

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage



Analyst Harry Stevenson	Date 30 th November 2020	Price Target \$5.61/sh
-----------------------------------	---	----------------------------------

Commercialising Science

Investment case

Lycopodium Limited (LYL) provides integrated engineering, construction and asset management solutions to global resource markets. Established in 1992 and listed on the ASX in 2004 the company has a 28-year track record of delivering EPCM/EPC contracting and engineering services to a diverse range of industries.

The company employs around 600 staff specialising in providing lifecycle services from concept and feasibility through to construction and plant optimisation. Recently the company has developed a reputation for providing services to the growing West African gold sector.

FY'20 Results

LYL provided a solid set of FY'20 results generating revenue of \$211.1m and NPAT of \$11.8m; in line with guidance of \$200m and NPAT of \$11.5m. Supported by staff the company was relatively unaffected by Covid-19 and all projects were completed on schedule. LYL benefited from favourable payment terms on the Yaouré Gold project for Perseus, generating operating cashflows of \$62m for the year. LYL continued its strong track record of dividend payments, maintaining a fully franked 20CPS full year dividend or 68% of earnings.

Outlook

While FY'20 results were generally strong, the orderbook does not support the same level of activity, with two major projects now complete we look for a decrease in the level of EPC activity and consequently forecast revenue falls through FY'21; however, we forecast stronger margins as backend project profits are recognised. We expect activity in Mondium to continue to ramp through FY'21 picking up some of the slack in the LYL's orderbook. With a number of major studies in the pipeline we expect EPC contract awards to occur in the back end of FY'21, positioning the company for a stronger FY'22.

Valuation

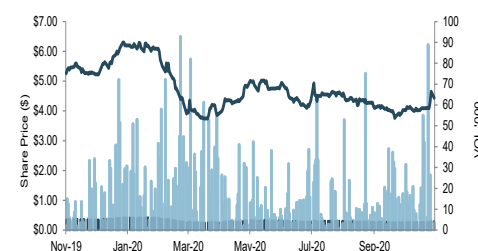
LYL continues to lag the wider resources led recovery and its industrial peers. Trading at \$4.87 LYL continues to trade at a discount to pre-Covid high of \$6.40. We expect LYL to retrace some of this lost ground as existing studies and EP contracts convert into new contracts through the second half of FY'21.

We initiate coverage with a 12-month price target of \$5.61 based on a fairly basic, although somewhat undemanding, capitalisation of forecast 2021 and 2022 earnings. LYL has traded back given the general market conditions and a weaker orderbook outlook, we look to contract wins in the second half of FY'21 from a large pipeline of opportunities to re-rate the stock. In the meantime, LYL trades 6x EV/EBIT with \$100m in the bank.

Lycopodium Limited	Year End 30 June	
Share Price	4.87	A\$/sh
Price Target	5.61	A\$/sh
Valuation (DCF)	6.00	A\$/sh
WACC	9.2%	
Terminal Growth	2.5%	
Shares on issue	40 m,	diluted
Market Capitalisation	193.5	A\$m
Enterprise Value	94.3	A\$m
Cash	102.9	A\$m
Debt	0.5	A\$m

Key Financials	FY'2020	FY'2021	FY'2022
Revenue (A\$m)	209.6	160.0	210.0
EBITDA (A\$m)	25.6	23.7	27.9
EBIT (A\$m)	17.5	15.7	20.0
Reported NPAT (A\$m)	11.7	11.7	14.3
Normalised NPAT (A\$m)	12.9	11.7	14.3
Gross Cashflow (A\$m)	11.8	14.1	16.6
Capex (A\$m)*	-0.6	-1.0	-0.9
Op. Free Cashflow (A\$m)	54.2	-27.2	26.8
Revenue Growth (%)	38%	-24%	31%
EBITDA Growth (%)	10%	-7%	18%
Norm. NPAT margin (%)	6%	7%	7%
Normalised EPS (Ac)	29.22	29.34	35.87
Norm. EPS growth (%)	-29%	0%	22%
PER (x)	16.6	16.5	13.5
EV:EBITDA (x)	3.7	4.0	3.4
EV:EBIT (x)	5.4	6.0	4.7
DPS (Ac)	20.0	18.6	23.4
Dividend Yield (%)	4.1%	3.8%	4.8%
Net cash (A\$m)*	99.2	63.5	79.8
Net Debt:Equity (%)	Net cash	Net cash	Net cash
Interest Cover (x)	NA	NA	NA

