

Reporting Season Didn't See That Coming...

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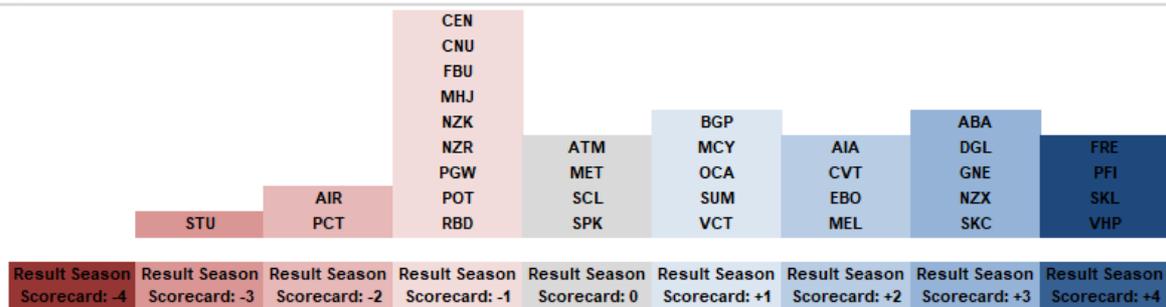
The August/Sept 2020 reporting season is drawing to a close with an unexpected positive finish of beats outweighing misses, growth above expectations and earning revisions currently closing at net positive. Whilst we entered the season with analysts signalling a number of companies where the risk to near term earnings was skewed to the upside, the sheer number of positive revisions to FY21 and FY22 forecasts was a surprise. Post result EPS revisions for FY21 and FY22 is currently 17:10 and 17:12 respectively, for companies reported to date. Overall 34 companies have now reported (of the 40 under our coverage), with a mixture of Agri and Retail (plus SKT & THL) yet to report. The market reaction has also been supportive of the results, with 16 companies outperforming the benchmark post result and just three under-performing.

The Quantitative Scorecard

The Quantitative Scorecard assigns a score to each result based on EPS beat/miss, FY+1 EPS revision, relative price reaction and outlook statement. Scores are then tabulated to show a frequency distribution of the results.

The season is concluding with a positive skew to the right, with a total score across the Scorecard currently at +28pts.

Figure 1. Reporting Season Quantitative Scorecard (EPS beat vs miss, EPS FY+1 revision, relative price reaction, outlook)



Source: Forsyth Barr analysis

Updating EPS growth (full coverage)

We present our updated (full coverage) market growth for FY20-FY22 at both a weighted and median level in Figure 2. Three year annualised weighted average growth is now +3.2% (vs +4.7% Feb 2020) with median growth slightly higher at +3.7% (vs +4.5%).

Figure 2. S&P/NZX 50 Market EPS Growth (indexed)

	Weighted EPS (indexed)					Median EPS (indexed)				
	Feb-20	Growth	Current	Growth	Change	Feb-20	Growth	Current	Growth	Change
FY19 base	100.00		100.00			100.00		100.00		
FY20	101.97	+2.0%	99.06	-0.9%	▼-291bp	100.17	+0.2%	96.52	-3.5%	▼-365bp
FY21	108.04	+6.0%	104.63	+5.6%	▼-34bp	107.45	+7.3%	101.44	+5.1%	▼-217bp
FY22	114.70	+6.2%	110.00	+5.1%	▼-102bp	114.23	+6.3%	111.66	+10.1%	▲+377bp
Annualised:		+4.7%		+3.2%	▼-145bp		+4.5%		+3.7%	▼-79bp

Source: Forsyth Barr analysis

Analysis of the Numbers

August/September 2020 Reporting Season Conclusions

Whilst the underlying aggregated growth (6mth growth on pcp) figures may indeed be ugly, what is surprisingly pleasing is that the season is concluding with beats outweighing misses, and growth, in general, ahead of expectations. Revenue growth of +1.4% was ahead of expectations (-1.2%), as was EBITDA (albeit negative) at -5.2% (vs -6.5%) and EPS growth finishing at -14.9% (vs -19.0%). We note that we have removed Fletcher Building (FBU) from the aggregated figures due to the large distortion it has. Median growth also surprised on the upside, with growth finishing either in-line or ahead of our initial expectations: Revenue -4.6% (vs -4.7%), EBITDA growth +1.4% (vs +0.4%), normalised EPS growth +1.9% (vs -0.5%). Dividend per share growth was in-line at -5.5%.

Figure 3. Reporting Season Snapshot (6mth growth on pcp) for companies reported

	Aggregated (For Companies Reported)		Median (For Companies Reported)		Beats vs Misses*
	Forecast	Actual	Forecast	Actual	
Total Revenue	-1.2%	+1.4%	-4.7%	-4.6%	12:6
EBITDA	-6.5%	-5.2%	+0.4%	+1.4%	14:7
EBIT	-13.2%	-13.2%	-2.0%	-2.0%	12:9
Normalised NPAT	-18.1%	-14.0%	-2.6%	-0.2%	15:11
Normalised EPS	-19.0%	-14.9%	-0.5%	+1.9%	15:10
Dividend per Share	-23.1%	-18.5%	-5.5%	-5.5%	4:5
No of Companies:	34	34	34	34	

Source: Forsyth Barr analysis, *vs Forsyth Barr expectations +/- 2.5%, FBU removed from aggregated growth calculations

Reporting season overview

Of the 34 companies that have reported to date (with THL, SKT, Agri and Retail still to report), 15 reported ahead of our EPS expectations, eight in-line, and 10 coming in below our expectations (with one deemed n/a and using a +/- 2.5% tolerance level).

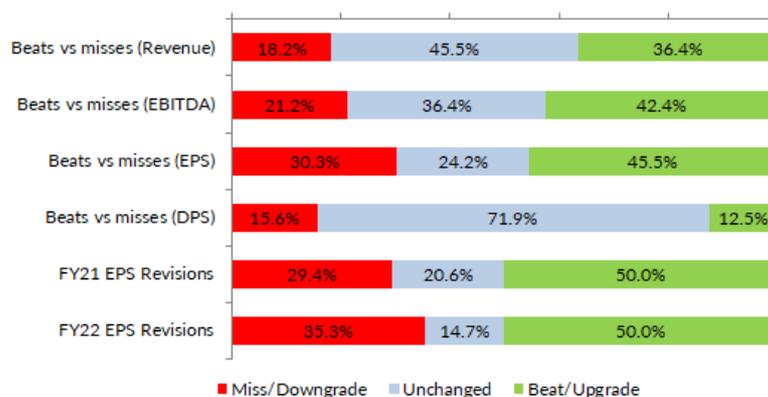
The reporting season finished with net upgrades to our analysts' FY21 and FY22 forecasts. Revenue revisions closed with 12 upgrades versus eight downgrades, EBITDA was 15 upgrades and eight downgrades, Normalised EPS was also positive with 17 upgrades versus 10 downgrades and Dividend per Share revisions finished with 11 upgrades and five downgrades. FY22 revisions for Revenue, EBITDA, Normalised EPS and Dividend per Share were of a similar scale. Figure 4 summarises the overall number of beats/misses at the EPS and DPS line, as well as the revisions to our FY21 estimates, post result, for the companies that have reported.

Figure 4. Reporting Season Snapshot: Summary

EPS Result vs Expectations*	Dividend vs Expectations*	Post Result Revenue FY21 Revision	Post Result EBITDA FY21 Revision	Post Result EPS FY21 Revision	Post Result DPS FY21 Revision	Outlook Statement
15 Above	4 Above	12 Upgrades	15 Upgrades	17 Upgrades	11 Upgrades	12 Positive
8 In-line	23 In-line	13 Unchanged	10 Unchanged	6 Unchanged	11 Unchanged	13 Neutral
10 Below	5 Below	8 Downgrades	8 Downgrades	10 Downgrades	5 Downgrades	9 Negative

Source: Forsyth Barr analysis, *vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%

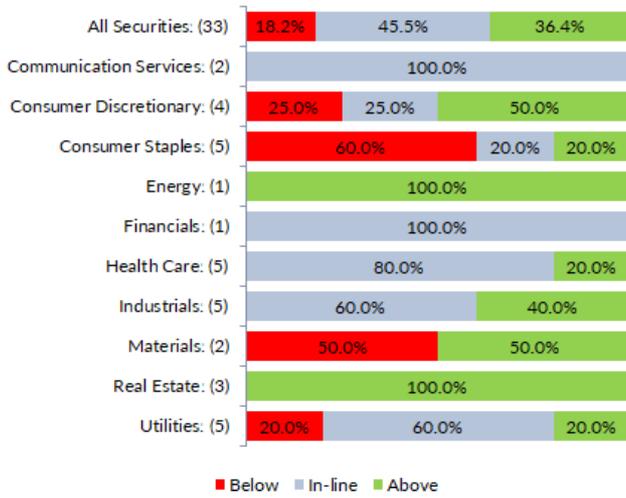
Figure 5. Translation of results through to forecasts



Source: Forsyth Barr analysis *vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%

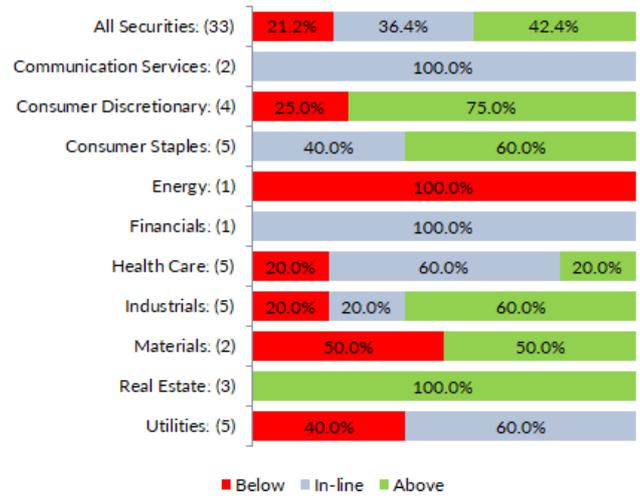
We provide a more detailed view of the results outcomes in Figures 6–11 for all companies including each respective GIC sector.

