth Barr analysis

Figure 14. TWR – Website traffic of combative brands



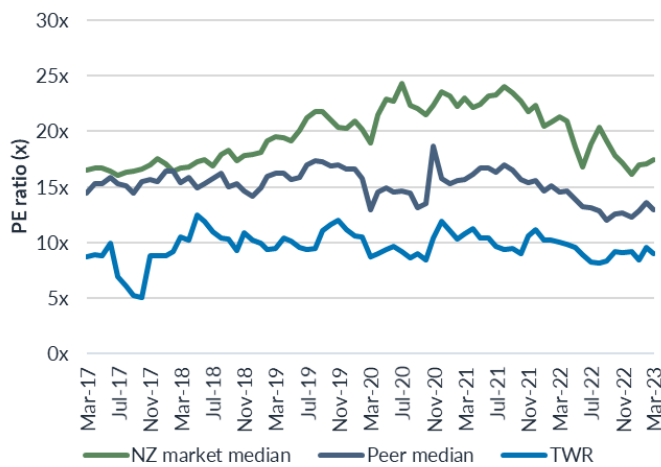
Source: Various online sources, Forsyth Barr analysis

Figure 15. Ultimate estimated cost of large events (NZ\$m) – excluding reinsurance premium costs



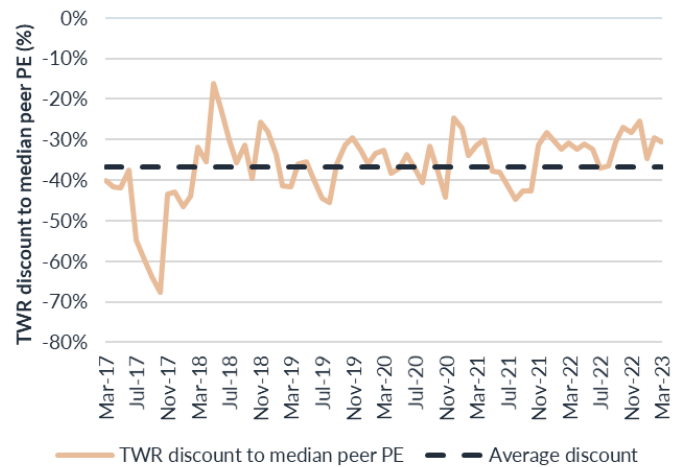
Source: Company data, Forsyth Barr analysis

Figure 16. PE multiples for NZ market, peer median and TWR



Source: Refinitiv, Forsyth Barr analysis

Figure 17. TWR's discount to median peer PE

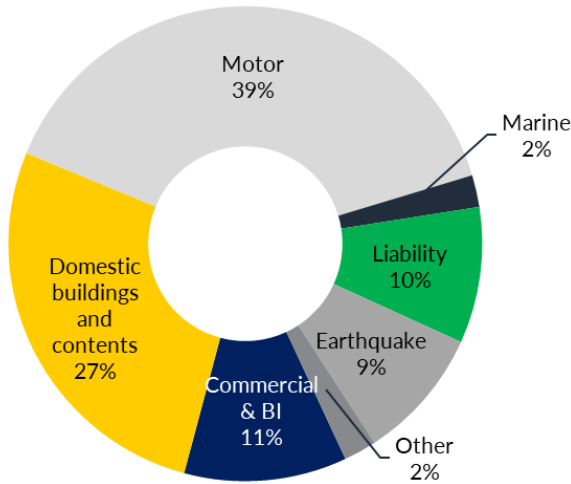


Source: Refinitiv, Forsyth Barr analysis

TWR has traded at an average PE of 10x since March 2017. This compares with the average NZ market median of 20x and the average peer median of 15x. TWR has traded at an average PE discount to peers of -37% since March 2017, however, more recently this gap has closed towards 30%.