Share Price Chart



Disclaimer

ASX Limited ABN 98 009 642 691 and its related bodies corporate ("ASX") did not prepare any part of the report and has not contributed in any way to its content. The role of ASX in relation to the preparation of this research report is limited to funding its preparation, by Euroz Hartleys Securities Limited in accordance with the ASX Equity Research Scheme. ASX does not provide financial product advice. The views expressed in this research report may not necessarily reflect the views of ASX. To the maximum extent permitted by law, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by ASX as to the adequacy, accuracy, completeness or reasonableness of the research report.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EURØZ HARTLEYS

Other Matters

LYL's capital light business model is cash generative; converting ~100% of EBITDA to free cashflows and over time enabling the business to pay ~60% of earnings as dividends, while continuing to fund internal growth. The stock remains firmly held by management and insiders, aligning management and shareholder interests; however, this does come at the expense of liquidity.

Summary

LYL has established a reputation for delivering projects on time and to client specification. While the current orderbook does not support the same level of activity through FY'21 the business is well positioned to capitalise on sustained gold values and ramp up on project activity as Covid-19 vaccines roll out through 2021. Guided by experienced management with track record of managing tendering risks, we expect LYL to continue to trade up from current levels as LYL converts a number of studies to EPC contracts. We initiate coverage with a Buy Recommendation and a 12 month \$5.61/sh price target.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Financial Statements	2019a	2020a	2021f	2022	Performance Ratios	2019a	2020a	2021f	2022f
Income Statement					Growth & Margins				
Revenue	152.2	209.6	160.0	210.0	Revenue Growth	-21%	38%	-24%	31%
OPEX	-129.0	-184.0	-136.3	-182.1	EBITDA Growth	-8%	10%	-7%	18%
EBITDA	23.3	25.6	23.7	27.9	EBITDA margin	15%	12%	15%	13%
Depreciation & amortisation	-1.5	-8.0	-8.0	-7.9	EBIT margin	14%	8%	10%	10%
EBIT	21.8	17.5	15.7	20.0	EBIT Growth	-9%	-20%	-10%	27%
Net finance income	1.7	0.9	1.0	0.5	Normalized net profit margin	11%	6%	7%	7%
EBT	23.5	18.5	16.7	20.5	Effective tax rate	30%	30%	30%	30%
Tax expense	-7.1	-6.8	-5.0	-6.1	Liquidity				
Reported Earnings	16.4	11.7	11.7	14.3	Capex/depreciation (x)	1.1	0.1	0.1	0.1
Abnormal Expenses / (Incomes)	0.2	1.2	0.0	0.0	Current ratio (x)	2.6	1.8	2.9	2.3
Normalized Net Profit	16.6	12.9	11.7	14.3	Quick ratio (x)	226.2	426.8	298.9	377.4
Cash flow (A\$m)					Receivable days	82	47	54	54
Profit before Tax	16.4	11.7	11.7	14.3	Payable days	70	62	43	50
(+) D&A	1.5	8.0	8.0	7.9	Risk Measures				
(-) Lease Expense	0.0	-5.6	-5.6	-5.6	Dividend Cover (x)	1.3	1.0	1.6	1.5
(+/-) Impairments, Non-cash	0.0	0.0	0.0	0.0	Payout ratio (%)	73%	68%	63%	65%
(+/-) FX	-13.4	-0.7	0.0	0.0	Net interest cover (x)	na	na	na	na
(+/-) Other	0.0	-1.6	0.0	0.0	Net debt/equity (%)	net cash	net cash	net cash	net cash
Gross Cashflow	4.5	11.8	14.1	16.6	Returns				
(-) Capital Expenditure	-1.6	-0.6	-1.0	-0.9	ROIC (%)	19%	15%	13%	15%
(-) Change in WC	-18.4	43.0	-40.3	11.2	Return on assets (%)	14%	8%	10%	10%