Figure 6. Beats vs Misses: Total Revenue



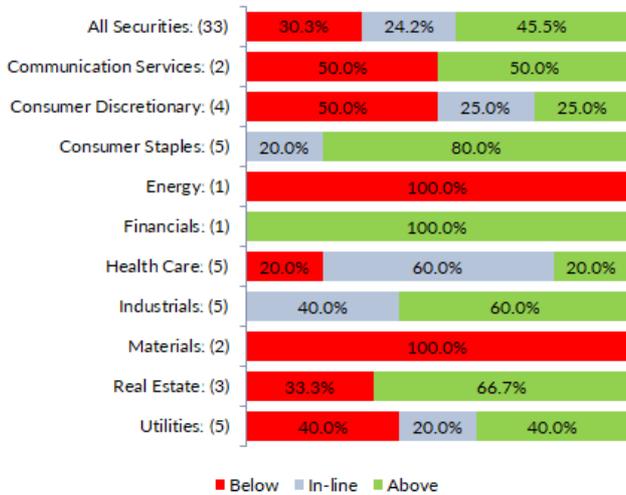
Source: Forsyth Barr analysis

Figure 7. Beats vs Misses: EBITDA



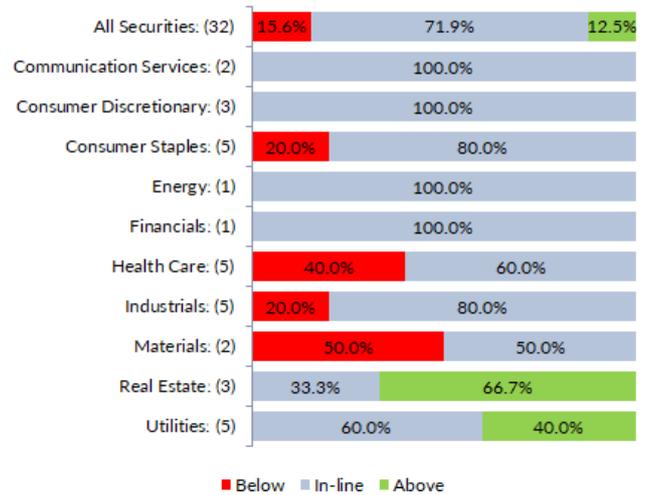
Source: Forsyth Barr analysis

Figure 8. Beats vs Misses: Normalised EPS



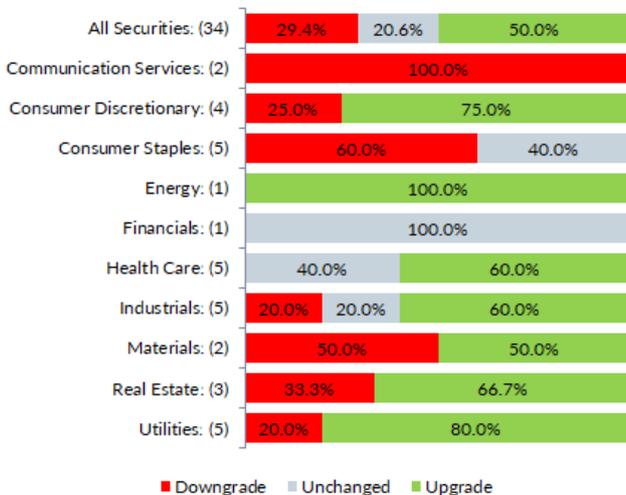
Source: Forsyth Barr analysis

Figure 9. Beats vs Misses: Dividend per Share



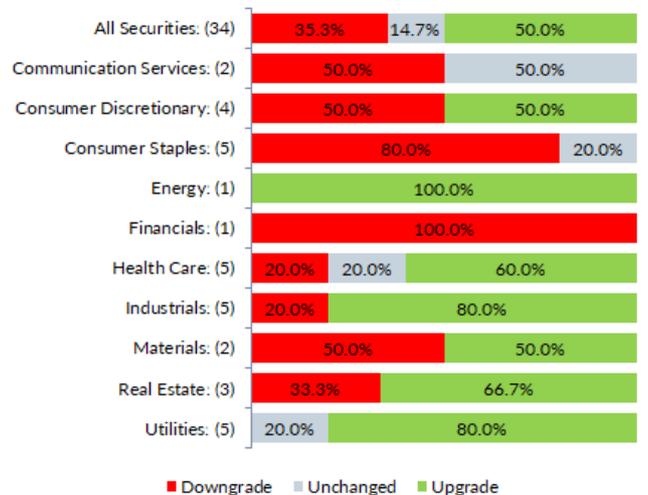
Source: Forsyth Barr analysis

Figure 10. Post Result EPS Revisions (FY21)



Source: Forsyth Barr analysis

Figure 11. Post Result EPS Revisions (FY22)

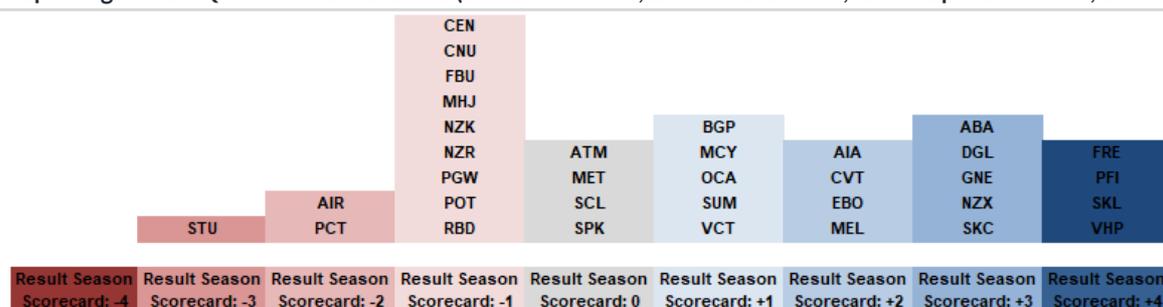


Source: Forsyth Barr analysis

The Quantitative Scorecard

The Quantitative Scorecard assigns a score to each result based on EPS beat/miss, FY+1 EPS revision, relative price reaction and outlook statement. Scores are then tabulated to show a frequency distribution of the results. It has been sometime since we have seen the scorecard finish with a positive skew to the right.

Figure 12. Reporting Season Quantitative Scorecard (EPS beat vs miss, EPS FY+1 revision, relative price reaction, outlook)



Source: Forsyth Barr analysis

In Figure 13 we present a breakdown of the four individual inputs for each company that has reported thus far in this reporting season, along with the actual three-day post result share price reaction (relative to the benchmark S&P/NZX 50).

Figure 13. Reporting Season Quantitative Scorecard: Inputs

Code	Company	EPS Beat/Miss (+/-2.5%)	EPS FY21 Revision (+/- 1.5%)	Market Surprise 3 Day Post Result (+/- 2.0% rel)	Outlook	Total Score	3 Day Post Result Share Price Reaction (rel)
FRE	Freightways	+1	+1	+1	+1	+4	+4.3%
PFI	Property For Industry	+1	+1	+1	+1	+4	+3.7%
SKL	Skellerup Holdings	+1	+1	+1	+1	+4	+7.0%
VHP	Vital Healthcare	+1	+1	+1	+1	+4	+2.4%
ABA	Abano Healthcare	+1	+1	+1		+3	+44.0%
DGL	Delegat Group	+1		+1	+1	+3	+8.2%
GNE	Genesis Energy	+1	+1	+1		+3	+4.4%
NZX	NZX	+1		+1	+1	+3	+3.0%
SKC	SKYCITY	+1	+1	+1		+3	+14.4%
AIA	Auckland Airport	+1	+1	+1	-1	+2	+2.3%
CVT	Comvita			+1	+1	+2	+2.4%
EBO	EBOS Group		+1		+1	+2	+0.8%
MEL	Meridian Energy	+1	+1			+2	-0.2%
BGP	Briscoe Group	-1	+1		+1	+1	n/a
MCY	Mercury		+1	+1	-1	+1	+4.8%
OCA	Oceania Healthcare	-1	+1		+1	+1	-1.7%
SUM	Summerset Group			+1		+1	+10.0%
VCT	Vector	-1	+1	+1		+1	+6.5%
ATM	The a2 Milk Company			-1	+1	0	-5.6%
MET	Metlifecare					0	+0.8%
SCL	Scales	+1	-1			0	-0.4%
SPK	Spark NZ	+1	-1	-1	+1	0	-3.4%
CEN	Contact Energy	-1	-1	+1		-1	+2.1%
CNU	Chorus	-1	-1	+1		-1	+5.7%
FBU	Fletcher Building	-1	+1		-1	-1	-1.8%
MHJ	Michael Hill Intl	-1	+1	-1		-1	-2.0%
NZK	NZ King Salmon	+1	-1		-1	-1	-0.3%
NZR	Refining NZ	-1	+1		-1	-1	+1.2%
PGW	PGG Wrightson	+1	-1		-1	-1	-1.8%
POT	Port of Tauranga				-1	-1	-1.9%
RBD	Restaurant Brands		-1			-1	n/a
AIR	Air New Zealand		-1		-1	-2	+0.1%
PCT	Precinct Properties	-1	-1			-2	-0.7%
STU	Steel & Tube Holdings	-1	-1		-1	-3	-0.8%

Source: Forsyth Barr analysis

True market surprise

Using a three-day post result price reaction, measuring the absolute price reaction versus the market, the market appears somewhat satisfied with the results season. At the time of writing, market reaction is positive (using a +/- 2.0% threshold), with 16 companies outperforming and three under-performing, while 13 companies performed in-line with the market.

Companies that had the most notable positive price reaction (absolute versus market) include: ABA (+44.0%), SKC (+14.4%), SUM (+10.0%), DGL (+8.2%), SKL (+7.0%), VCT (+6.5%), CNU (+5.7%), MCY (+4.8%), GNE (+4.4%) & FRE (+4.3%).

Whereas the market appears disappointed with the results of: ATM (-5.6%) & SPK (-3.4%).

Figure 14. Reporting Season Snapshot: Results versus expectations and market surprise

Code	EPS Result vs Expectations*	Dividend vs Expectations*	Market Surprise 3 Day Post Result (Absolute Price Reaction vs Market)	Post Result EPS FY21 Revision	Post Result DPS FY21 Revision	Ratings Change
ABA	▲Above	In-line	▲+44.0%	▲+175.2%	n/a	
AIA	▲Above	In-line	▲+2.3%	▲+99.9%	n/a	
SKC	▲Above	In-line	▲+14.4%	▲+49.9%	▲+20.0%	
VHP	▲Above	▲Above	▲+2.4%	▲+9.8%	▲+6.4%	
FRE	▲Above	In-line	▲+4.3%	▲+5.6%	▲+5.6%	▲(NEUTRAL to OUTPERFORM)
MEL	▲Above	In-line	-0.2%	▲+5.0%	+1.2%	
PFI	▲Above	▲Above	▲+3.7%	▲+3.2%	▲+11.2%	
GNE	▲Above	▲Above	▲+4.4%	▲+3.0%	+0.0%	
SKL	▲Above	In-line	▲+7.0%	▲+2.1%	+0.0%	
DGL	▲Above	In-line	▲+8.2%	+0.5%	+0.0%	
NZX	▲Above	In-line	▲+3.0%	-0.9%	+0.0%	
SPK	▲Above	In-line	▼-3.4%	▼-1.7%	▼-8.0%	▼(OUTPERFORM to NEUTRAL)
SCL	▲Above	In-line	-0.4%	▼-3.5%	▼-4.5%	
PGW	▲Above	▼Below	-1.8%	▼-8.9%	▼-11.1%	
NZK	▲Above	In-line	-0.3%	▼-60.9%	▼-57.1%	
MCY	In-line	In-line	▲+4.8%	▲+7.8%	▲+7.6%	
EBO	In-line	In-line	+0.8%	▲+3.2%	+0.0%	▲(NEUTRAL to OUTPERFORM)
SUM	In-line	▼Below	▲+10.0%	+1.1%	▲+6.7%	
ATM	In-line	In-line	▼-5.6%	+0.1%	n/a	
MET	In-line	In-line	+0.8%	+0.0%	+0.0%	
POT	In-line	▼Below	-1.9%	-1.0%	-1.0%	
RBD	In-line	In-line	n/a	▼-11.4%	n/a	
AIR	In-line	In-line	+0.1%	▼-43.5%	n/a	
MHJ	▼Below	In-line	▼-2.0%	▲+439.3%	▲+69.0%	▲(NEUTRAL to OUTPERFORM)
VCT	▼Below	In-line	▲+6.5%	▲+22.2%	+0.0%	
OCA	▼Below	▼Below	-1.7%	▲+21.9%	▲+14.4%	
BGP	▼Below	n/a	n/a	▲+12.9%	▲+110.0%	
NZR	▼Below	In-line	+1.2%	▲+8.5%	n/a	▲(UNDERPERFORM to NEUTRAL)
FBU	▼Below	In-line	-1.8%	▲+4.4%	▲+5.9%	
CEN	▼Below	▲Above	▲+2.1%	▼-2.5%	+0.0%	
PCT	▼Below	In-line	-0.7%	▼-4.6%	▲+2.6%	
CNU	▼Below	In-line	▲+5.7%	▼-19.0%	+0.0%	
STU	▼Below	▼Below	-0.8%	▼-62.8%	▼-50.0%	▼(OUTPERFORM to NEUTRAL)
CVT	n/a	n/a	▲+2.4%	n/a	n/a	

Source: Forsyth Barr analysis

*vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%, Market surprise > +/- 2.0%

Rating changes

Over the course of the reporting season our analysts have made six rating changes (four positive, two negative) for companies that have reported this season.

- EBO (NEUTRAL to OUTPERFORM)

"We upgrade our rating on EBOS Group (EBO) to OUTPERFORM. EBO has underperformed the NZ market year-to-date which is counter-intuitive to its defensive attributes and the recent lowering of regulatory risk. We attribute this to the overhang of its major shareholder (Sybos Holdings) selling down, with the remaining shares off voluntary escrow (again) this week. Taking this aside (and acknowledging risk of short-term digestion from any further sell-down) we believe current valuation metrics are attractive and offer a good entry point for a well-run, defensive company which delivers healthy returns, consistently strong cash conversion and has a solid growth outlook."

- FRE (NEUTRAL to OUTPERFORM)

"We upgrade Freightways (FRE) to OUTPERFORM from NEUTRAL to reflect (1) market share gains in parcel operations driving sustainable parcel growth through FY21, (2) improving return on capital in the B2C channel as a result of its 'Pricing for Effort' initiative, implying scope for greater focus on new customer wins/share gains, (3) recovery opportunity in Information Management as office occupancy resumes and lifts activity based revenue, and (4) a more nimble approach to managing COVID-19 through FY21 with more dynamic cost management."