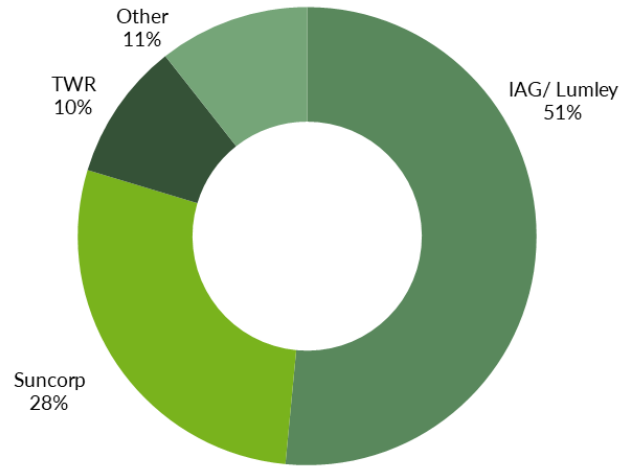
Key New Zealand insurance industry charts

Figure 18. NZ insurance sector – Net Written Premiums (NWP) by insurance class



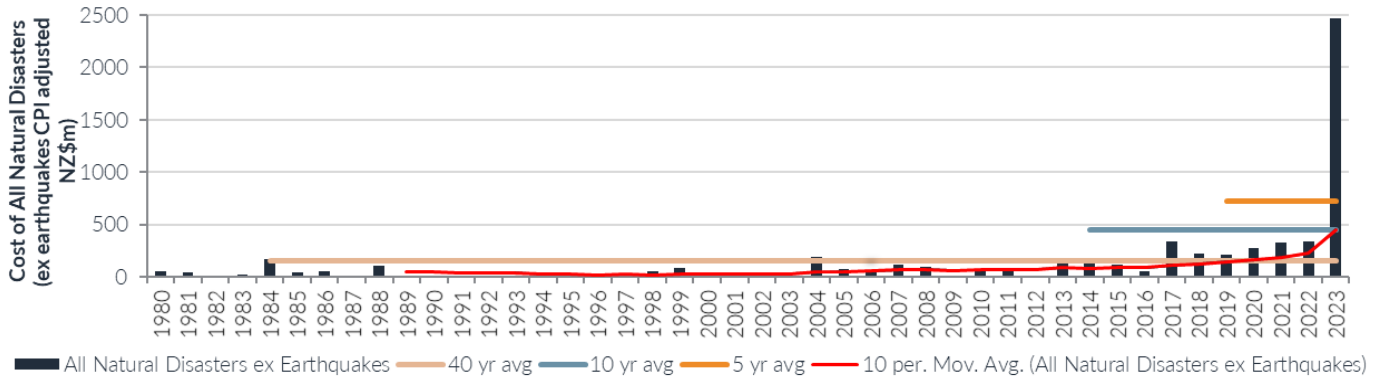
Source: ICANZ data for 2021, Forsyth Barr analysis

Figure 19. NZ Personal lines insurance market shares (30 September 2022 estimate)



Source: Company reports, Forsyth Barr analysis

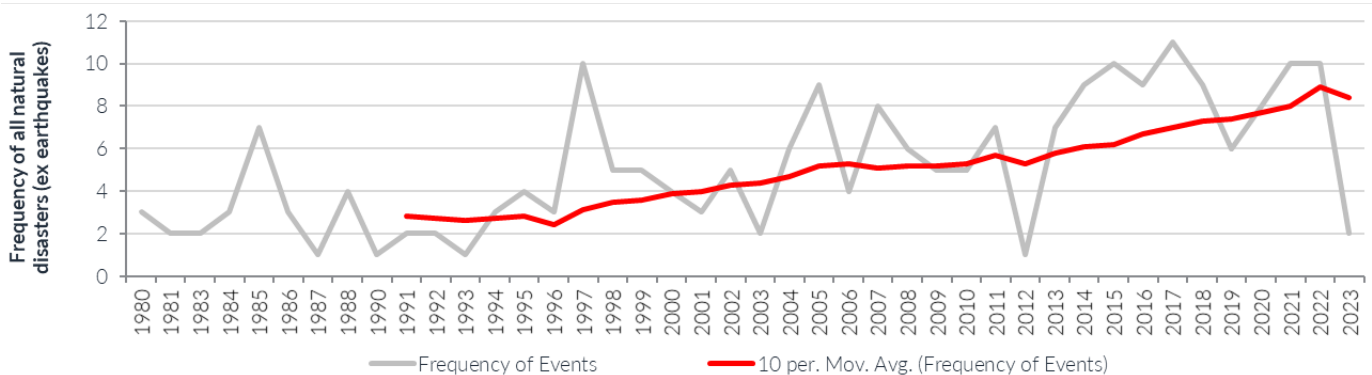
Figure 20. Cost of all natural disasters excluding earthquakes in NZ (CPI inflated, NZ\$m)