Operating Free cashflow	-15.5	54.2	-27.2	26.8	Return on average equity (%)	21%	15%	14%	15%
(-) Dividend Paid	-13.1	-11.9	-7.4	-9.3	Share Data/Valuation				
(-/+) Proceeds from Disposals	0.0	0.0	0.0	0.0	Share Data				
(-) Investments	-3.4	0.0	0.0	0.0	Issued shares (m)	39.7	39.7	39.7	39.7
(+/-) Other	18.7	0.4	0.0	0.0	Weighted ave shares (m)	39.7	39.7	39.7	39.7
Net Cashflow	-13.3	42.7	-34.6	17.5	Fully diluted shares (m)	39.7	40.0	40.0	40.0
Bop Net Cash	73.0	59.7	99.2	63.5	Basic EPS (c)	41.3	29.4	29.5	36.1
(+/-) Net Cashflow	-13.3	42.7	-34.6	17.5	YoY change (%)	-12%	-29%	0%	22%
(+/-) Lease Adjustment	0.0	-3.2	-1.2	-1.2	Fully diluted EPS (c)	41.3	29.2	29.3	35.9
EoP Net Cash	59.7	99.2	63.5	79.8	YoY change (%)	-12%	-29%	0%	22%
Balance Sheet (\$m)					Fully diluted normalised EPS (c)	41.3	29.2	29.3	35.9
Cash	60.5	102.9	67.1	83.5	YoY change (%)	-12%	-29%	0%	22%
Receivables	34.4	26.9	23.8	31.3	Dividend/share (c)	30.0	20.0	18.6	23.4
Contract and other assets	1.5	0.0	0.0	0.0	Franking (%)	100%	100%	100%	100%
Inventories	0.9	1.1	1.0	1.4	Gross cashflow/share (c)	11.3	29.7	35.4	41.8
Current Tax Receivables	1.8	0.9	0.7	0.9	NBV/share (c)	199.9	195.9	206.9	219.5
Other Current Assets	3.8	2.5	2.5	2.5	NTA/Share (c)	182.9	177.7	188.7	201.4
Derivative Financial Assets	0.0	0.0	0.0	0.0	Valuation				
Total Current Assets	102.8	134.3	95.1	119.6	PER (Basic) (x)	11.8	16.6	16.5	13.5
Equity Accnted Investments	1.4	3.5	3.5	3.5	PER (Fully diluted) (x)	11.8	16.7	16.6	13.6
Investments in listed equities	0.8	0.9	0.9	0.9	PER (Fully diluted, normalized) (x)	11.8	16.6	16.5	13.5
Financial Assets avail for Sale	0.0	0.0	0.0	0.0	P/CFPS (x)	43.1	16.4	13.8	11.7
PP&E	3.8	3.2	3.1	2.9	Price/NBV (x)	2.4	2.5	2.4	2.2
Right of Use Asset	0.0	3.0	3.0	3.0	Price/NTA (x)	2.7	2.7	2.6	2.4
Intangible Assets	6.7	6.8	6.8	6.7	market Cap (EOFY)	193.5	193.5	193.5	193.5
Other receivables	0.2	0.1	0.1	0.1	EV	133.8	94.3	94.3	94.3
Deferred tax assets	4.1	3.8	3.8	3.8	EV/EBITDA (x)	14.4	3.7	4.0	3.4
Total Non-Current Assets	17.0	21.4	21.2	21.0	EV/EBIT (x)	25.2	5.4	6.0	4.7
Total Assets	119.9	155.7	116.2	140.6	EV/Revenue (x)	0.4	0.1	0.2	0.2
Payables	21.9	23.2	14.4	21.4	Other Information				
Contract and other liabilities	13.8	47.7	13.5	25.0	Estimated free float				30%
Borrowing	0.4	0.3	0.3	0.3	12-mth High/Low (A\$/sh)				6.40/3.70
Lease Liabilities	0.0	1.6	1.8	1.8	Average daily volume (A\$'000s)				83
Derivative financial liabilities	0.2	0.0	0.0	0.0	ASX Code				LYL
Current tax liabilities	0.5	0.8	0.6	0.8	Next result				Feb-21
Provisions	3.0	2.3	1.7	2.3	Company Description				
Total Current Liabilities	39.8	75.9	32.3	51.6	Lycodium Limited (LYL) provides integrated engineering, construction and asset management solutions to global resource markets. Established in 1992 and listed on the ASX in 2004 the company has a 25-year track record of delivering EPCM/EPC contracting and engineering to services to a diverse range of industries.				
Borrowings	0.3	0.2	0.2	0.2					
Provisions	0.3	0.1	0.1	0.1					
Lease Liabilities	0.0	1.6	1.4	1.4					
Total Non-Current Liabilities	0.6	1.9	1.7	1.7					
Total Liabilities	40.4	77.8	34.0	53.4					
Net Assets	7.9	4.4	18.5	9.4					
Issued capital	45.6	56.7	84.5	84.5					
Reserves	7.5	10.0	11.7	13.2					
Retained profits	-45.1	-62.3	-77.7	-88.2					
Total Equity	7.9	4.4	18.5	9.4					