- MHJ (NEUTRAL to OUTPERFORM)

"The near term outlook is uncertain, and recent COVID-19 case resurgences and subsequent lockdowns highlight an ongoing risk for the sector. However, MHJ's revised strategy had shown positive signs of execution ahead of COVID-19 and recent trading anecdotes from management are encouraging. Should trading continue at these levels, we see scope for MHJ to beat our forecasts. Despite material upgrades our earnings forecasts remain c. -20% below our pre COVID-19 levels, while the share price was down -43% over the same period (NZ\$0.60 on 26 February). Trading on a 6x PE ratio, MHJ is trading below its historic range and behind other jewellery companies. We view the risk/reward as attractive and upgrade to OUTPERFORM."

- NZR (UNDERPERFORM to NEUTRAL)

"Whilst investors interested in Refining NZ (NZR) need patience as we await the outcome of the Strategic Review, the share price is adequately factoring in both the upside and downside inherent in NZR at present such that we are upgrading our rating to NEUTRAL. We retain our view that conversion to an import terminal is more likely than not and that the possible value outcomes remain wide, ranging from material share price upside, to further downside, particularly if conversion costs are high."

- SPK (OUTPERFORM to NEUTRAL)

"We downgrade SPK to NEUTRAL. In a world hungry for yield SPK still offers an attractive income, but we view the stock as fairly priced relative to international telco and NZ defensive peers. We view the medium-term risks to earnings and dividends as both balanced and relatively modest."

- STU (OUTPERFORM to NEUTRAL)

"We lower our rating to NEUTRAL. Despite the stock price at a >25-year low we believe the risk/reward is broadly balanced given STU's substantial operating leverage to the highly uncertain outlook. While near-term trading is solid we expect demand to fade over the year as economic activity declines. Competition is negatively impacting all players across the industry and is unlikely to diminish near-term as volumes decline. Partially offsetting this, STU's 1H bad debt costs should not reoccur to the same magnitude, and its restructuring initiatives will likely deliver net cost savings. Longer-term the pendulum of competitive intensity may swing in STU's favour if the industry becomes more rational."

Dividends

Actual dividend per share growth has finished negative, but in-line with expectations at a median level and ahead at the aggregated level, with the final count of beats and misses relatively balanced. Overall four companies exceeded our expectations, five were below, and 23 were in-line.

Companies that reported dividends above our expectations include: CEN, GNE, PFI & VHP.

Companies that surprised on the downside included: OCA, PGW, POT, STU & SUM.

Post result, our analysts have made 11 positive and five negative revisions to FY21 dividend estimates, and 11 positive and 10 negative revisions to FY22 estimates (using a tolerance level of +/- 1.5%).

Dividends...an update on COVID-19 amendments

The containment measures introduced by the government to eliminate COVID-19 have had a significant impact on business. Many companies have reacted prudently by cancelling, deferring or reducing dividends for the near future. We provide an updated summary in Figure 15 of the companies (31 no.) that have provided dividend guidance to date, highlighting the need for capital preservation due to the national/global effects from COVID-19 and the adoption of Alert Levels 1-4 in New Zealand.

Our 12-month forward dividend estimates imply a median cash yield of 3.2% (Feb 2020: 3.7%) and weighted average yield of 2.4% (previously 3.2%). Median and weighted average pay-out ratios are now 73.0% (previously 88.0%) and 56.8% (previously 69.4%).

Figure 15. Company dividend guidance summary

Code	Type	Cash (cps)	Ex date^	Dividend guidance	Code	Type	Cash (cps)	Ex date^	Dividend guidance
ABA	Final	n/a	n/a	Cancelled	PFI	Interim	1.8	14/05/2020	Reinstated guidance
AIA	Interim	11.0	19/03/2020	Cancelled	PGW	Final	7.5 (est)	10/09/2020 (est)	Cancelled
AIR	Interim	11.0	12/03/2020	Cancelled	SAN	Interim	5 (pcp: 9cps)	11/06/2020	Dividend less than pcp
ANZ	Interim	27.48 (pcp: 83.79 cps)	24/08/2020	Deferred	SCT	Interim	4.0 (est)	06/05/2020 (est)	Cancelled
APL	Final	0.9 (est)	12/06/2020 (est)	Cancelled	SEK	Final	12.0	19/03/2020	Cancelled
AUG	Final	1.625 (est)	07/06/2020 (est)	Cancelled	SKC	Final	10.0 (est)	31/08/2020	Cancelled
BGP	Final	12.5	20/03/2020 (est)	Cancelled	STU	Interim	1.5	12/03/2020	Cancelled
CMO	Interim	15.0	8/04/2020	Cancelled	THL	Interim	10.0	1/05/2020	Cancelled
FBU	Interim	11.0	19/03/2020	Cancelled	TPW	Final	15.5 (pcp: 17 cps)	18/06/2020	Dividend less than pcp
GTK	Interim	1.94 (est)	06/06/2020 (est)	Cancelled	TRA	Interim	4 (est)	17/04/2020	Deferred till Q4
GXH	Final	3.5 (est)	12/06/2020	Cancelled	TWR	Interim	8.5 (est)	10/06/2020 (est)	Cancelled
HLG	Interim	20.0 (est)	10/04/2020	Cancelled	VGL	Final	2.1	12/03/2020	Cancelled
KMD	Interim	4.0 (est)	5/06/2020 (est)	Cancelled	WBC	Interim	98.43 (est)	15/05/2020	Cancelled
KPG	Final	3.6 (est)	TBA	Cancelled then reinstated	WHS	Interim	10.0	1/04/2020	Cancelled
MHJ	Interim	1.5	12/03/2020	Deferred	ZEL	Final	23.5 (est)	15/05/2020	Cancelled
NPH	Interim	n/a	n/a	Cancelled					

Source: Forsyth Barr analysis, Company announcements

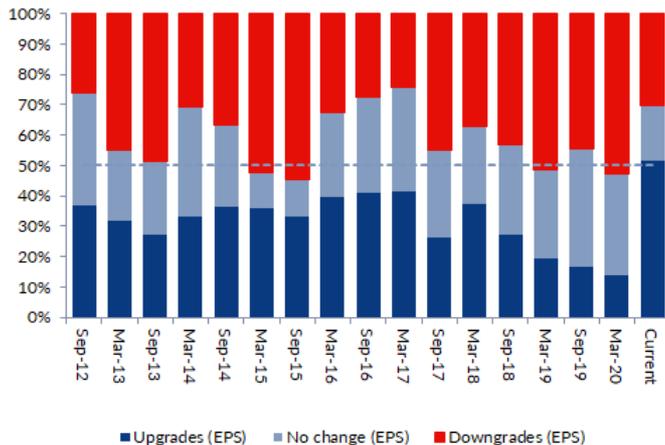
^Where an ex-date had not been announced, the date of the same dividend in the preceding FY has been used.

Where a dividend amount has not been announced it has been estimated using the amount paid in the prior FY or has been calculated using Forsyth Barr estimates less the amount already paid.

Earnings revisions

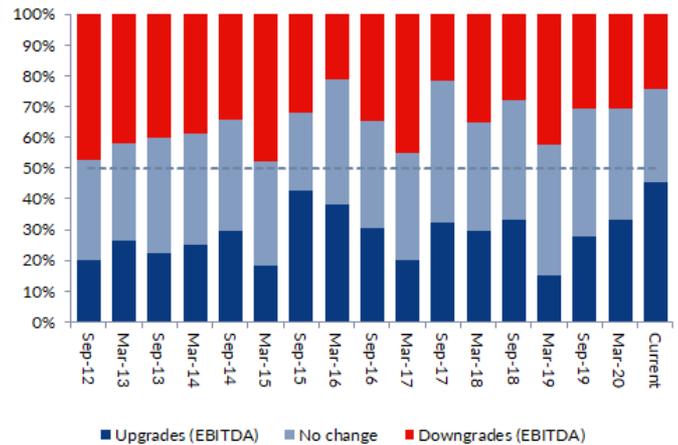
We present the forecast (+1) revision history for Normalised EPS and EBITDA in Figures 16 & 17. We see that this season has produced the highest percentage number of upward EPS revisions since 2012, with strong positive momentum to EBITDA revisions also coming through.

Figure 16. Forecast +1 Revision History (EPS)



Source: Forsyth Barr analysis

Figure 17. Forecast +1 Revision History (EBITDA)



Source: Forsyth Barr analysis

Figures 18 & 19 show our FY20–FY22 Revenue and EBITDA growth estimates for the New Zealand market as a whole (versus February 2020). To allow for the potential that a reduced base may inflate a single year's growth estimate, we provide three year annualised growth figures as well as earnings at an indexed level.

Weighted average three year annualised Revenue growth remains circa +4%, boosted by an estimated recovery in FY22, whereas median Revenue growth has dropped to +3.0% (from +4.1%).

Figure 18. S&P/NZX 50 Market Revenue Growth (indexed)

	Weighted Revenue (indexed)					Median Revenue (indexed)				
	Feb-20	Growth	Current	Growth	Change	Feb-20	Growth	Current	Growth	Change
FY19 base	100.00		100.00			100.00		100.00		
FY20	102.55	+2.5%	100.33	+0.3%	▼-222bp	102.07	+2.1%	99.95	-0.0%	▼-211bp
FY21	107.97	+5.3%	103.81	+3.5%	▼-181bp	107.11	+4.9%	103.50	+3.6%	▼-139bp
FY22	112.91	+4.6%	112.76	+8.6%	▲+405bp	112.82	+5.3%	109.36	+5.7%	▲+33bp
Annualised:		+4.1%		+4.1%	▼-4bp		+4.1%		+3.0%	▼-107bp

Source: Forsyth Barr analysis

EBITDA (three year annualised) weighted average growth now sits at +4.1% (from +6.5%), with median growth also fallen, now +3.4% (from +4.9%).

Figure 19. S&P/NZX 50 Market EBITDA Growth (indexed)

	Weighted EBITDA (indexed)					Median EBITDA (indexed)				
	Feb-20	Growth	Current	Growth	Change	Feb-20	Growth	Current	Growth	Change
FY19 base	100.00		100.00			100.00		100.00		
FY20	106.60	+6.6%	100.32	+0.3%	▼-627bp	102.31	+2.3%	97.68	-2.3%	▼-462bp
FY21	113.72	+6.7%	108.34	+8.0%	▲+131bp	109.41	+6.9%	103.78	+6.2%	▼-70bp
FY22	120.66	+6.1%	112.95	+4.3%	▼-185bp	115.53	+5.6%	110.66	+6.6%	▲+104bp
Annualised:		+6.5%		+4.1%	▼-232bp		+4.9%		+3.4%	▼-150bp

Source: Forsyth Barr analysis

Of the 34 companies that have reported to date, FY21 post result revisions (EPS) include 17 upgrades and 10 downgrades, with seven unchanged. Following the revisions to our FY21 EPS forecasts, our FY21/FY22 median EPS growth is now +5.1%/+10.1% (market weighted +5.7%/+5.1%).

Figure 20. S&P/NZX 50 Market EPS Growth (indexed)

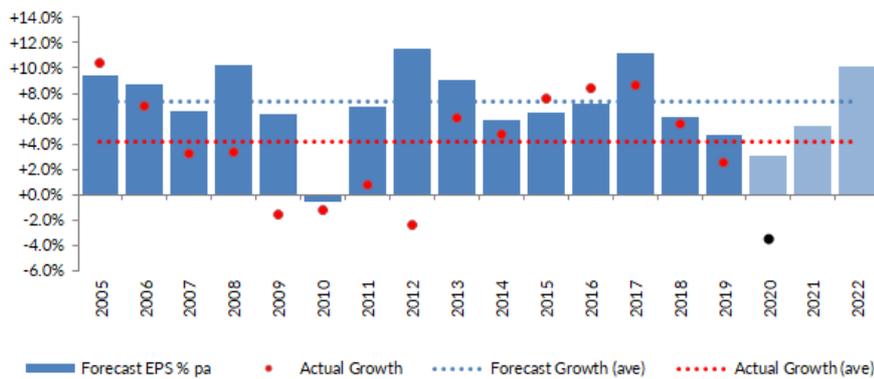
	Weighted EPS (indexed)					Median EPS (indexed)				
	Feb-20	Growth	Current	Growth	Change	Feb-20	Growth	Current	Growth	Change
FY19 base	100.00		100.00			100.00		100.00		
FY20	101.97	+2.0%	99.07	-0.9%	▼-290bp	100.17	+0.2%	96.52	-3.5%	▼-365bp
FY21	108.04	+6.0%	104.69	+5.7%	▼-28bp	107.45	+7.3%	101.44	+5.1%	▼-217bp
FY22	114.70	+6.2%	110.08	+5.1%	▼-102bp	114.23	+6.3%	111.66	+10.1%	▲+377bp
Annualised:		+4.7%		+3.3%	▼-143bp		+4.5%		+3.7%	▼-79bp

Source: Forsyth Barr analysis

Annualising our total market EPS growth for FY20–22, the median three year annualised growth is now +3.7% (down from +4.5%), whilst weighted growth is +3.3% (down from +4.7%).