Source: ICANZ, Forsyth Barr analysis

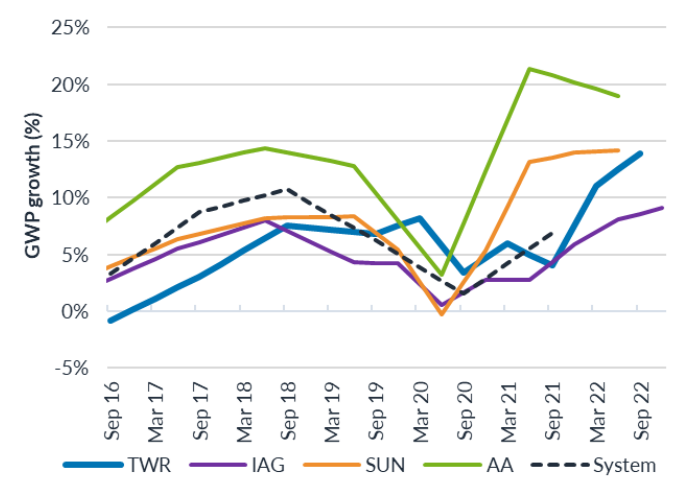
Figure 20, above, displays a trend of the increasing cost of natural disasters (excluding earthquakes) in New Zealand across all insurers and the significance of the two storm events in early 2023, driven in part by climate change. Over the past 40 years the average cost in New Zealand of all-natural disasters, excluding earthquakes, has been NZ\$152m. More recently, the ten-year average industry cost is NZ\$450m per annum and the five-year average is NZ\$721m per annum. In Figure 21 below, the increasing frequency of events is displayed.

Figure 21. Frequency of all natural disasters including earthquakes in NZ



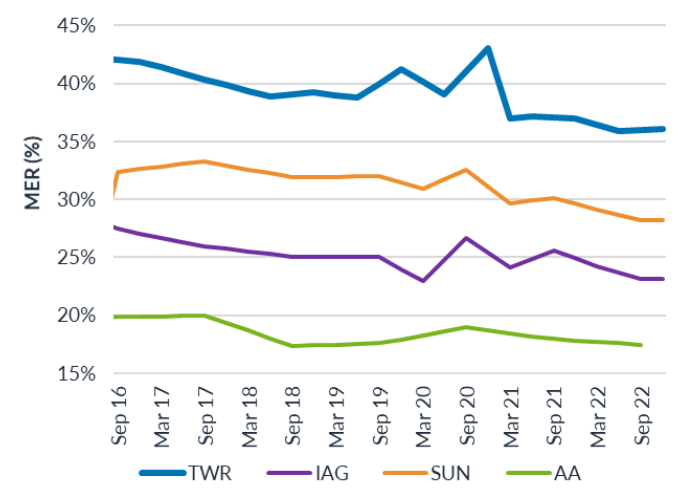
Source: ICANZ, Forsyth Barr analysis

Figure 22. GWP growth across NZ's leading personal insurers (NZ operations only)