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

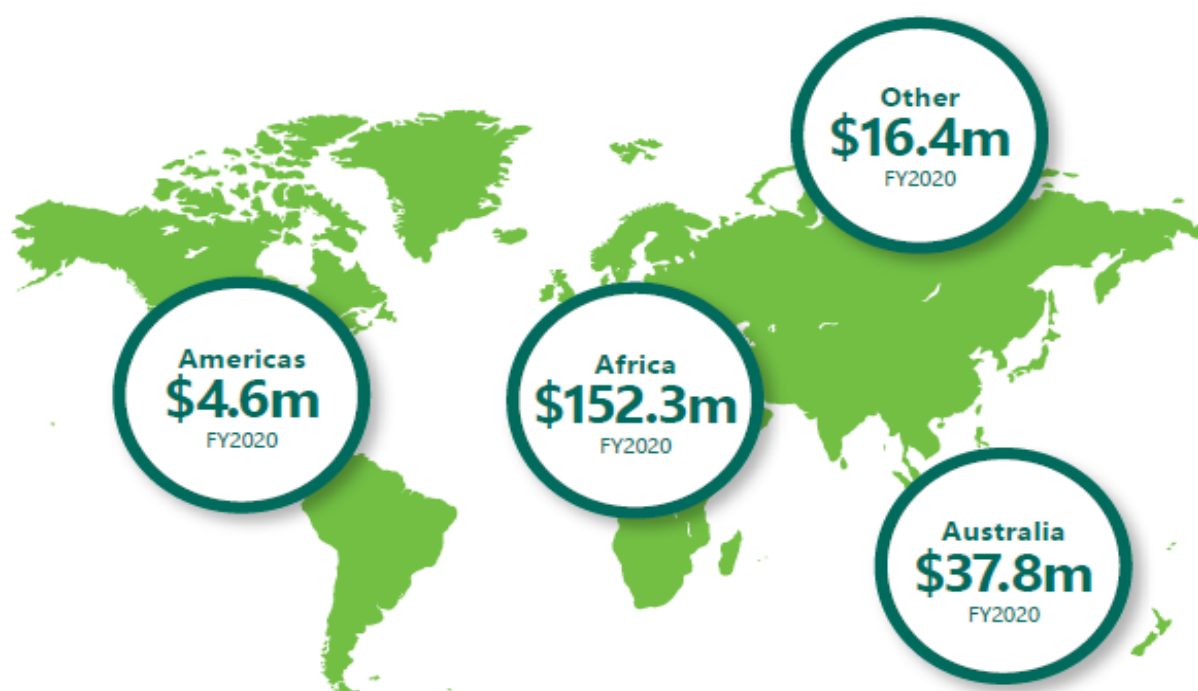
(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

The Business

Established in 1992 Lycopodium Ltd is a multi-disciplined engineering, consulting and project management company. The company's capabilities flow from concept and feasibility studies, basic engineering, through to full construction and design, commissioning, ramp up and plant optimisation. Since establishment the company has built a strong reputation on delivering projects across the globe on time and to client specification. The business is headquartered in Perth with offices in Melbourne, Newcastle, Brisbane, Manila, Cape Town and Toronto with ~600 staff spread across these locations.

During FY'20 the company completed projects across Australia, Africa, Asia, Europe, North and South America as follows:



(Source: 2020 Shareholder report)

- Activity is increasingly focused towards EPC contracts in the growing West African resources sector.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

LYL uses the following schematic to help explain the capabilities of the business:

Our Sectors





Resources

- Gold and Precious Metals
- Base Metals
- Battery Metals
- Specialty Metals
- Diamonds and Gemstones
- Bulk Minerals
 - Iron Ore
 - Minerals Sands
 - Bauxite

Infrastructure

- Railways
- Roads
- Ports
- Non-Process Resource Infrastructure
- Asset Management

Industrial Processes

- Pharmaceuticals
- Biotechnology
- Chemical and Energy
- Food and Beverage
- Manufacturing
- Research and Development

