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Tourism Holdings
COVID Losses Self-Contained; Upgrade to NEUTRAL

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NEUTRAL

We upgrade Tourism Holdings (THL) to NEUTRAL from UNDERPERFORM reflecting the company's strong cost management in response to COVID-19 demand challenges, and strength in vehicle sales demand. Accounting losses to date have been minimised and cashflows have been boosted by strong vehicle sales activity. The latter has assisted THL's balance sheet with net debt comfortably below funding headroom for the foreseeable future. However, earnings remain challenged with border restrictions impacting international rental bookings, which typically provide higher yields than domestic. The medium term outlook for THL is constrained, but this is priced in with it trading close to its net asset value (NAV). We raise our target price to NZ$1.90 from NZ$1.50 to reflect a more positive view on THL's NAV outlook.

NZX Code	THL
Share price	NZ$1.93
Target price	NZ$1.90
Risk rating	High
Issued shares	147.1m
Market cap	NZ$284m
Avg daily turnover	291.4k (NZ$619k)

Financials: Jun/	19A	20E	21E	22E
NPAT* (NZ$m)	27.9	18.7	-7.4	8.9
EPS* (NZc)	22.2	12.6	-4.9	5.8
EPS growth* (%)	-28.3	-43.1	n/a	n/a
DPS (NZc)	27.0	0.0	0.0	4.3
Imputation (%)	76	n/a	n/a	50
*Based on normalised profits				

Valuation (x)	19A	20E	21E	22E
EV/EBITDA	4.2	4.0	8.5	6.6
EV/EBIT	7.7	9.3	n/a	28.6
PE	8.7	15.3	n/a	33.3
Price / NTA	1.0	1.2	1.3	1.3
Cash div yld (%)	14.0	0.0	0.0	2.3
Gross div yld (%)	18.1	n/a	n/a	2.7

What's changed?

- **Earnings:** FY20 NPAT upgraded to guidance range; FY21 forecasts lifted materially but still loss making, FY22 downgraded
- **Target price:** Lifted to NZ$1.90 from NZ$1.50
- **Rating:** Upgraded to NEUTRAL from UNDERPERFORM

Three reasons to be more positive

THL has navigated COVID-19 extremely well to-date. There are several reasons to be more positive: (1) FY20 earnings guidance implies COVID-19 demand weakness has been mitigated by strong cost control measures, supported by government subsidies; (2) domestic RV sales and rentals demand have been strong as COVID-19 restrictions have been lifted; and (3) balance sheet pressures have been eased by strong vehicle sales. The speed of the vehicle sales market improvement is corroborated by recent commentary from US RV manufacturer Winnebago (WGO), which highlights an inventory shortfall of used vehicles.

Cashflow boosted by vehicle sales

We expect THL to generate an accounting loss in FY21 as border restrictions hamper international rental demand, but we expect cashflows to remain positive as THL materially reduces new vehicle purchases and continues to rationalise its global fleet through vehicle sales in order to reduce its capital base.

Valuation anchored to book for foreseeable future

As THL is unlikely to generate a return on capital in excess of its cost of capital in the foreseeable future we apply NAV as our sole valuation approach. We expect NAV to fall to NZ$1.90 in FY21 from NZ$2.11 in FY19, less of a decline than previously anticipated.

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Tourism Holdings (THL)

Priced as at 07 Jul 2020 (NZ$)	**1.93**

12-month target price (NZ$)*	**1.90**
Expected share price return	-1.6%
Net dividend yield	0.2%
Estimated 12-month return	-1.4%

Spot valuations (NZ$)	
1. Price to book	1.90
2. n/a	n/a
3. n/a	n/a

Key WACC assumptions	
Risk free rate	2.00%
Equity beta	1.30
WACC	10.2%
Terminal growth	1.5%

DCF valuation summary (NZ$m)	
Total firm value	640
(Net debt)/cash	(221)
Less: Capitalised operating leases	(173)
Value of equity	247

Profit and Loss Account (NZ$m)	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Sales revenue	425.9	423.0	382.0	305.3	319.0
Normalised EBITDA	**110.9**	**114.8**	**110.6**	**48.9**	**62.7**
Depreciation and amortisation	(47.4)	(52.6)	(62.3)	(54.1)	(48.2)
Normalised EBIT	**63.5**	**62.1**	**48.3**	**(5.3)**	**14.5**
Net interest	(9.4)	(11.2)	(12.9)	(7.1)	(5.1)
Associate income	(1.0)	(11.0)	(9.3)	2.0	3.0
Tax	(15.6)	(12.0)	(7.3)	2.9	(3.5)
Minority interests	0	0	0	0	0
Normalised NPAT	**37.5**	**27.9**	**18.7**	**(7.4)**	**8.9**
Abnormals/other	24.9	1.9	0	0	0
Reported NPAT	**62.4**	**29.8**	**18.7**	**(7.4)**	**8.9**
Normalised EPS (cps)	30.9	22.2	12.6	(4.9)	5.8
DPS (cps)	27.0	27.0	0	0	4.3