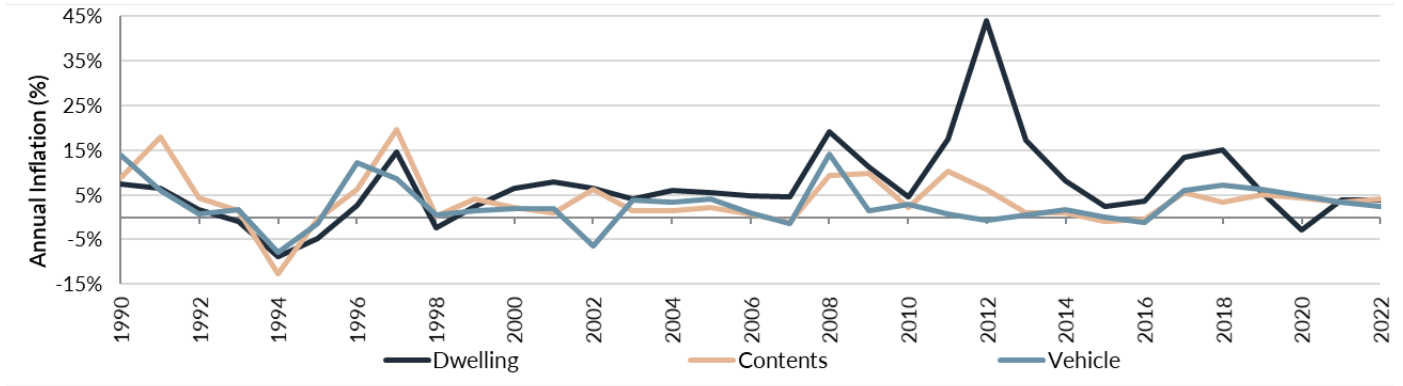
Source: Company reports, Forsyth Barr analysis

Figure 23. Management expense ratios (MER) across NZ's leading general insurers (NZ operations only)



Source: Company reports, Forsyth Barr analysis

Figure 24. NZ general insurance market (CPI to December by category)



Source: Stats NZ, Forsyth Barr analysis

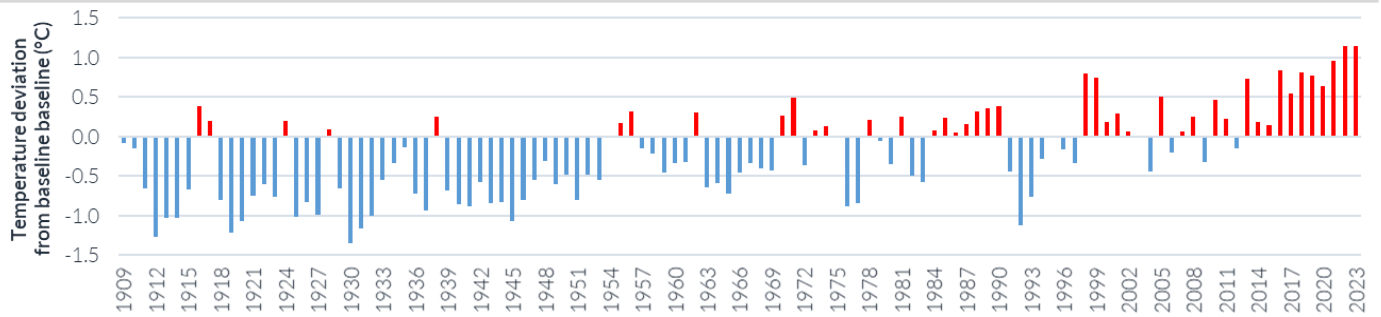
Figure 25. Sector – Home & contents customer ratings

Rated brands	Overall Satisfaction*	Customer Service	Value for Money	Communication	Comprehensiveness of Cover	Cost
FMG Adviser & Insurance	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
AA Insurance	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
N1	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
STATE	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
TOWER	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
bnz	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
amj	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Westpac	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
ASB ONE STEP AHEAD	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
vero	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
AMP	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
ANZ	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★