Figure 21 shows the 15 year history of median EPS growth (expected versus actual). We expect to finish FY20 with growth of -3.5% on a median basis, the lowest it has been since 2005.

Figure 21. Median EPS growth expectations (less 12mths) versus actual



Source: Forsyth Barr analysis

Outlook statements

Figures 22, 23 & 24 include the summary of the outlook statements and guidance comments. Overall 12 companies iterated positive guidance whilst the outlook for nine companies was less positive.

Figure 22. New Zealand Reporting Season Snapshot: Outcomes, FY21 Revisions and Outlook Statements

Code	EPS Result vs Expectations*	Dividend vs Expectations*	Post Result Revenue FY21 Revision	Post Result EBITDA FY21 Revision	Post Result EPS FY21 Revision	Post Result DPS FY21 Revision	Outlook Statement
ABA	▲Above	In-line	▲+4.6%	▲+111.0%	▲+175.2%	n/a	Neutral. Company advised that it expects to make a full recovery to pre-COVID-19 earnings over time, but that the pandemic continues to create volatility and impact the business. Result overshadowed by announcement of takeover offer via Scheme Implementation Agreement.
AIA	▲Above	In-line	▲+6.6%	▲+21.0%	▲+99.9%	n/a	Slightly negative. Outlook is highly uncertain, but highlights from the past year ensure it is in best place possible to accelerate growth once international travel resumes. The impact of COVID-19 has been significant for AIA's retail partners.
SKC	▲Above	In-line	+0.9%	▲+12.9%	▲+49.9%	▲+20.0%	Neutral. Without international business and convention travel, SKC is unable to optimise the business to previous levels. The company acknowledges continuity and "some" growth in the current environment. FY21 EBITDA guidance "to be above FY20".
VHP	▲Above	▲Above	▲+7.1%	▲+8.5%	▲+9.8%	▲+6.4%	Slightly positive. Highlights the defensive nature of VHP's asset class, its growing demand, high levels of government support and growing institutional interest. VHP is targeting FY21 AFFO of 2-3% above FY20.
FRE	▲Above	In-line	▲+2.6%	▲+7.7%	▲+5.6%	▲+5.6%	Slightly positive. Uncertain economic environment ahead, but last few months of trading have been strong. Guidance for FY21 capex and depreciation provided. FRE expects that COVID-19 will continue to provide opportunities either for new services, market share gains or accretive acquisitions.
MEL	▲Above	In-line	+0.2%	+0.2%	▲+5.0%	+1.2%	Neutral. In response to the NZAS closure, MEL will focus on increasing its retail and wholesale customer base. Specific guidance was offered on opex (NZ\$261m-NZ\$266m) and capex (NZ\$70m-NZ\$80m). Benefits from the earlier removal of transmission constraints will be largely offset by UK Flux revenue at risk.
PFI	▲Above	▲Above	▲+2.8%	▲+3.0%	▲+3.2%	▲+11.2%	Slightly positive. Highlighted a resilient result despite significant volatility and uncertainty. Anticipates increased e-commerce volumes and businesses looking for more local and resilient supply chains will increase demand for industrial property.
GNE	▲Above	▲Above	▲+4.0%	▲+5.3%	▲+3.0%	+0.0%	Neutral. No formal commentary given, company expects EBITDAF guidance for the full year ended 30 June 2021, is in a range of between \$395m-\$415m. This is subject to hydrological conditions, any material events, one-off expenses or other unforeseen circumstances. Genesis continues to target its strategic goal of \$400+ million EBITDAF in FY21.
SKL	▲Above	In-line	▲+1.5%	▲+5.4%	▲+2.1%	+0.0%	Slightly positive. Commentary suggests FY21 trading has started well in both divisions. The Industrial division is expected to be the key driver of growth going forward, both through additional business wins and margin expansion. SKL highlighted a number of projects where customers have already committed capital towards the development of products.

Source: Forsyth Barr analysis

*vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%

Figure 23. New Zealand Reporting Season Snapshot: Outcomes, FY21 Revisions and Outlook Statements cont...

Code	EPS Result vs Expectations*	Dividend vs Expectations*	Post Result Revenue FY21 Revision	Post Result EBITDA FY21 Revision	Post Result EPS FY21 Revision	Post Result DPS FY21 Revision	Outlook Statement
DGL	▲Above	In-line	▼-5.9%	-1.0%	+0.5%	+0.0%	Slightly positive. Highlighted the uncertainty of the economic outlook but sees opportunities for expansion ahead. Guidance to grow sales by 2% in FY21 and for operating profit of NZ\$60-\$65m.
NZX	▲Above	In-line	-0.5%	▼-2.1%	-0.9%	+0.0%	Positive. Maintaining FY20 operating earnings guidance of \$30m-\$33.5m. COVID-19 has introduced greater uncertainty for 2H20, however, NZX is well hedged to benefit from both market volatility during a downturn and also to any improvement in macroeconomic decisions.
SPK	▲Above	In-line	▼-2.0%	+0.2%	▼-1.7%	▼-8.0%	Slightly positive. Believes it is in a good position for a challenging FY21 with a strong balance sheet, a leading network, a diversified business and an agile team. Also highlights that COVID-19 is leading to an acceleration of digitisation trends, an opportunity for SPK.
SCL	▲Above	In-line	▲+2.3%	-0.5%	▼-3.5%	▼-4.5%	Neutral. Commentary highlights uncertainty for FY20 result, indicating an expectation of Underlying Net Profit at the bottom end of previously advised guidance (NZ\$30-36m). Highlighted ongoing disruption in Horticulture, likely better-than-expected performance in Food Ingredients, and likely in-line performance for Logistics.
PGW	▲Above	▼Below	-1.3%	▲+62.4%	▼-8.9%	▼-11.1%	Slightly negative. "Too early" to provide guidance for FY2021. Notes good demand and commodity pricing for NZ export produce, but cautions continuing volatility in global markets.
NZK	▲Above	In-line	▼-27.3%	▼-38.0%	▼-60.9%	▼-57.1%	Slightly negative. No forward earnings guidance, but indicated that it would be "challenging for FY21 EBITDA to exceed FY20".
MCY	In-line	In-line	-0.3%	▲+2.2%	▲+7.8%	▲+7.6%	Slightly negative. Challenging economic environment, likely volatility in wholesale markets and competitor repositioning in the wake of the NZAS closure are all challenges facing MCY. Growth will be delivered via completion of parts of the Turitea wind farm.
EBO	In-line	In-line	▲+4.5%	▲+1.8%	▲+3.2%	+0.0%	Positive. Largely unaffected by COVID-19, but highlighted the uncertainty that it causes. EBO sees the current environment as providing opportunity to grow both organically and by acquisition.
SUM	In-line	▼Below	+0.6%	+0.1%	+1.1%	▲+6.7%	Neutral. The return of COVID-19 in the community leads to more uncertainty for SUM, however, its ability to still pay a dividend is positive.
ATM	In-line	In-line	-1.1%	+0.0%	+0.1%	n/a	Positive. Continued uncertainty from COVID-19, but anticipates strong revenue growth for FY21. Guidance provided for FY21 EBITDA margin of 30%-31%.
MET	In-line	In-line	+0.0%	+0.0%	+0.0%	+0.0%	Neutral. Near-term outlook is focussed on the Scheme Implementation Agreement, to be voted on early October 2020. No explicit guidance presented.
POT	In-line	▼Below	▼-2.5%	▼-2.8%	-1.0%	-1.0%	Slightly negative. Believe it is well-placed to weather COVID-19. Highlighted that unlikely to see international cruise ship traffic this summer, but that the company is still confident of long-term growth.
RBD	In-line	In-line	▲+5.1%	▲+4.9%	▼-11.4%	n/a	Neutral. Operating a "business as usual approach" and continuing its acquisitions and new store roll-outs. No explicit guidance provided for 2H20 given trading restrictions and the possibility of further outbreaks.
AIR	In-line	In-line	▼-9.2%	▼-10.1%	▼-43.5%	n/a	Negative. Unable to provide FY21 guidance, but all scenarios AIR is currently modelling suggest a loss. Highlights the deep impact of COVID-19 and the reality that it will be a largely domestic airline in the short-term.

Source: Forsyth Barr analysis

*vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%

Figure 24. New Zealand Reporting Season Snapshot: Outcomes, FY21 Revisions and Outlook Statements cont...

Code	EPS Result vs Expectations*	Dividend vs Expectations*	Post Result Revenue FY21 Revision	Post Result EBITDA FY21 Revision	Post Result EPS FY21 Revision	Post Result DPS FY21 Revision	Outlook Statement
MHJ	▼Below	In-line	▲+3.1%	▲+220.2%	▲+439.3%	▲+69.0%	Neutral. MHJ is navigating the impact of COVID-19 store closures in Victoria and Auckland, but has "started FY21 positively". The company has identified a number of growth and margin opportunities across product, digital and omni-channel offerings.
VCT	▼Below	In-line	▼-5.5%	+0.8%	▲+22.2%	+0.0%	Neutral. Guided to FY21 Adjusted EBITDA of NZ\$480m-500m, flat on FY20. Also highlighted an expectation of continued Auckland growth.
OCA	▼Below	▼Below	+0.2%	▲+31.5%	▲+21.9%	▲+14.4%	Slightly positive. After successfully navigating the country's first COVID-19 outbreak, OCA believes it is well prepared for any future outbreak. The company highlighted its weighting towards aged care and strategy in care suites as positioning the company well for the immediate crisis, as well as growth for the future.
BGP	▼Below	n/a	+0.5%	▲+12.7%	▲+12.9%	▲+110.0%	Slightly positive. Remains cautious about the economic outlook given ever-present potential for disruption at Alert Levels 2 and 3. Encouragingly, BGP reported that through August sales were ahead of the same period last year, despite Auckland stores being closed from 12 August to 23 August. No formal guidance provided.
NZR	▼Below	In-line	▲+7.9%	▼-6.6%	▲+8.5%	n/a	Negative. There's greater uncertainty than normal due to the Strategic Review currently being undertaken which may see NZR become an import terminal. Additionally, the GRM remains volatile and demand for oil and refined product has been impacted by COVID-19.
FBU	▼Below	In-line	▲+3.5%	+0.3%	▲+4.4%	▲+5.9%	Negative. Undertaken a "thorough cost reset process" to prepare for an expected market down turn of c25% in NZ and c20% in Australia. Expects stronger 1H21 than 2H21. The company believes it has a strong balance sheet to react to market activity as needed.
CEN	▼Below	▲Above	-1.2%	▼-2.0%	▼-2.5%	+0.0%	Neutral. FY21 guidance provided. Closure of the NZAS, and the fact that the nature of its exit is still uncertain, introduces challenges for CEN. This is somewhat offset by plans to accelerate Transpower's lower South Island transmission project, reducing the length of time CEN faces transmission constraints.
PCT	▼Below	In-line	▼-5.2%	▼-5.6%	▼-4.6%	▲+2.6%	Neutral. Highlights the short to medium term uncertainty due to COVID-19, with the full effects still evolving. PCT believes its well located buildings, quality client base, high occupancy and long weight average lease term gives confidence that it will continue to deliver.
CNU	▼Below	In-line	+0.9%	-0.1%	▼-19.0%	+0.0%	Neutral. EBITDA guidance flat for FY21 with range of NZ\$640-660m and dividend guidance for FY21 of 25 cps provided. CNU is operating against a backdrop of its transition to a regulated utility from January 2022.
STU	▼Below	▼Below	▼-4.1%	▼-29.6%	▼-62.8%	▼-50.0%	Negative. Expects reduced revenues in FY21 due to a deterioration in economic conditions later in the year. Taking a careful and prudent approach to the management of the business.
CVT	n/a	n/a	n/a	n/a	n/a	n/a	Slightly positive. In FY21, targeting "mid-single digit" revenue growth, 150bp improvement in GP, underlying fixed cost reduction of \$4m and increase in marketing investment in North America and China c\$6m. COVID-19 has been a "net positive" as consumers chose high quality, natural health products.