Valuation Ratios	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
EV/EBITDA (x)	4.2	4.2	4.0	8.5	6.6
EV/EBIT (x)	7.3	7.7	9.3	n/a	28.6
PE (x)	6.2	8.7	15.3	n/a	33.3
Price/NTA (x)	1.1	1.0	1.2	1.3	1.3
Free cash flow yield (%)	-30.4	-31.4	-11.7	0.8	-43.5
Net dividend yield (%)	14.0	14.0	0.0	0.0	2.3
Gross dividend yield (%)	18.1	18.1	n/a	n/a	2.7

Capital Structure	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Interest cover EBIT (x)	6.8	5.5	3.7	n/a	2.8
Interest cover EBITDA (x)	11.8	10.2	8.6	6.9	12.3
Net debt/ND+E (%)	44.3	42.2	31.5	7.0	17.5
Net debt/EBITDA (x)	1.8	1.8	1.3	0.4	1.0

Growth Rates	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Revenue (%)	25.2	-0.7	-9.7	-20.1	4.5
EBITDA (%)	26.7	3.5	-3.6	-55.8	28.4
EBIT (%)	33.1	-2.2	-22.3	n/a	n/a
Normalised NPAT (%)	24.3	-25.6	-32.8	n/a	n/a
Normalised EPS (%)	20.5	-28.3	-43.1	n/a	n/a
Ordinary DPS (%)	28.6	0.0	-100.0	n/a	n/a

Key Ratios	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Return on assets (%)	11.0	10.3	7.9	-1.1	2.7
Return on equity (%)	15.0	10.1	6.2	-2.6	3.1
Return on funds employed (%)	15.5	13.4	10.5	-1.4	4.4
EBITDA margin (%)	26.0	27.1	29.0	16.0	19.7
EBIT margin (%)	14.9	14.7	12.6	-1.7	4.5
Capex to sales (%)	42.4	42.5	27.2	18.0	53.5
Capex to depreciation (%)	392	349	169	104	362
Imputation (%)	76	76	n/a	n/a	50
Pay-out ratio (%)	87	122	0	0	75

Cash Flow (NZ$m)	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
EBITDA	**110.9**	**114.8**	**110.6**	**48.9**	**62.7**
Working capital change	6.9	(4.8)	(4.6)	19.9	0.1
Interest & tax paid	(25.0)	(23.2)	(16.2)	(0.1)	(4.5)
Other	1.7	4.0	(19.2)	(11.2)	(11.2)
Operating cash flow	**94.5**	**90.8**	**70.6**	**57.4**	**47.1**
Capital expenditure	(180.7)	(180.0)	(103.8)	(55.0)	(170.5)
(Acquisitions)/divestments	98.1	84.8	81.1	115.8	87.1
Other	(14.3)	(0.3)	(17.5)	0	0
Funding available/(required)	**(2.4)**	**(4.8)**	**30.4**	**118.1**	**(36.3)**
Dividends paid	(22.9)	(29.4)	(17.4)	0	(3.3)
Equity raised/(returned)	2.8	30.8	49.3	0	0
(Increase)/decrease in net debt	**(22.5)**	**(3.4)**	**62.3**	**118.1**	**(39.7)**

Operating Performance	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Revenue (NZ$m)					
Rentals NZ	135.3	148.7	137.2	109.9	109.3
Tourism Group	41.8	41.4	29.0	11.6	17.4
Rentals Australia	80.2	83.5	75.9	65.2	72.3
Rentals US	167.7	149.4	139.9	118.6	120.0
Total	**425.1**	**423.0**	**382.0**	**305.3**	**319.0**
Normalised EBIT (NZ$m)					
Rentals NZ	25.7	31.5	30.8	(0.5)	9.8
Tourism Group	11.9	12.3	4.4	(0.0)	0.4
Rentals Australia	10.6	11.3	7.5	(1.0)	4.5
Rentals US	19.7	13.0	9.2	0.2	3.9
Group support services	(4.4)	(6.0)	(3.6)	(3.9)	(4.1)
Total	**63.5**	**62.1**	**48.3**	**(5.3)**	**14.5**
EBIT (NZ$m)					
Services	43.2	48.0	33.3	(22.1)	1.0
Goods	20.3	14.1	14.9	16.8	13.5
Total	**63.5**	**62.1**	**48.3**	**(5.3)**	**14.5**
NZDAUD	0.94	0.92	0.95	0.91	0.90
NZDUSD	0.73	0.67	0.63	0.64	0.65