Source: Canstar

Key environmental factor charts

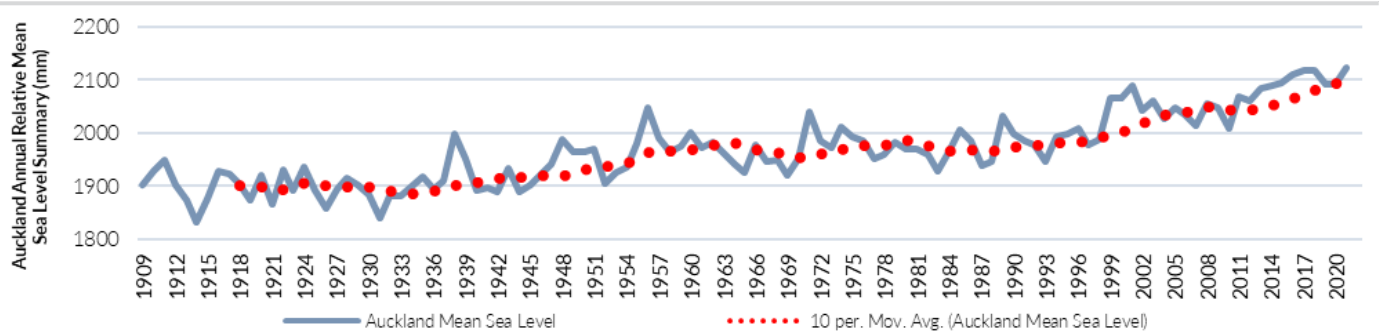
Figure 26. NZ's average annual air temperatures relative to baseline



Source: NIWA, series relative to the annual mean temperature between 1981–2010 of 12.61°C.

The absolute rise in temperature between the average of the first five years in the series above (1909 to 1914) and the last five years (2018 to 2022) is **+1.57°C**. Two-thirds of this increase occurred over the last 50 years.

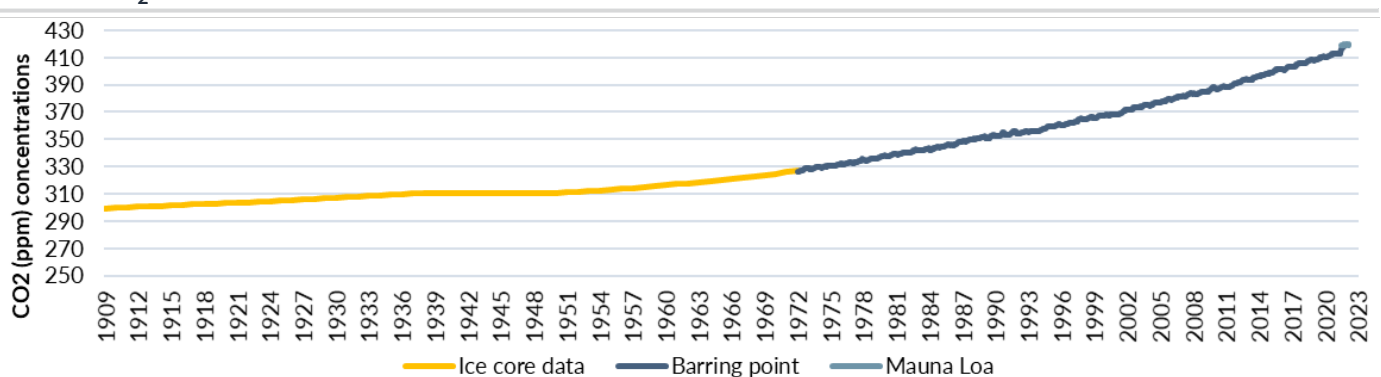
Figure 27. Mean Sea Level (MSL) in Auckland



Source: Paul Denys of Otago University "Sea Level Rise in New Zealand: The Effect of Vertical Land Motion on Century-Long Tide Gauge Records in a Tectonically Active Region", Ports of Auckland, University of Hawaii Sea Level Center and The Permanent Service for Mean Sea Level (PSMSL), Forsyth Barr analysis

The mean Relative Sea Level rise for Auckland between 1909 and 2021 is approximately **+2.3 mm/year**.