Source: Forsyth Barr analysis

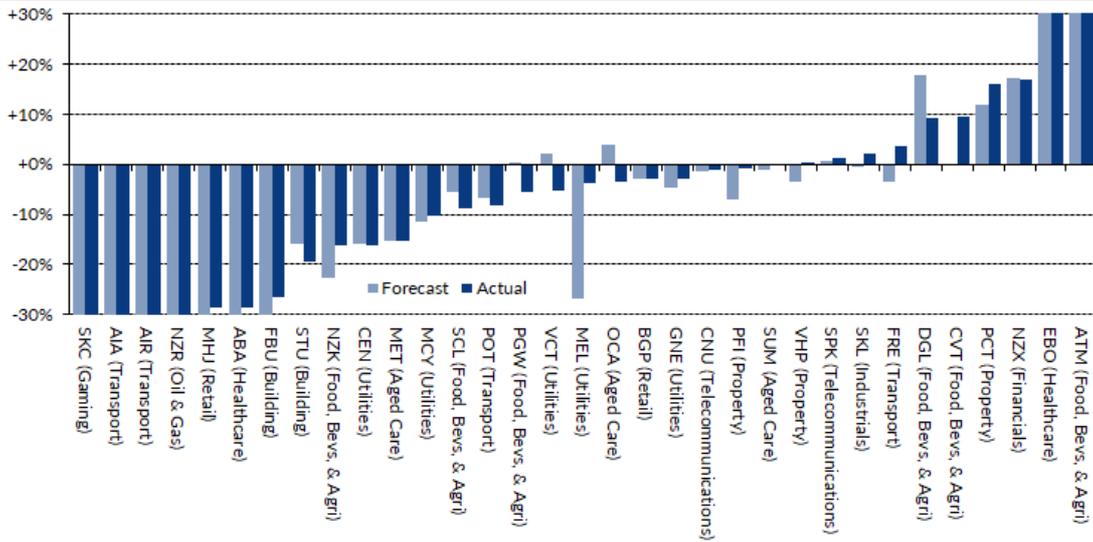
*vs Forsyth Barr expectations +/- 2.5%, Post result revisions > +/- 1.5%

Figure 25. Reporting Season Calendar: Retail and Agriculture

Week Beginning 07 Sep 2020				
Monday	Tuesday	Wednesday	Thursday	Friday
7-Sep	8-Sep	9-Sep	10-Sep	11-Sep
	Briscoe Group Restaurant Brands NZ		Sky TV	
Week Beginning 14 Sep 2020				
Monday	Tuesday	Wednesday	Thursday	Friday
14-Sep	15-Sep	16-Sep	17-Sep	18-Sep
				Fonterra Tourism Holdings
Week Beginning 21 Sep 2020				
Monday	Tuesday	Wednesday	Thursday	Friday
21-Sep	22-Sep	23-Sep	24-Sep	25-Sep
		Kathmandu Holdings		The Warehouse Group*
Week Beginning 28 Sep 2020				
Monday	Tuesday	Wednesday	Thursday	Friday
28-Sep	29-Sep	30-Sep	1-Oct	2-Oct
Synlait Milk				

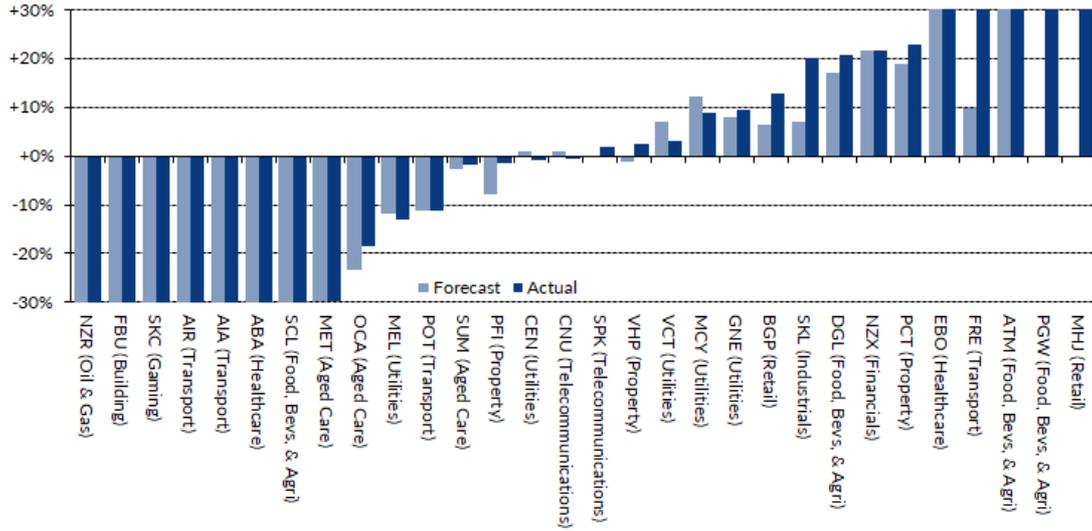
Source: Forsyth Barr analysis, *estimated

Figure 26. Total Revenue Growth (6mth on pcp)



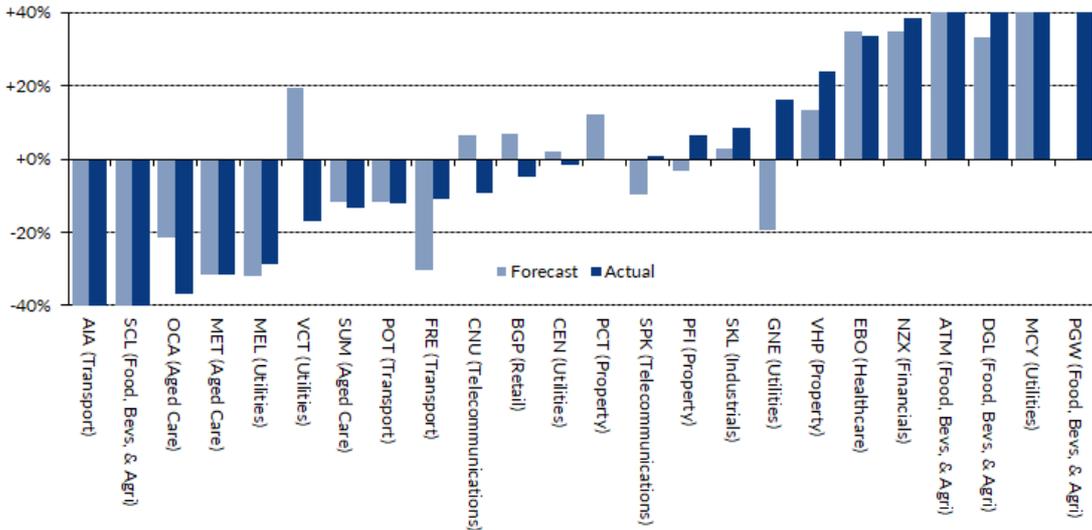
Source: Forsyth Barr analysis

Figure 27. EBITDA Growth (6mth on pcp)



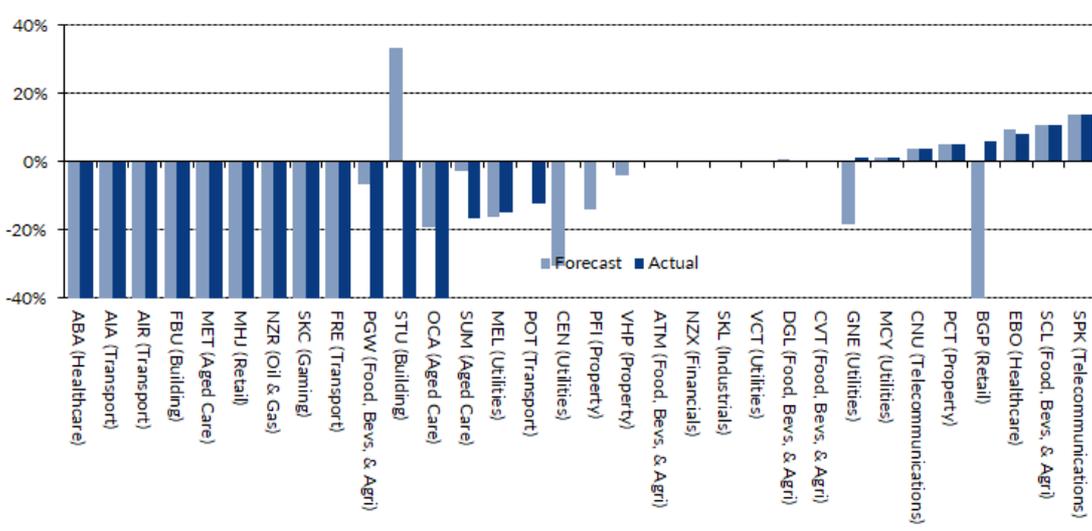
Source: Forsyth Barr analysis

Figure 28. Normalised EPS Growth (6mth on pcp)



Source: Forsyth Barr analysis

Figure 29. Dividend per Share Growth (6mth on pcp)



Source: Forsyth Barr analysis

Overall growth achieved

Figures 30 through 35 show the historic market growth achieved for Total Revenue, EBITDA and Normalised EPS with the S&P/NZX 50 Capital Index. Growth is based on the six-month reporting period (versus pcp).

Figure 30. Aggregated Total Revenue Growth (6mth on pcp)

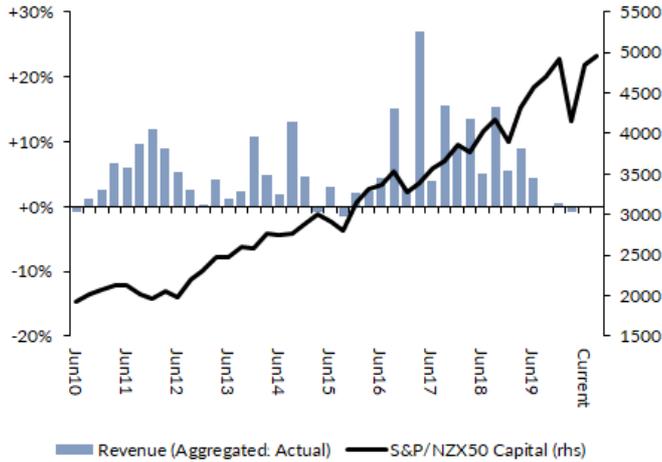
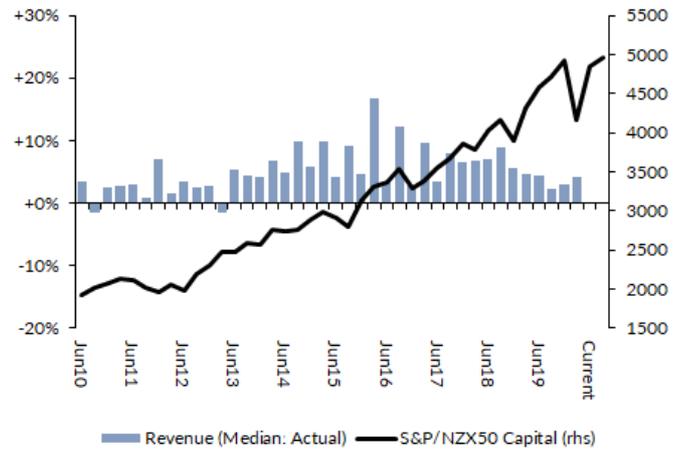


Figure 31. Median Total Revenue growth (6mth on pcp)



Source: Forsyth Barr analysis

Source: Forsyth Barr analysis

Figure 32. Aggregated EBITDA growth (6mth on pcp)

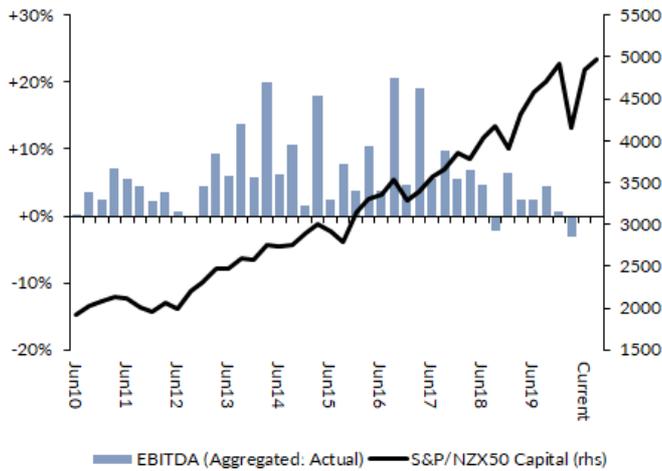
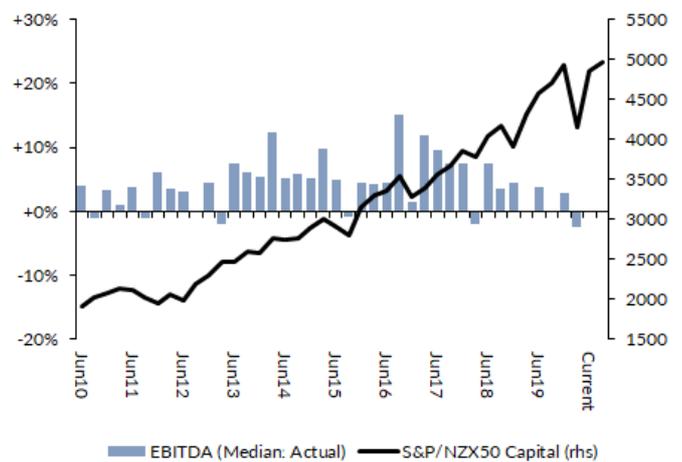