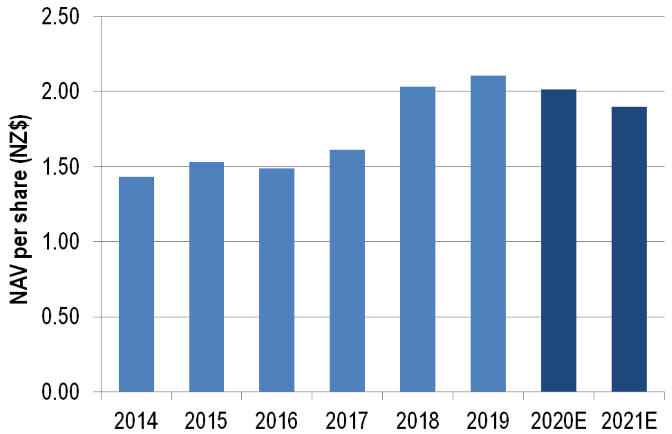
Balance Sheet (NZ$m)	**2018A**	**2019A**	**2020E**	**2021E**	**2022E**
Working capital	24.5	37.7	26.7	15.3	15.9
Fixed assets	384.2	407.0	366.7	256.1	295.6
Intangibles	44.6	44.2	58.1	57.0	55.9
Right of use asset	0	0	68.8	68.8	68.8
Other assets	59.2	57.3	55.2	55.2	55.2
Total funds employed	**512.5**	**546.1**	**575.5**	**452.3**	**491.4**
Net debt/(cash)	198.8	202.2	139.9	21.8	61.4
Lease liability	0	0	80.5	80.5	80.5
Other liabilities	63.7	66.9	51.4	59.8	60.7
Shareholder's funds	250.0	277.0	303.7	290.2	288.8
Minority interests	0	0	0	0	0
Total funding sources	**512.5**	**546.1**	**575.5**	**452.3**	**491.4**

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

Upgrade to NEUTRAL

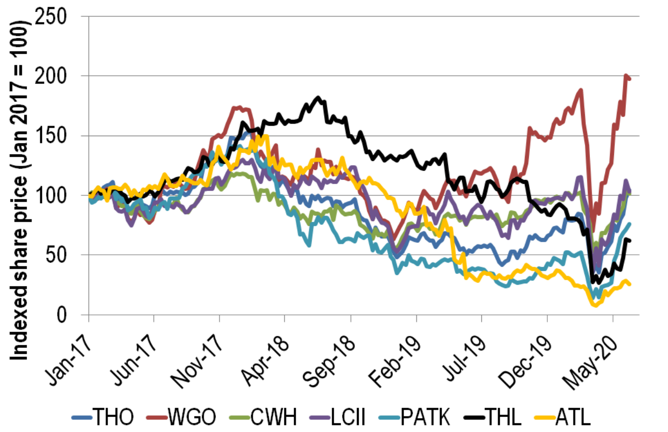
FY20 earnings will be ahead of prior expectations and net debt will be lower. The earnings hit from COVID-19 is lower than anticipated and the risk of fleet impairment is low. Therefore, the forward outlook for THL's net asset value (NAV), which we view as an anchor for valuation purposes, is much improved relative to our previous expectations. Consequently, we upgrade our rating to NEUTRAL from UNDERPERFORM. Our target price is raised to NZ$1.90 from NZ$1.50 to reflect the improved NAV outlook.

Figure 1. NAV outlook



Source: THL, Forsyth Barr analysis

Figure 2. International RV peers share performance



Source: Eikon, Forsyth Barr analysis THO = Thor; WGO = Winnebago; CWH = Camping World; LCII = LCI Industries; PATK= Patrick; ATL = Apollo Tourism & Leisure

Earnings revisions

We make material changes to our earnings forecasts for THL over the next three years as outlined in Figure 3. Similar to other companies which are exposed to border closures as a result of COVID-19, THL's medium term forecasts come with a health warning/ high margin for error. There is just too much uncertainty to have any confidence in our estimates, which is why it is appropriate at the current time to base valuation on the balance sheet, rather than the profit and loss account or cashflows.

Our earnings forecast assume that:

- International borders reopen to varying degrees in all geographies by 1 January 2021, but with international demand lower than pre-COVID-19.
- Vehicle sales volumes and margins are strong through FY21.
- Domestic rental demand will be strong prior to borders re-opening though these bookings are lower yielding than international rentals.