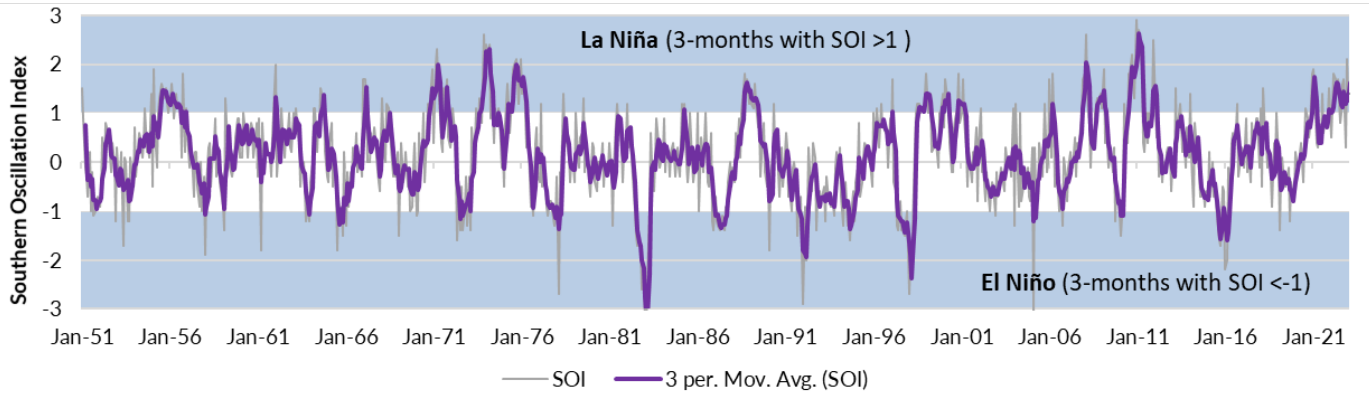
Figure 28. CO₂ concentrations at Baring Head and ice core data



Source: CDIAC, NIWA, Mauna Loa Observatory, Forsyth Barr analysis

Atmospheric concentrations of carbon dioxide (CO₂) influence how much energy the Earth traps, providing a valuable indicator of climate change. It is the longest-running series of data scientists have, with measurements dating back 800,000 years based on ice core samples. As a comparison, the pre-industrial level of CO₂ in the atmosphere was ~280ppm, with measurements ranging between 180–300ppm over the last 800,000 years. More recently, CO₂ concentrations have been growing at +0.3% per annum since 1909 and at +0.5% per annum for the last 50 years. The Baring Head records, NIWA's clean air station near Wellington, are the longest-running recorded monthly data series in the Southern Hemisphere for CO₂, with measurements starting in 1972. We have utilised yearly averages for Antarctica's ice core data and the monthly average measurements for the NZ data and at The Mauna Loa Observatory which is an atmospheric baseline station on Mauna Loa, on the island of Hawaii, U.S..

Figure 29. Southern Oscillation Index (SOI) with La Niña and El Niño bands



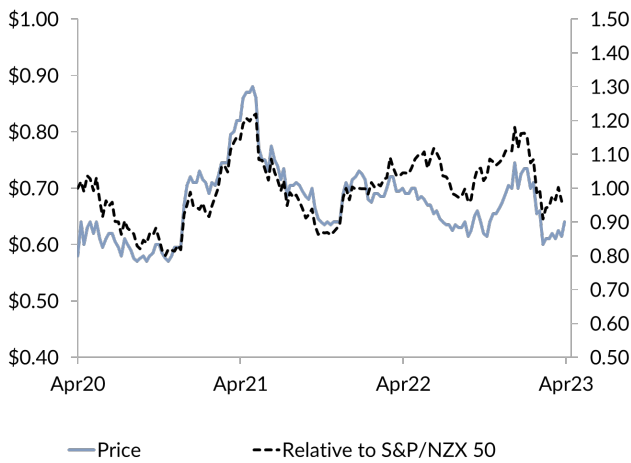
Source: National Centers for Environmental Information (NCEI), Forsyth Barr analysis

Southern Oscillation is the movement of warm equatorial water across the Pacific Ocean and the atmospheric response. El Niño & La Niña Southern Oscillations affect our weather through air pressure, sea temperature, and wind direction changes.

- An El Niño phase in summer can be associated with increased westerly winds, more rain in the west and dryness in the east, with calmer southerly winds in winter
- A La Niña phase brings more north-easterly winds, wetter conditions in the north and east and higher sea levels.