Figure 33. Median EBITDA growth (6mth on pcp)



Source: Forsyth Barr analysis

Source: Forsyth Barr analysis

Figure 34. Aggregated Normalised EPS growth (6mth on pcp)

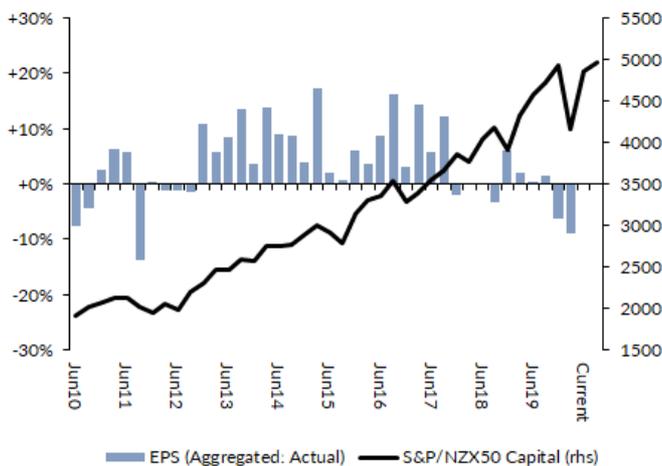
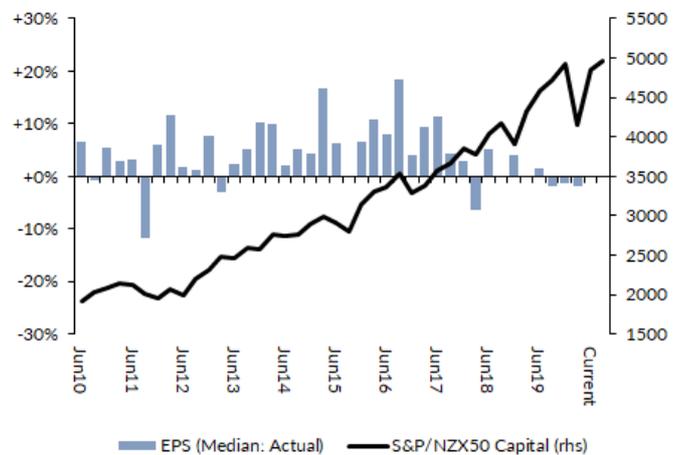


Figure 35. Median Normalised EPS growth (6mth on pcp)



Source: Forsyth Barr analysis

Source: Forsyth Barr analysis

Figure 36. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
ABA	Abano Healthcare Group	Chelsea Leadbetter, CFA	FY19	279.3	32.7	20.9	10.9	41.8	8.0
NEUTRAL	Result:	Final	FY20	244.1	32.7	9.1	-1.1	-4.2	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	242.0	18.2	6.2	-0.4	-1.5	0.0
			% chg	-12.6%	-0.1%	-56.4%	n/a	n/a	-100.0%
<p>Fundamentals are unlikely to be the near-term focus, however, ABA's FY20 result was broadly as expected. It also reinforced that trading has been strong since re-opening of practices, and ahead of our expectations, likely helped by pent up demand and dentists (paid on commission) not taking leave. However, COVID-19 has (and will likely continue to) create near-term volatility. Revenue for June/July was up +13%. August impacted by Auckland lockdown (temporary closures), while September bookings are tracking well.</p>									
AIA	Auckland Airport	Andy Bowley	FY19	743.4	554.8	452.6	274.7	22.8	11.3
NEUTRAL	Result:	Final	FY20	567.0	388.0	275.3	203.5	15.9	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	570.3	398.4	289.9	165.7	13.1	0.0
			% chg	-23.7%	-30.1%	-39.2%	-25.9%	-30.2%	-100.0%
<p>AIA reported an FY20 result significantly challenged by the onset of COVID-19 through the second half. At an underlying level earnings were broadly in-line with our expectations, albeit a large number of one-off non-recurring items leaves scope for interpretation. The result doesn't tell us much about how the business will perform in future years in light of the unknown profile of the aviation recovery. Management suggests AIA's recovery could take longer than airline industry body, IATA's, view that international aviation recovers fully in CY24. We continue to assume that AIA returns to FY19 international passengers (pax) in FY25.</p>									
AIR	Air New Zealand	Andy Bowley	FY19	5,785.1	935.1	368.1	270.1	23.9	11.0
UNDERPERFORM	Result:	Final	FY20	4,836.2	784.2	-56.8	-64.2	-5.7	0.0
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	4,831.8	763.4	-57.5	-68.1	-6.0	0.0
			% chg	-16.4%	-16.1%	n/a	n/a	n/a	-100.0%
<p>AIR is a major casualty of COVID-19 having posted its first annual loss in 18 years and remains in a cash burn situation. The company reported a pre-tax FY20 underlying loss of -NZ\$87m, with a significant decline through 2H20. Border closures and social distancing will remain key headwinds. Cash burn is through the worst, given major cost cutting and scope for recovery, particularly domestically, but will likely continue until borders reopen, in our view. The government has confirmed that it will remain a majority shareholder, and therefore will support a potential recapitalisation, which we believe is necessary given elevated gearing.</p>									
ATM	The a2 Milk Company	Chelsea Leadbetter, CFA	FY19	1,304.5	413.6	411.4	287.7	38.8	0.0
OUTPERFORM	Result:	Final	FY20	1,731.1	549.7	545.3	385.8	52.1	0.0
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	1,741.9	549.3	545.7	383.6	51.7	0.0
			% chg	+32.7%	+32.9%	+32.5%	+34.1%	+34.4%	+0.0%
<p>ATM reported strong FY20 growth, in line with our expectations, while FY21 outlook (unsurprisingly) allows reasonable artistic licence when forecasting EBITDA although nothing to meaningfully change our prior assumption or thought process. Key highlights were (1) a substantial sales acceleration in China channels, (2) further proof of strong execution through a fast-moving backdrop, and (3) solid cash conversion (even when adjusting for some timing benefits).</p>									
BGP	Briscoe Group	Guy Hooper	1H20	304.8	43.9	40.6	29.4	13.2	8.5
RESEARCH INSIGHTS	Result:	Interim	1H21	295.9	49.6	45.9	28.0	12.6	9.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	295.9	46.7	43.1	31.4	14.1	0.0
			% chg	-2.9%	+12.9%	+13.1%	-4.9%	-4.9%	+5.9%
<p>BGP delivered an impressive 1H21 result, marginally behind the prior year, despite an extended period of temporary store closures. A surge in retail activity following a shift to lower alert levels, offset a heavily restricted 1Q21 operating environment. Recent trading commentary suggests BGP has maintained momentum into 2H21, trading ahead of the prior year period despite higher alert levels in Auckland. COVID-19 related restrictions remain fluid creating additional near-term uncertainty, however, we have been encouraged by BGP's ability to navigate the challenging conditions to date.</p>									
CEN	Contact Energy	Andrew Harvey-Green	FY19	2,519.0	518.0	313.0	176.0	24.6	23.0
OUTPERFORM	Result:	Final	FY20	2,073.0	451.0	231.0	129.0	18.0	23.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	2,077.3	449.4	233.8	128.0	17.9	16.0
			% chg	-17.7%	-12.9%	-26.2%	-26.7%	-26.7%	+0.0%
<p>Note: NPAT and EPS exclude our capex/depn adjustment</p> <p>The FY20 result itself contained few surprises, with EBITDA of NZ\$451m just +NZ\$2m ahead of our forecast. The result was well down on the pcp due to asset sales, lower hydro conditions and weaker wholesale electricity prices. CEN's final dividend of 23cps is the same as FY19, whereas we had assumed CEN would take a more conservative approach.</p>									

Source: Forsyth Barr analysis

Figure 37. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
CNU	Chorus	Matt Henry, CFA	FY19	970.0	636.0	243.0	53.0	12.2	13.5
OUTPERFORM	Result:	Final	FY20	959.0	648.0	246.0	52.0	11.8	14.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	956.6	652.8	254.4	55.6	12.6	14.0
			% chg	-1.1%	+1.9%	+1.2%	-1.9%	-3.5%	+3.7%
<p>There was little significant new information in CNU's FY20 result. Key questions remain unchanged: (1) what revenue (and therefore free cash flow [FCF]) will CNU generate under the to-be-finalised fibre regulatory regime? and (2) how will the market value CNU's FCF and dividend yield once that is determined?</p>									
CVT	Comvita	Guy Hooper	FY19	171.1	-2.0	-8.5	0.2	0.5	0.0
RESEARCH INSIGHTS	Result:	Final	FY20	195.9	19.1	8.6	2.7	5.3	0.0
	6mth Result vs Forecast (eps):	n/a	Forsyth Barr	n/a	n/a	n/a	n/a	n/a	n/a
			% chg	+14.5%	n/a	n/a	+1130.6%	+998.9%	+0.0%
<p>CVT is part way through a material transformation, having concluded a comprehensive strategic review in January 2020. The company now has in place a new management team, revised harvest model, a more focussed sales strategy, and a recently bolstered balance sheet. CVT has outlined growth targets with short-term (FY21 mid-single digit revenue growth and +150bps gross margin improvement) and long-term (FY25 EBITDA margin 20%) milestones in place.</p>									
DGL	Delegat Group	Guy Hooper	FY19	278.0	99.3	83.7	51.4	50.8	17.0
NEUTRAL	Result:	Final	FY20	304.2	112.0	95.2	64.1	63.4	17.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	315.8	110.5	94.6	59.3	58.6	17.0
			% chg	+9.4%	+12.8%	+13.7%	+24.7%	+24.7%	+0.0%
<p>DGL reported a strong FY20 result backed by volume growth and margin improvements. DGL issued first time FY21 operating NPAT guidance range of NZ\$60m to NZ\$65m, which we view as conservative and therefore expect it to deliver at the top of the range (Forsyth Barr NZ\$64.6m). DGL is a quality company with a leading brand, growth opportunities, and a track record of delivering.</p>									
EBO	EBOS Group	Chelsea Leadbetter, CFA	FY19	6,930.4	261.6	228.6	144.9	94.5	37.0
OUTPERFORM	Result:	Final	FY20	8,765.5	333.6	260.5	162.5	100.6	40.0
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	8,901.7	338.4	265.7	166.2	102.1	40.5
			% chg	+26.5%	+27.5%	+13.9%	+12.1%	+6.4%	+8.1%
<p>Note: AUD forecasts (DPS in NZD)</p> <p>EBO delivered an FY20 result marginally short of our top-of consensus expectations, albeit with strong profit growth of c. +13% through the period. EBO referenced a broadly neutral impact of COVID-19 to date and like many companies highlighted uncertainty in providing outlook. It is early days, however, FY21 has started well (and better than management expectations) with EBITDA +6.5% in July. We make small downgrades to our medium-term forecasts of c. -2% (albeit with some mix differences).</p>									
FBU	Fletcher Building	Matt Henry, CFA	FY19	9,307.0	830.0	631.0	367.0	43.1	15.0
NEUTRAL	Result:	Final	FY20	7,309.0	530.0	160.0	3.0	0.4	0.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	7,143.3	513.6	160.7	60.1	7.2	0.0
			% chg	-21.5%	-36.1%	-74.6%	-99.2%	-99.2%	-100.0%
<p>There were no surprises in FBU's result given the pre-announcement. While NZ's lockdown makes it difficult to delineate operating trends, we see little in the result to materially change market expectations with the forward looking picture clouded by macro uncertainty. That said, given the strength of the NZ residential market, we see potential for near-term earnings to surprise in FY21 before fading in FY22 as activity recedes.</p>									
FRE	Freightways	Andy Bowley	FY19	615.7	112.2	97.1	61.0	39.3	15.5
OUTPERFORM	Result:	Final	FY20	630.9	144.7	84.7	56.0	35.5	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	632.8	134.5	103.3	49.5	31.3	0.0
			% chg	+2.5%	+28.9%	-12.7%	-8.2%	-9.7%	-100.0%
<p>The FY20 result is messy and difficult to analyse given the impact of (1) COVID-19, (2) first year of IFRS-16 (accounting for leases), and (3) the acquisition in April 2020 of Big Chill. However, cashflow was robust and improved management disclosure offers insight into the forward looking opportunity, particularly in the Express Package operations that are winning share and now generating better margins in the business-to-consumer (B2C) channel.</p>									