Figure 3. Earnings revisions (NZ$m)

	FY20E			FY21E			FY22E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
Sales revenue	385.0	382.0	-0.8%	314.2	305.3	-2.8%	435.4	319.0	-26.7%
EBIT	34.4	48.3	40.4%	(13.3)	(5.3)	60.3%	69.3	14.5	-79.1%
Reported NPAT	7.2	18.7	160.8%	(21.5)	(7.4)	65.4%	41.7	8.9	-78.6%
Underlying NPAT	**7.2**	**18.7**	**160.8%**	**(21.5)**	**(7.4)**	**65.4%**	**41.7**	**8.9**	**-78.6%**
Underlying EPS (cents)	4.8	12.6	160.8%	(14.2)	(4.9)	65.4%	27.1	5.8	-78.6%
DPS (cents)	10.0	0.0	-100.0%	0.0	0.0	n/a	20.0	4.3	-78.3%

Source: Forsyth Barr analysis

Three reasons to be more positive

#1: Guidance tells us COVID-19 losses have been minimised

THL's FY20 underlying NPAT 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. When compared to the guidance provided at the 1H20 result in February 2020, which was later withdrawn, it is only NZ$5.0m–NZ$6.5m lower.

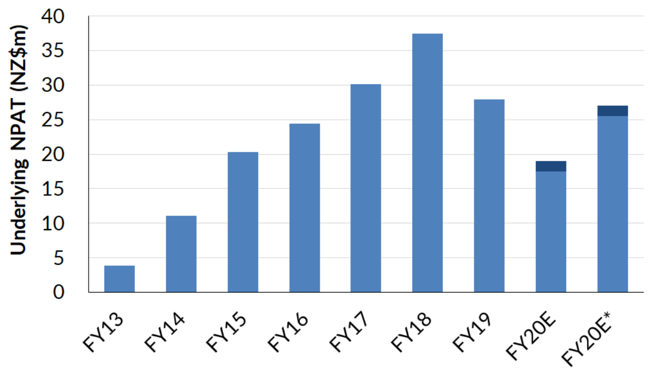
This highlights several key things: (1) THL has been able to quickly variablise its cost base, (2) it has been a beneficiary of government subsidies in New Zealand and Australia, (3) it has been a beneficiary of new income streams, particularly in the US where it has generated ~US$5m revenue from self isolation/quarantine/temporary housing contracts, and (4) vehicle sales have rebounded strongly since the easing of restrictions, particularly in the US market.

Figure 4. Guidance infers NZ$5m–NZ$6.5m COVID-19 hit

(NZ$m)	1H20	2H20E	FY20E
Updated NPAT gudiance (25 Jun 2020)			
Low	13.1	4.4	17.5
High	13.1	5.9	19.0
Pre-COVID-19 NPAT guidance (28 Feb 2020)			
Amount	13.1	10.9	24.0
Change			
Low	n/a	(6.5)	(6.5)
High	n/a	(5.0)	(5.0)

Source: THL, Forsyth Barr analysis

Figure 5. NPAT history including FY20 guidance



Source: THL, Forsyth Barr analysis * NPAT ex-Togo NOTE: Darker part of FY20 reflects guidance range

Outlook for FY21 remains highly uncertain

Uncertainty reflects several key factors: (1) if, and when, borders reopen and on what basis; and (2) ongoing demand for used RVs in each country of activity if consumer spending is impacted by the economic climate, and that the recent uplift has been a function of pent up demand rather than new buying intentions.

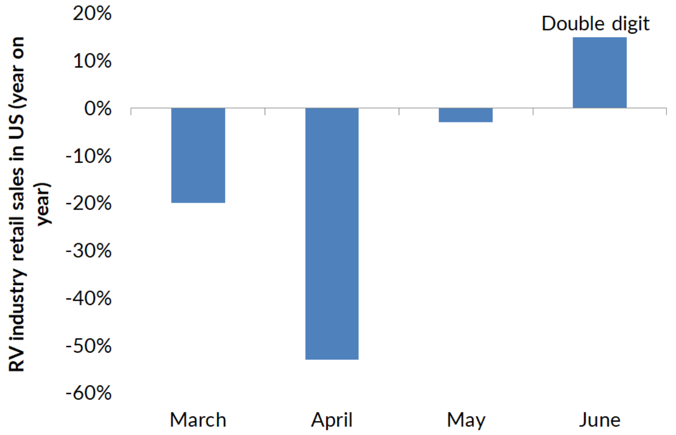
#2: Domestic RV rentals and sales are healthy

The demand for domestic RV rentals is robust in a world where international borders are closed or travel restrictions are in place. However, domestic rentals differ to international rentals in the sense that they are typically shorter duration bookings and lower yields, particularly in peak season. Moreover, domestic rentals account for only a proportion of pre-COVID-19 demand.