The oscillation occurs every two to seven years, between the three phases, neutral, El Niño and La Niña, each lasting around a year. The Southern Oscillation Index (SOI) observes the changes in atmospheric pressures across the Pacific, measuring the difference between the standardised surface air pressures at Tahiti and Darwin. A neutral phase corresponds with the SOI between -0.5 and 0.5 for an extended period (defined as three months or more). An SOI reading higher than 1 for three months or more indicates a La Niña phase, and less than -1 for three months or more indicates an El Niño phase. The December reading for the SOI was 2.1. Since February 2022, July (+0.8) and November (+0.3) were the only months reading less than 1, indicating a 'possible La Niña phase' occurring. This would be the third La Niña event in a row, an occurrence that has rarely happened before.

Figure 30. Price performance



Source: Forsyth Barr analysis

Figure 31. Substantial shareholders

Shareholder	Latest Holding
Bain Capital Credit LP	20.0%
ACC	9.6%
Salt Funds Management	8.0%
Investment Services Group	5.4%
NZ Funds Management	5.2%

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

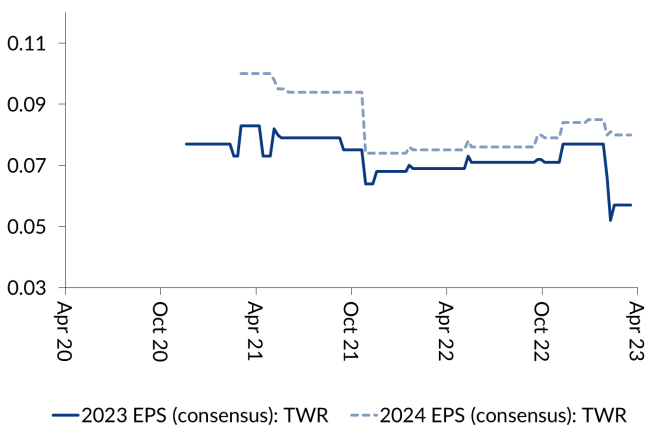
Figure 32. International valuation comparisons

Company	Code	Price	Mkt Cap (m)	PE		EV/EBITDA		EV/EBIT		Cash Yld 2024E
				2023E	2024E	2023E	2024E	2023E	2024E	
Tower Ltd	TWR NZ	NZ\$0.64	NZ\$243	10.4x	6.9x	n/a	n/a	n/a	n/a	11.7%
Heartland Group Holdings *	HGH NZ	NZ\$1.60	NZ\$1,135	10.4x	9.3x	n/a	n/a	n/a	n/a	7.6%
Insurance Australia Group	IAG AT	A\$4.74	A\$11,613	19.5x	12.7x	n/a	n/a	n/a	9.2x	5.9%
Suncorp Group	SUN AT	A\$12.21	A\$15,464	12.3x	11.9x	n/a	n/a	n/a	51.5x	6.5%
QBE INSURANCE GROUP	QBE AT	US\$9.87	US\$14,695	12.0x	9.1x	n/a	n/a	n/a	8.2x	5.6%
Compco Average:				13.6x	10.8x	n/a	n/a	n/a	22.9x	6.4%
TWR Relative:				-23%	-36%	n/a	n/a	n/a	n/a	83%

EV = Mkt cap+net debt+lease liabilities+min interests-investments

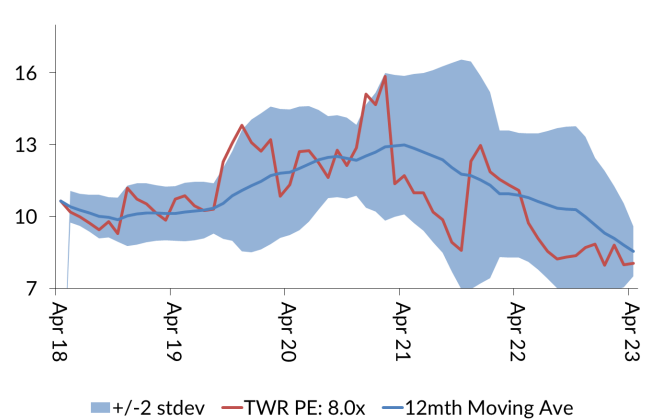
Source: *Forsyth Barr analysis, Bloomberg Consensus, Compco metrics re-weighted to reflect headline (TWR) companies fiscal year end