Source: Forsyth Barr analysis

Figure 38. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
GNE	Genesis Energy	Andrew Harvey-Green	FY19	3,410.0	369.4	167.7	64.4	6.3	8.6
NEUTRAL	Result:	Final	FY20	3,354.5	355.6	145.8	52.9	5.1	8.7
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	3,323.7	352.7	127.1	41.5	4.0	7.0
				% chg	-1.6%	-3.7%	-13.1%	-17.9%	+0.9%
<i>Note: NPAT and EPS exclude our capex/depn adjustment</i>									
GNE reported FY20 EBITDAF of NZ\$356m, -NZ\$14m lower than FY19 and towards the bottom of its guidance range. Its final dividend of 8.675cps was a modest surprise given the challenges we see ahead. GNE gave little away in terms of its plans to adjust its business in a post-NZAS market, emphasising its renewable energy transition options and defensive position.									
MCY	Mercury	Andrew Harvey-Green	FY19	2,000.0	505.0	302.0	161.3	11.9	9.3
NEUTRAL	Result:	Final	FY20	1,750.0	476.0	280.0	164.1	12.1	9.4
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	1,748.1	483.0	282.3	162.3	11.9	9.4
				% chg	-12.5%	-5.7%	-7.3%	+1.7%	+1.1%
<i>Note: NPAT and EPS exclude our capex/depn adjustment</i>									
Despite the smelter's closure causing significant sector earnings uncertainty, MCY sent a strong message that it does not believe it will be greatly impacted. Not only has MCY provided FY21 dividend and earnings guidance, indicating it is confident of the near-term outlook, but it has increased its dividend guidance a material +7.6% to 17cps. We have lifted our target price +89cps (+20%) to NZ\$5.30 with the better than expected FY21 earnings and dividend guidance, plus a lower cost of capital increasing our valuation metrics. However, with MCY trading at five month highs, we retain our NEUTRAL rating.									
MEL	Meridian Energy	Andrew Harvey-Green	FY19	4,104.0	838.0	562.0	332.2	13.0	13.2
OUTPERFORM	Result:	Final	FY20	4,102.0	855.0	543.0	318.1	12.4	11.2
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	3,544.1	861.1	546.8	312.0	12.2	11.0
				% chg	-0.0%	+2.0%	-3.4%	-4.3%	-14.9%
<i>Note: NPAT and EPS exclude our capex/depn adjustment</i>									
A year ago, after MEL's stellar FY19 result, we were reasonably confident that result wouldn't be repeated, but it has been. FY20 EBITDAF was NZ\$854m, +NZ\$16m higher than FY19. Record generation volumes (above 14TWh for the first time) and continued retail improvement (volumes up +18% and average selling price up +3%) more than offset lower wholesale electricity prices, the 2H HVDC outage and increased opex. Normalised NPAT of NZ\$317m was -5% lower than FY19 due to increased depreciation.									
MET	Metlifecare	Aaron Ibbotson, CFA	FY19	212.9	98.0	92.2	90.5	42.4	7.3
NEUTRAL	Result:	Final	FY20	199.8	81.1	75.2	72.6	34.1	0.0
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	199.8	81.1	75.2	72.6	34.1	0.0
				% chg	-6.1%	-17.2%	-18.4%	-19.8%	-100.0%
<i>Note: NPAT and EPS exclude our capex/depn adjustment</i>									
MET reported an FY20 result largely in-line with last year's result, ahead of expectations, with small beats across the board. These results again highlight the strong performance by the aged care operators during and immediately after the COVID-19 lockdown period.									
MHJ	Michael Hill Intl	Guy Hooper	FY19	571.1	54.0	34.6	22.8	5.9	1.5
OUTPERFORM	Result:	Final	FY20	512.6	69.7	14.1	14.8	3.8	0.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	487.7	38.1	18.9	11.5	3.0	0.0
				% chg	-10.2%	+29.1%	-59.3%	-35.3%	-100.0%
<i>Note: AUD forecasts (DPS in NZD)</i>									
Michael Hill (MHJ) reported FY20 EBIT ahead of our expectations, displaying execution on cost out measures and supported by wage subsidy payments. Recent trading suggests MHJ is tracking well into FY21, and we have made positive revisions to our earnings forecasts. MHJ has shown early signs of positive trading, with scope to beat our forecasts should these continue. However, there is a high degree of uncertainty in near-term outcomes, with the impact of economic fall out from COVID-19 largely unknown. Increases in COVID-19 case numbers and subsequent lockdowns in Victoria and Auckland highlight an ongoing risk for the global retail sector.									
NZK	New Zealand King Salmon	Guy Hooper	FY19	172.6	25.2	18.9	11.4	8.2	3.0
OUTPERFORM	Result:	Final	FY20	155.3	26.5	17.1	18.0	13.0	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	149.8	26.0	19.0	13.2	9.5	0.0
				% chg	-10.0%	+5.3%	-9.6%	+58.1%	-100.0%
<i>Note: NPAT and EPS exclude our capex/depn adjustment</i>									
NZK experienced material disruption to sales channels in 2H20, weighing on earnings and leading to a build up in inventory. Although no explicit earnings guidance was provided, commentary suggests it is unlikely FY21 EBITDA will exceed FY20 (FY20 NZ\$25m, FY21E NZ\$22m). We have made significant downgrades to near-term earnings forecasts as we push out a recovery in sales into FY22.									

Source: Forsyth Barr analysis

Figure 39. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
NZR	Refining NZ	Andrew Harvey-Green	1H19	171.6	54.1	1.9	-3.5	-1.1	2.0
NEUTRAL	Result:	Interim	1H20	119.1	15.4	-31.9	-28.7	-9.2	0.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	111.2	21.6	-30.4	-26.6	-8.5	0.0
			% chg	-30.6%	-71.5%	n/a	n/a	n/a	-100.0%
<p>Whilst investors interested in NZR need patience as we await the outcome of the Strategic Review, the share price is adequately factoring in both the upside and downside inherent in NZR at present such that we are upgrading our rating to NEUTRAL. We retain our view that conversion to an import terminal is more likely than not and that the possible value outcomes remain wide, ranging from material share price upside, to further downside, particularly if conversion costs are high.</p>									
NZX	NZX	Jamie Foulkes	1H19	32.9	14.4	10.2	6.4	2.4	3.0
OUTPERFORM	Result:	Interim	1H20	38.4	17.6	13.5	9.1	3.3	3.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	38.5	17.6	13.2	8.8	3.2	3.0
			% chg	+16.9%	+21.5%	+32.9%	+40.9%	+38.6%	+0.0%
<p>NZX reported a strong 1H20 result driven predominantly by a standout performance by the Secondary Markets division as a result of exceptional trading volumes. This was driven by consistently high market volatility. Earnings guidance for the full year remains unchanged with the company expecting to finish at the top end. We expect reduced market volatility and the number of equity secondary capital raises to slow in 2H20. However, in light of recent news flow, further market volatility would likely see upside risk to forecasts with NZX an established essential services operator.</p>									
OCA	Oceania Healthcare	Aaron Ibbotson	FY19	233.5	63.2	53.6	50.1	8.2	2.6
NEUTRAL	Result:	Final	FY20	242.0	63.4	49.0	42.8	7.0	1.4
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	250.8	61.7	50.6	46.7	7.7	2.1
			% chg	+3.6%	+0.4%	-8.7%	-14.6%	-15.1%	-46.2%
<p>OCA reported FY20 EBITDA slightly ahead of our estimates. Underlying profits came in NZ\$4m below our expectations driven by higher finance and depreciation. NTA per share declined by 4cps (to NZ\$0.99 from NZ\$1.03). We believe the decline in NTA dominated the share price reaction on the day, but we walk away encouraged by OCA's progress.</p>									
PCT	Precinct Properties NZ	Rohan Koreman-Smit	FY19	95.0	79.2	79.2	77.4	6.2	3.0
NEUTRAL	Result:	Final	FY20	105.8	92.5	92.5	82.5	6.3	3.2
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	103.8	90.9	90.9	87.6	6.7	3.2
			% chg	+11.4%	+16.8%	+16.8%	+6.6%	+1.1%	+5.0%
<p>PCT delivered a solid FY20 result, with AFFO of NZ\$82.7m ahead of our forecast NZ\$79.2m, primarily due to lower than expected tax expense and maintenance capex and incentives. The market reacted positively to PCT's relative earnings resilience to the first lockdown and solid DPS guidance of 6.5cps (+3% yoy). While PCT's portfolio metrics remain robust for now, there are signs of deterioration in the broader office market. PCT's long lease terms and high quality tenant base have it in fighting shape for the coming downcycle but it will not avoid every punch from broader market weakness, in our view.</p>									
PFI	Property For Industry	Rohan Koreman-Smit	1H19	39.4	37.0	37.0	21.1	4.2	3.6
NEUTRAL	Result:	Interim	1H20	39.1	36.4	36.4	22.5	4.5	3.6
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	36.6	34.0	34.0	20.4	4.1	3.1
			% chg	-0.7%	-1.5%	-1.5%	+6.7%	+6.7%	+0.0%
<p>PFI reported an in-line interim result, with lower than expected abatements, tax, and interest offsetting higher than expected maintenance capex and leasing incentives. PFI reinstated FY20 dividend guidance (originally provided in February) of 7.65-7.70cps. While we expect industrial property to remain relatively robust vs. other sub-sectors, we believe this is largely priced into PFI's current share price with the stock trading at a 31% premium to its net tangible asset (NTA) backing, an FY21 Adjusted Funds From Operations (AFFO) multiple of 34.5x, and a gross yield of 4.0%.</p>									
POT	Port of Tauranga	Andy Bowley	FY19	313.3	173.2	145.6	100.6	14.8	7.3
UNDERPERFORM	Result:	Final	FY20	302.0	162.2	132.5	93.7	13.8	6.4
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	304.5	162.4	133.3	94.0	13.8	7.3
			% chg	-3.6%	-6.3%	-9.0%	-6.8%	-6.8%	-12.3%
<p>POT reported a softer FY20 result than has been customary in recent years, given an -8% decline in cargo during the year. Underlying NPAT fell -5% against the prior year, on a revenue decline of -4%. As a result of lower profitability the company cut its final dividend and has suspended (we believe temporarily) its 2.5c special dividend programme.</p>									