Vehicle sales rebound has accelerated in the US

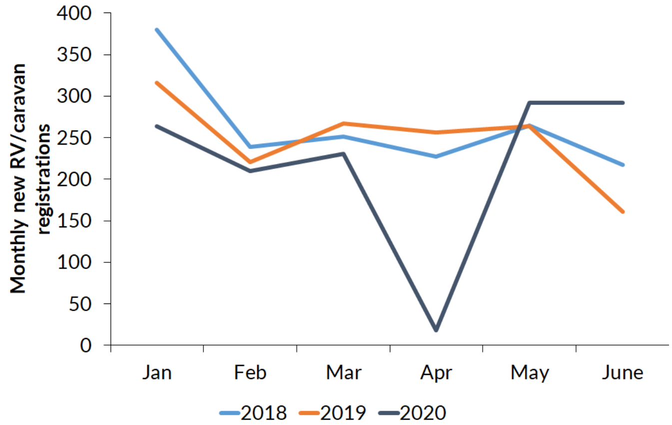
- **US:** THL has already said that vehicle demand "*has significantly exceeded expectations in both retail and wholesale channels*" in May 2020, with a +54% increase in vehicles at improved margins. RV manufacturer Winnebago (WGO) commented on its 3Q20 conference call two weeks ago that industry retail sales were -20% in March 2020, -53% in April, nearly flat in May, but double digit in June with the company noting that it has "*seen an **incredible rebound** in retail demand and dealer demand since early May across all our businesses... our latest retail for the latest week in June, and it's as high a comp percentage as we have seen in the recovery to date... Used inventory is extremely low right now in the market. Dealers, they want more used inventory. They can't get their hands on enough.*"
- **New Zealand:** NZTA vehicle registrations data (Figure 7) suggest that vehicle demand has picked up following the restrictive operating environments of Alert Levels 4 and 3. In particular, anecdotal feedback suggests that sales activity improved further as New Zealand entered Alert Level 1.
- **Australia:** Sales activity appears less buoyant than in THL's other markets, but has improved in recent months.

Figure 6. US RV retail sales rebounding strongly



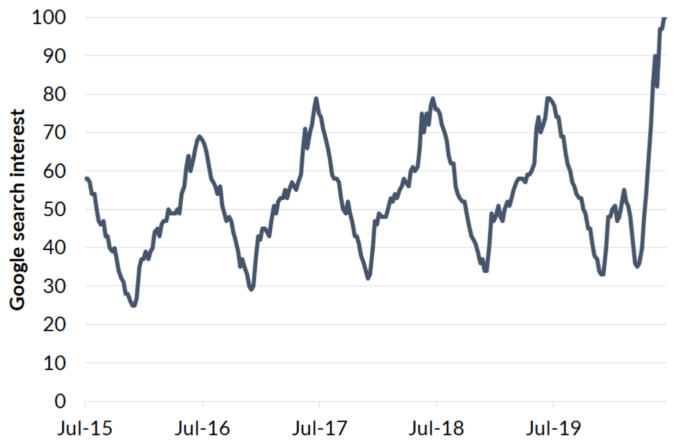
Source: Winnebago, Forsyth Barr analysis

Figure 7. RV/caravan registrations in New Zealand by month



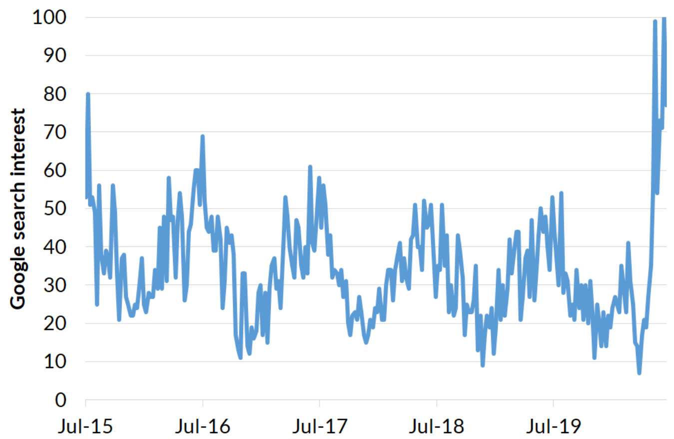
Source: NZTA, Forsyth Barr analysis

Figure 8. Online interest in RVs in the US has increased



Source: Google Trends, Forsyth Barr analysis

Figure 9. Online interest in THL's EL Monte in the US has lifted



Source: Google Trends, Forsyth Barr analysis

Domestic rentals stronger; border closures having material impact

THL is largely restricted to domestic rental customers only, given border closures across its regional exposure. In New Zealand and Australia, borders are closed to all non-residents. In the US, restrictions are in place for travellers from various countries including UK and Europe, China, Brazil and Iran. This rules out a large proportion of THL's international demand cohort.

Domestic rental customers tend to rent for shorter periods and generate lower yields than international customers. We assume that the revenue per domestic customer is ~70% of that of an international customer. Consequently, while in the US ~50% of bookings are from domestic customers, we estimate they account for ~35% of US rental revenue. Applying this to all rental revenue, we assume that 20% of group rental revenue was domestic in FY19, as shown in Figure 8.