Figure 33. Consensus EPS momentum (NZ\$)



Source: Forsyth Barr analysis

Figure 34. One year forward PE (x)



Source: Forsyth Barr analysis

Important information about this publication

Forsyth Barr Limited (“**Forsyth Barr**”) holds a licence issued by the Financial Markets Authority to provide financial advice services. In making this publication available, Forsyth Barr (and not any named analyst personally) is giving any financial advice it may contain. Some information about us and our financial advice services is publicly available. You can find that on our website at www.forsythbarr.co.nz/choosing-a-financial-advice-service. Please note the limitations in relation to distribution generally, and in relation to recipients in Australia in particular, as set out under those headings below.

This publication has been commissioned by Tower Limited (“**Researched Entity**”) and prepared and issued by Forsyth Barr in consideration of a fee payable by the Researched Entity. Forsyth Barr follows a research process (including through the Analyst certification below) designed to ensure that the recommendations and opinions in our research publications are not influenced by this arrangement and the other interests of Forsyth Barr and related parties disclosed below. However, entities may not be willing to continue to pay for research coverage that includes unfavourable views.

Any recommendations or opinions in this publication do not take into account your personal financial situation or investment goals, and may not be suitable for you. If you wish to receive personalised financial advice, please contact your Forsyth Barr Investment Adviser.

Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer’s securities or investments.

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. If there are material inaccuracies or omissions in the information it is likely that our recommendations or opinions would be different. Any analyses or valuations will also typically be based on numerous assumptions (such as the key WACC assumptions); different assumptions may yield materially different results.

Forsyth Barr does not undertake to keep current this publication; any opinions or recommendations may change without notice to you.

In giving financial advice, Forsyth Barr is bound by duties under the Financial Markets Conduct Act 2013 (“**FMCA**”) to:

- exercise care, diligence, and skill,
- give priority to the client’s interests, and
- when dealing with retail clients, comply with the Code of Professional Conduct for Financial Advice Services, which includes standards relating to competence, knowledge, skill, ethical behaviour, conduct, and client care.

There are likely to be fees, expenses, or other amounts payable in relation to acting on any recommendations or opinions in this publication. If you are Forsyth Barr client we refer you to the Advice Information Statement for your account for more information.

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 (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 publication.

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.

Other disclosures: Forsyth Barr and its related companies (and their respective directors, officers, agents and employees) (“**Forsyth Barr Group**”) 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) corporate advisory or other services to, the issuer of those financial products (and may receive fees for so acting). Members of the Forsyth Barr Group 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.

Corporate advisory engagements: Other than confidential engagements, Forsyth Barr has not within the past 12 months been engaged to provide corporate advisory services to the Researched Entity.

Complaints: Information about Forsyth Barr’s complaints process and our dispute resolution process is available on our website – www.forsythbarr.co.nz.

Disclaimer: Where the FMCA applies, liability for the FMCA duties referred to above cannot by law be excluded. However to the maximum extent permitted by law, Forsyth Barr otherwise 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. The information contained within this publication is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy.

Distribution: 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.

Recipients in Australia: This publication is only available to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001 (Cth) (“**wholesale clients**”). In no circumstances may this publication be made available to a “retail client” within the meaning of section 761G. Further, this publication is only available on a limited basis to authorised recipients in Australia. Forsyth Barr is a New Zealand company operating in New Zealand that is regulated by the Financial Markets Authority of New Zealand and NZX. This publication has been prepared in New Zealand in accordance with applicable New Zealand laws, which may differ from Australian laws. Forsyth Barr does not hold an Australian financial services licence. This publication may refer to a securities offer or proposed offer which is not available to investors in Australia, or is only available on a limited basis, such as to professional investors or others who do not require prospectus disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) and are wholesale clients.

Terms of use: Copyright Forsyth Barr Limited. You may not redistribute, copy, revise, amend, create a derivative work from, extract data from, or otherwise commercially exploit this publication in any way. By accessing this publication via an electronic platform, you agree that the platform provider may provide Forsyth Barr with information on your readership of the publications available through that platform.