Source: Forsyth Barr analysis

Figure 40. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
PGW	PGG Wrightson	Guy Hooper	FY19	809.3	24.4	15.1	9.4	12.4	7.5
UNDERPERFORM	Result:	Final	FY20	788.0	45.2	15.1	7.1	9.4	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	811.3	30.0	21.3	14.3	18.9	7.0
			% chg	-2.6%	+85.0%	-0.1%	-23.8%	-23.8%	-100.0%
<p>PGW reported a soft FY20 result as higher Alert Levels significantly limited activity within its Agency business, weighing on earnings. PGW has a renewed focus on its rural services core, investing in technology, with the aim to improve its ability to serve and gain market share. Whilst we view digital initiatives positively, we expect meaningful growth, beyond a normalisation of recent headwinds, to be difficult to achieve. In addition, we view the near-term outlook as challenging. Regulatory and economic uncertainty, ongoing COVID-19 impacts, and a tightening in the credit environment continue to create a difficult operating environment which we struggle to see reversing in the near-term.</p>									
RBD	Restaurant Brands NZ	Guy Hooper	1H19	n/a	n/a	n/a	n/a	n/a	n/a
NEUTRAL	Result:	Interim	1H20	458.8	51.9	34.8	15.9	17.9	0.0
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	397.9	60.0	42.1	22.3	17.9	0.0
			% chg	n/a	n/a	n/a	n/a	n/a	n/a
<p>RBD delivered a mixed 1H20 result, experiencing a range of outcomes across its various brands and geographies. Its core New Zealand portfolio experienced severe trading restrictions, weighing on the result, while its Hawaii business was a stand out, lifting sales and margin despite COVID-19.</p>									
SCL	Scales	Guy Hooper	1H19	278.0	71.1	62.1	50.5	36.0	9.5
NEUTRAL	Result:	Interim	1H20	253.3	48.4	39.0	30.2	21.5	10.5
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	263.0	48.2	39.4	29.0	20.6	10.5
			% chg	-8.9%	-31.9%	-37.2%	-40.2%	-40.4%	+10.5%
<p>SCL's reported a soft 1H20 result in line, at a group level, with recently lowered expectations. Earnings mix shifted from historic levels with strong Food Ingredients growth effectively offsetting a weak period for the Mr Apple business. SCL reaffirmed its FY20 underlying NPAT guidance at the lower end of NZ\$30m to NZ\$36m (Forsyth Barr NZ\$30m). We view 1H20 Horticulture disruption as being largely one-off in nature and expect earnings to normalise, although rising labour cost pressures have muted our view of long term EBIT margins. Providing an earnings offset is a higher Food Ingredients earnings base following impressive volume growth.</p>									
SKC	SKYCITY	Chelsea Leadbetter, CFA	FY19	1,011.6	342.7	252.8	173.0	25.6	10.0
OUTPERFORM	Result:	Final	FY20	641.7	200.7	114.1	66.2	10.0	0.0
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	661.4	194.2	107.5	61.7	8.7	0.0
			% chg	-36.6%	-41.4%	-54.9%	-61.7%	-61.1%	-100.0%
<p>SKC delivered a credible FY20 result, in the circumstances, however attention was more focussed on recent trading insights and outlook commentary – both of which were better than we (and the market) expected. The result was a timely reminder of the resilience of gaming spend and SKC's high reliance on domestic customers (c. 85% of earnings pre COVID-19 disruption). There remain a number of known unknowns, and we expect the share price to remain volatile and responsive to COVID-19 (and vaccine) related newsflow.</p>									
SKL	Skellerup Holdings	Guy Hooper	FY19	245.8	48.9	41.8	29.1	14.9	7.5
OUTPERFORM	Result:	Final	FY20	251.4	55.3	42.5	29.1	14.9	7.5
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	247.8	51.9	41.2	28.2	14.5	7.5
			% chg	+2.3%	+12.9%	+1.6%	+0.0%	+0.0%	+0.0%
<p>SKL's Agri division delivered a strong FY20 result, more than offsetting COVID-19 related weakness in its Industrial division. We are encouraged by Agri growth being ahead of expectations given both the high margin and consumable nature of its products. COVID-19 has created a high level of uncertainty, and whilst we acknowledge the weaker economic outlook we view SKL's earnings profile as more resilient than it has been in the past. A healthy balance sheet and low capex growth model provide some flexibility during periods of short-term turbulence or cash flow timing variability.</p>									
SPK	Spark NZ	Matt Henry, CFA	FY19	3,533.0	1,090.0	613.0	409.0	22.3	11.0
NEUTRAL	Result:	Final	FY20	3,623.0	1,113.0	634.0	427.0	23.2	12.5
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	3,612.7	1,100.5	626.7	401.4	21.9	12.5
			% chg	+2.5%	+2.1%	+3.4%	+4.4%	+4.4%	+13.6%
<p>The main news in SPK's result was it has eased back on its ambition to sustain its NZ25cps dividend, guiding to NZ23–25cps in FY21. The impact from COVID-19 has further tipped the balance between SPK's commitment to an A- credit rating, and funding medium-term capital requirements (including mobile spectrum, 5G infrastructure, Southern Cross Next cable, Spark Sports). A dividend cut is no fait accompli – SPK has a strong track record on execution, consistently outperforming market expectation, and COVID impacted revenue streams such as mobile roaming will bounce back once lockdowns end.</p>									

Source: Forsyth Barr analysis

Figure 41. Reporting Season: Company Detail
Companies Reported

Code	Company	Analyst	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
STU	Steel & Tube Holdings	Rohan Koreman-Smit	FY19	499.1	23.6	16.3	10.0	6.5	1.5
NEUTRAL	Result:	Final	FY20	425.4	15.0	-5.5	-7.8	-4.8	0.0
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	434.3	32.3	12.0	2.8	1.7	2.0
				% chg	-14.8%	-36.7%	n/a	n/a	-100.0%

STU's FY20 result was pre-released earlier this month. While NZ's lockdown makes it difficult to delineate operating trends STU appears to have performed no worse than peers and, consistent with industry anecdotes, postlockdown trading has been solid. STU has battened down the hatches in preparation for likely difficult economic conditions ahead, reducing headcount, property footprint, working capital, and debt.

SUM	Summerset Group	Aaron Ibbotson	1H19	115.3	58.4	54.4	47.3	21.3	7.2	
OUTPERFORM	Result:	Interim	1H20	115.1	57.3	53.3	41.4	18.5	6.0	
	6mth Result vs Forecast (eps):	In-line	Forsyth Barr	113.8	56.7	51.8	41.9	18.8	7.0	
				% chg	-0.1%	-1.9%	-2.0%	-12.5%	-13.4%	-16.7%

SUM's 1H20 underlying net profit was largely pre-announced, however, we like the mix of these results. High quality annuity earnings in the form of deferred management fees and re-sale gains were ahead of our expectations while more volatile new sale gains were below, driven primarily by a less Auckland centric, and therefore lower priced, new sales mix. We were also encouraged by the relatively stable gearing ratios despite COVID-19 headwinds. We increase our FY20 estimates by c. 10% primarily driven by higher re-sales but leave our FY21/22 estimates largely unchanged. SUM is our preferred aged-care stock; we retain our OUTPERFORM rating and increase our target price to NZ\$9.15 from NZ\$9.00.

VCT	Vector	Andrew Harvey-Green	FY19	1,309.8	565.1	318.3	129.5	13.0	8.3	
NEUTRAL	Result:	Final	FY20	1,294.0	576.4	313.6	118.4	11.9	8.3	
	6mth Result vs Forecast (eps):	Below	Forsyth Barr	1,332.4	586.9	322.5	135.6	13.6	8.3	
				% chg	-1.2%	+2.0%	-1.5%	-8.5%	-8.5%	+0.0%

VCT's FY20 result is best described as steady with the Metering business continuing to grow strongly, offset by the regulated Network business facing pricing and COVID-19 challenges. FY20 EBITDA (before capital contributions) was NZ\$490m, +NZ\$4m on FY19. VCT's new dividend policy meant the final dividend was flat at 8.25cps and only partially imputed.

VHP	Vital Healthcare	Rohan Koreman-Smit	FY19	97.7	81.3	81.3	42.2	9.5	4.4	
OUTPERFORM	Result:	Final	FY20	98.8	82.0	82.0	46.8	10.4	4.4	
	6mth Result vs Forecast (eps):	Above	Forsyth Barr	97.0	80.4	80.4	44.6	9.9	4.2	
				% chg	+1.1%	+0.8%	+0.8%	+10.9%	+8.9%	+0.0%

VHP delivered a solid underlying FY20 result ahead of our expectations, largely due to better than expected COVID-19 abatement outcomes. While no AFFO guidance was given, VHP did provide FY21 dividend guidance of at least 8.75cps, flat on FY20. We believe this reflects management being cautious given the uncertain operating environment. We retain our OUTPERFORM rating underpinned by 1) earnings and dividend growth as developments contribute, and 2) the expectation that VHP's portfolio continues to do its job of providing a very defensive property exposure despite the uncertain economic backdrop.

Companies Yet to Report

Code	Company	Analyst	Last Balance Date	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)	
FSF	Fonterra	Chelsea Leadbetter, CFA	Jul-19	FY19	20,114.0	1,355.0	794.0	272.0	16.9	0.0	
RESEARCH INSIGHTS	Result:	Final		FY20	19,816.3	1,255.9	728.0	350.2	21.7	6.5	
	Release Date:	Fri, 18 Sep 20		Consensus	20,783.8	1,405.2	850.8	439.6	24.2	6.1	
					% chg (Forsyth Barr)	-1.5%	-7.3%	-8.3%	+28.8%	+28.8%	+100.0%

FY20 guidance is for underlying earnings of 15-25 cents per share. Of interest will be (1) an update of progression and outcomes from its comprehensive strategic review, (2) outlook commentary following prolonged COVID-19 impacts globally and (3) reinstatement of its dividend.

KMD	Kathmandu Holdings	Guy Hooper	Jul-19	FY19	545.6	99.6	84.3	56.8	17.6	12.0	
OUTPERFORM	Result:	Final		FY20	737.2	71.1	46.8	36.4	5.6	0.0	
	Release Date:	Wed, 23 Sep 20		Consensus	735.9	71.5	49.5	29.1	6.7	1.0	
					% chg (Forsyth Barr)	+35.1%	-28.6%	-44.5%	-35.9%	-68.0%	-100.0%

KMD should be benefitting from favourable category trends and pent up consumer activity during its key sales period. We look for 1) its experience in Victoria amid a second wave, 2) margin implications of changes made during COVID-19, and 3) an update on Rip Curl performance and its integration into the group.

Source: Forsyth Barr analysis

Figure 42. Reporting Season: Company Detail
Companies Yet to Report

Code	Company	Analyst	Last Balance Date	Period	Revenue (\$m)	EBITDA (\$m)	EBIT (\$m)	Norm NPAT (\$m)	EPS (cps)	DPS (6mth) (cps)
SKT	Sky TV	Matt Henry, CFA	Jun-19	FY19	795.1	240.9	147.9	97.0	24.9	0.0
NEUTRAL	Result:	Final		FY20	738.9	164.7	41.8	14.3	3.4	0.0
	Release Date:	Thu, 10 Sep 20		Consensus	739.7	163.7	43.7	23.0	2.4	0.0
				% chg (Forsyth Barr)	-7.1%	-31.6%	-71.7%	-85.2%	-86.5%	+0.0%
FY20 unlikely to deviate from late May's guidance. Potential for positive surprise on guidance/outlook comments given the quicker re-emergence of sports programming vs. earlier expectations. Any insight into future programming costs will be of interest given recent contracting and (re)negotiations.										
SML	Synlait Milk	Chelsea Leadbetter, CFA	Jul-19	FY19	1,024.3	152.1	124.5	81.7	45.6	0.0
NEUTRAL	Result:	Final		FY20	1,150.2	176.6	134.6	79.9	44.6	0.0
	Release Date:	Mon, 28 Sep 20		Consensus	1,274.6	175.7	131.0	77.7	43.4	0.0
				% chg (Forsyth Barr)	+12.3%	+16.1%	+8.1%	-2.2%	-2.2%	+0.0%
Recent capacity investment and acquisitions will weigh on FY20, with a step change in interest and depreciation expected to offset EBITDA growth. Key focus areas are: (1) new customer announcements to fill capacity, (2) an update on Pokeno, (3) insights on capex and cost outlook.										
THL	Tourism Holdings	Andy Bowley	Jun-19	FY19	423.0	114.8	62.1	27.9	22.2	14.0
NEUTRAL	Result:	Final		FY20	382.0	110.6	48.3	18.7	12.6	0.0
	Release Date:	Fri, 18 Sep 20		Consensus	393.5	107.0	48.1	19.4	13.0	7.0
				% chg (Forsyth Barr)	-9.7%	-3.6%	-22.3%	-32.8%	-43.1%	-100.0%
Updated guidance of NZ\$17.5m-NZ\$19.0m implies the company will be profitable through 2H20, despite the significant disruption and loss of revenue as a result of COVID-19 restrictions in all regions. THL has benefited from government subsidies, new COVID-19 income streams, and strong rebound in US vehicle sales.										
WHS	The Warehouse Group	Guy Hooper	Jul-19	FY19	3,071.4	173.0	112.4	74.1	21.5	8.0
RESEARCH INSIGHTS	Result:	Final		FY20	3,117.4	168.7	110.4	74.0	21.4	0.0
	Release Date:	Fri, 25 Sep 20	(est)	Consensus	3,136.3	170.3	111.3	75.6	19.5	5.0
				% chg (Forsyth Barr)	+1.5%	-2.5%	-1.8%	-0.2%	-0.2%	-100.0%
Recent trading has been strong, led by Noel Leeming and Torpedo7. As the store footprint is readdressed and WHS shifts to agile, we look for colour on how the cost base evolves. Also of interest will be the performance of TheMarket and its current earnings drag.										

Source: Forsyth Barr analysis

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