While we expect domestic rental demand to be stronger for the foreseeable future as indicated by THL in its 11 June 2020 market update, the level of demand differs by market:

- **New Zealand:** THL's '*get moving, to get New Zealand moving*' campaign has been very successful, with significant demand and average rental periods longer than typical for domestic bookings. However, the discounted pricing means margin generation will be limited. Australians typically represent ~25% of rental bookings in New Zealand, and therefore the business would likely receive a substantial boost from the opening of a trans-Tasman bubble.
- **Australia:** Some inter-state travel restrictions continue to apply, which will dampen domestic demand, particularly for the winter-spring Queensland peak. While NSW and Victoria's borders are open to non-residents, other states are being more vigilant.
- **US:** Anecdotal feedback suggests domestic rental demand has strengthened as a result of COVID-19.

Figure 10. ~20% of FY19 rental revenue from domestic

	Domestic bookings %	Domestic revenue %	Domestic revenue
NZ	10%	7%	7
Australia	30%	21%	15
USA	50%	35%	29
Tourism Group		n/a	n/a
Total domestic			**50**
Total FY19 rental revenue			251
Domestic % of FY19 revenue			**20%**

Source: Forsyth Barr analysis

Figure 11. ~45% of total FY19 revenue from domestic

	Domestic rentals	Domestic sales	Total domestic
NZ	7	51	57
Australia	15	14	28
USA	29	66	96
Tourism Group	n/a	4	4
Total domestic	**50**	**135**	**185**
Total FY19 rental revenue	251	172	423
Domestic % of FY19 revenue	**20%**	**78%**	**44%**

Source: Forsyth Barr analysis

#3: Capital employed is being reduced

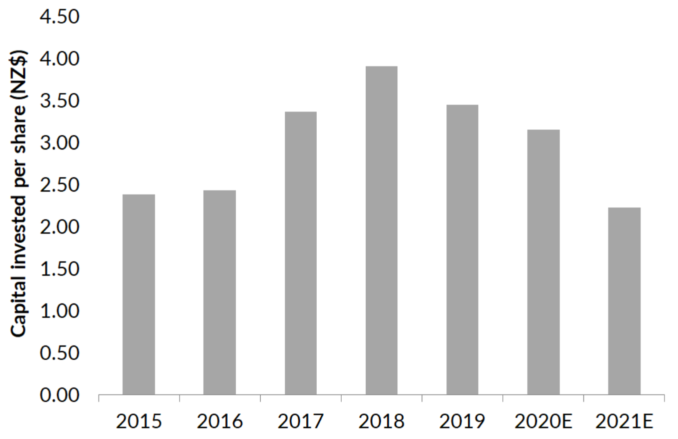
Stronger vehicle sales activity is helping reduce the size of THL's global fleet and therefore also its level of capital invested. We, like THL, are proponents that return on invested capital (ROIC) or return on funds employed (ROFE), are key drivers of value. By limiting its capital position in an environment of lower profits, THL is protecting shareholder value. Moreover, it has ruled out a capital raise to bolster its balance sheet, reflective of the buoyancy of the vehicle sales market.

Profitability may be boosted near term as the company divests more vehicles than it ordinarily would, as its actual depreciation rates are higher than its 'real' depreciation rates (when net book value is consistent with realisable value).

We expect THL's capital invested will increase in FY20 vs FY19 given the proceeds of the capital raise at the beginning of the year. However, after adjusting for shares on issue, capital investing falls and continues to fall through FY21.

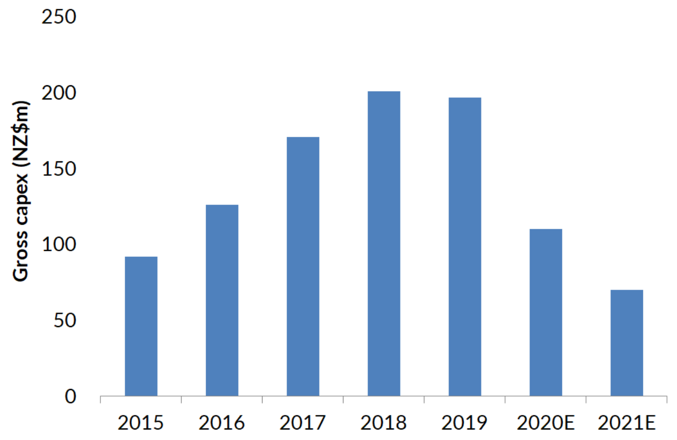
- **Gross capex is falling:** THL guidance is for NZ$110m in FY20. Moreover, it says that FY21 gross capex is expected to be substantially lower. We forecast NZ$70m of gross capex in FY21.
- **Vehicle sales rising:** Having been impacted by weak US market conditions over the past two years, vehicle sales have bounced back. We expect total sales in FY20 to be lower than FY19 given the period in activity in each market as a result of government restrictions. We assume that vehicle sales will climb through FY21 in all markets.

Figure 12. Capital invested will fall in FY20 and FY21



Source: THL, Forsyth Barr analysis

Figure 13. Gross capex is falling substantially



Source: THL, Forsyth Barr analysis

Investment Summary

Tourism Holdings (THL) management has executed very strongly on a clear strategic drive to enhance economic returns by reducing capital intensity, improving industry structure, and enabling technology solutions to lift performance and generate growth. As a result, earnings have increased significantly in recent years, assisted by positive tourism inflows. However, lower US vehicle sales market woes and border restrictions have challenged this backdrop. We are confident that THL will grow earnings from its current base over the medium term but it has significant near term COVID-19 related demand challenges. NEUTRAL.

Business quality

- **Market leadership**: THL is the largest RV rental player globally with the top two positions in New Zealand, Australia and the US. Economies of scale benefits exist from procurement, fleet flexibility, pick-up/drop-off locations and presence in key sales channels.
- **ROFE focus**: THL is a very return on capital focussed business. Returns have improved in recent years given a combination of market growth and company initiatives including flex-fleet.
- **Track record**: Management has a strong history of creating value through reducing capital intensity, leading consolidation to improve industry structure and a disciplined approach to earnings accretive M&A.

Earnings and cashflow outlook

- **COVID-19**: Border closures will have a significant impact on inbound tourism for the foreseeable future. Domestic tourism will increase but won't fully mitigate the yield impact on THL, in our opinion.
- **Vehicle sales**: Any sustained economic downturn will adversely impact the used RV market.
- **Tourism growth**: European tourist arrivals are key drivers for motorhome rentals in Australasia and the US. Consumer confidence in origin countries, oil prices and currency movements all impact longer term tourism inflows.

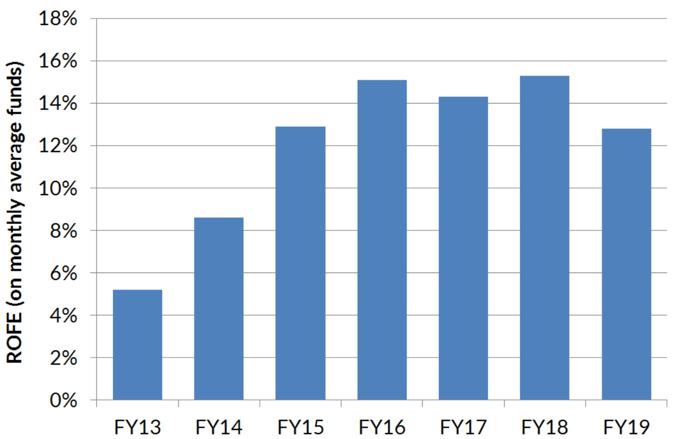
Financial structure

- **Balance sheet**: Gearing levels have been improved by the 2019 capital raise and have put THL in a reasonable position ahead of the demand challenges from COVID-19.

Risk factors

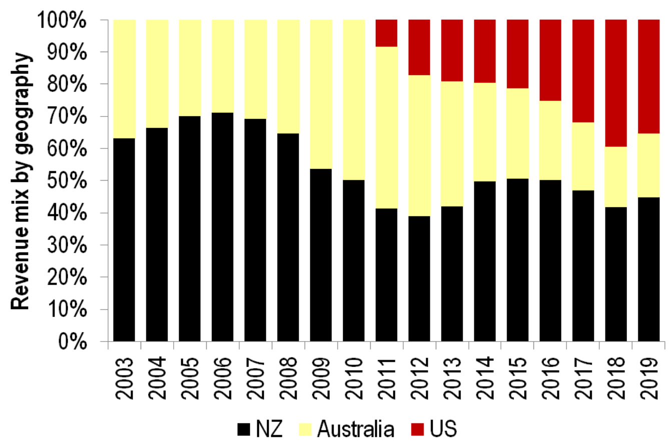
- **Low barriers to entry**: New operators may enter the motorhome rental market attracted by improving industry returns.
- **Economic slowdown in key origin countries**: Lower economic growth in Europe, the UK and key origin countries for THL could threaten earnings.

Figure 14. ROFE



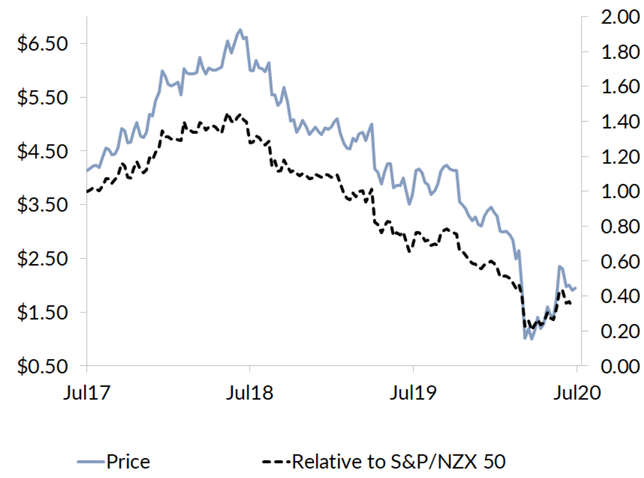
Source: Forsyth Barr analysis

Figure 15. Capex necessary to facilitate growth



Source: Forsyth Barr analysis

Figure 16. Price performance



Source: Forsyth Barr analysis

Figure 17. Substantial shareholders

Shareholder	Latest Holding
HB Holdings	18.3%
ACC	8.0%

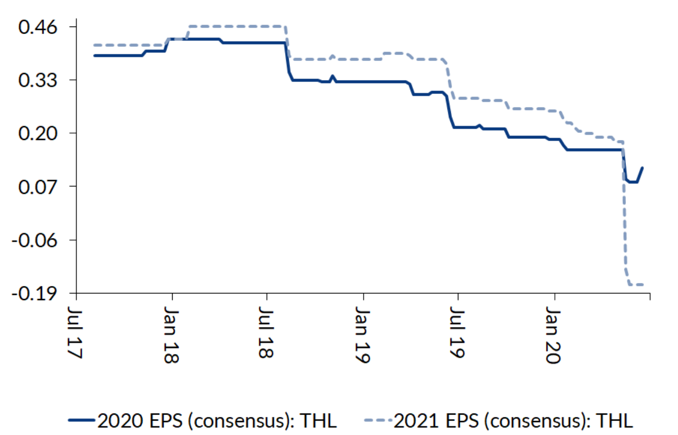
Source: NZX, Forsyth Barr analysis, NOTE: based on SSH notices only

Figure 18. International valuation comparisons

Company	Code	Price	Mkt Cap	PE		EV/EBITDA		EV/EBIT		Cash Yld
(metrics re-weighted to reflect THL's balance date - June)			(m)	2020E	2021E	2020E	2021E	2020E	2021E	2021E
Tourism Holdings	**THL NZ**	**NZ$1.93**	**NZ$284**	**15.3x**	**<0x**	**4.4x**	**9.9x**	**10.1x**	**<0x**	**0.0%**
APOLLO TOURISM & LEISURE	ATL AT	A$0.32	A$60	<0x	7.8x	10.1x	7.5x	14.6x	14.9x	n/a
THOR INDUSTRIES INC	THO US	US$102.97	US$5,684	32.0x	20.0x	13.8x	10.6x	20.4x	n/a	n/a
AVIS BUDGET GROUP INC	CAR US	US$26.92	US$1,872	1.5x	7.9x	<0x	<0x	<0x	1.7x	n/a
FLIGHT CENTRE TRAVEL GROUP L	FLT AT	A$11.44	A$2,276	<0x	<0x	38.8x	26.8x	<0x	<0x	2.2%
WEBJET	WEB AT	A$3.41	A$1,156	46.7x	<0x	22.5x	>75x	>75x	<0x	0.6%
SEALINK TRAVEL GROUP	SLK AT	A$4.40	A$961	23.7x	17.4x	14.4x	8.6x	25.1x	14.0x	3.2%
			Compco Average:	**26.0x**	**13.3x**	**19.9x**	**13.4x**	**20.0x**	**10.2x**	**2.0%**
EV = Current Market Cap + Actual Net Debt			**THL Relative:**	**-41%**	**n/a**	**-78%**	**-26%**	**-50%**	**n/a**	**-100%**

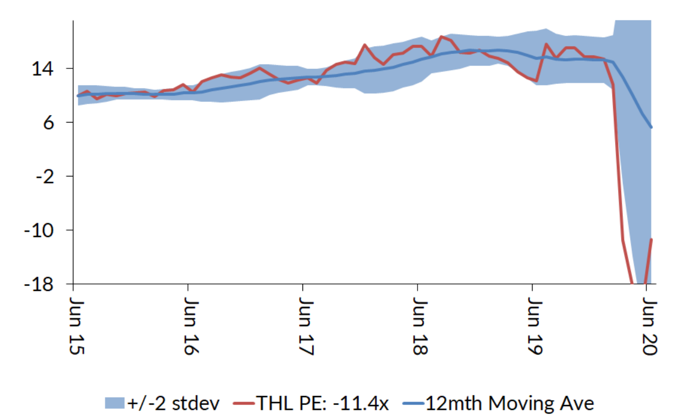
Source: *Forsyth Barr analysis, Bloomberg Consensus, Compco metrics re-weighted to reflect headline (THL) companies fiscal year end

Figure 19. Consensus EPS momentum (NZ$)



Source: Forsyth Barr analysis

Figure 20. One year forward PE (x)



Source: Forsyth Barr analysis

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