Our Services



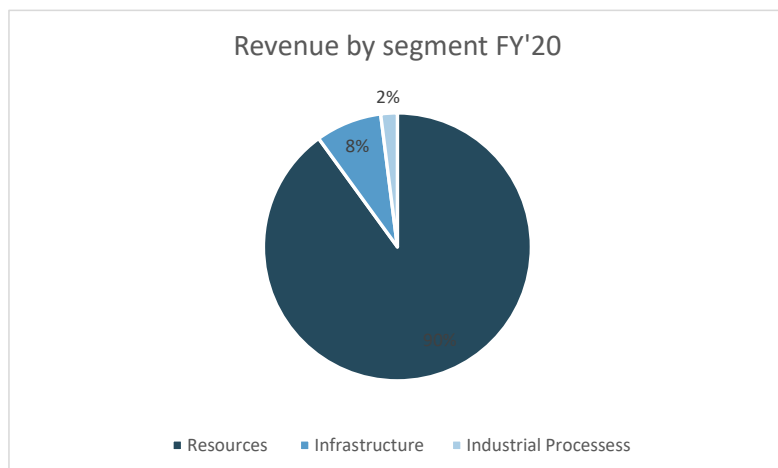
- Feasibility Studies and Advisory
- Process Development and Optimisation
- Engineering and Design
- Project Management and Delivery
- Project Controls
- Commissioning and Operations Support
- Process Control and Optimisation
- Asset Management

(Source: 2020 Shareholder report)

During FY'20 the company undertook 550 projects and studies.

Activity is heavily geared towards resources sectors; however, the company has highlighted it's growing presence in providing infrastructures-based services, in particular rail and transport. The company has also highlighted a number of opportunities which it hopes to capitalise in the pharmaceutical and hydrogen sectors overtime.

Income split in FY'20 was as follows:



Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

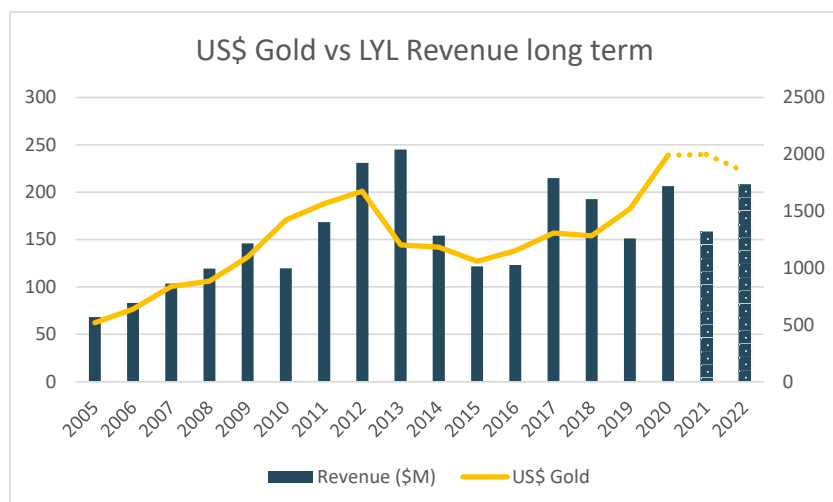
(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Resources

LYL generates ~90% of revenue in activities based in the resource sector; with the company increasingly developing a reputation for delivery of projects in West Africa. During FY'20 the company completed two major EPMC projects in Burkina Faso – Sanbrado Gold Mine for WAF (which was completed on the 10 weeks ahead of schedule and US\$20m under budget) and the Wahgino Gold mine for Teranga Gold Corporation. The delivery of the US\$95.1m Gold mine for Perseus remains on track to meet “stretch target” of first gold in December 2020 (ahead of contracted date of January 2021). The completion the two major EPC contracts during Covid-19 continues to justify LYL's position as a tier 1 operator.

Business activity is of course tied to wider resource market; we estimate that historically LYL has generated ~85% earnings through the delivery EPC and EPCM gold projects, consequently LYL's near term outlook mirrors gold market outlook.



(Source: Euroz Hartleys)

- While the current orderbook does not support the same level of activity through FY'21 we expect activity within the gold sector to remain strong through FY'21 providing LYL with a number of opportunities to ramp up activities in the second half of FY'21 and into FY'22.
- We expect projects which have been deferred or delayed with the onset of Covid-19 to be awarded in the latter half of the FY'21 financial year as a vaccine becomes widely available and restrictions are lifted.

Euroz Hartleys Securities Limited

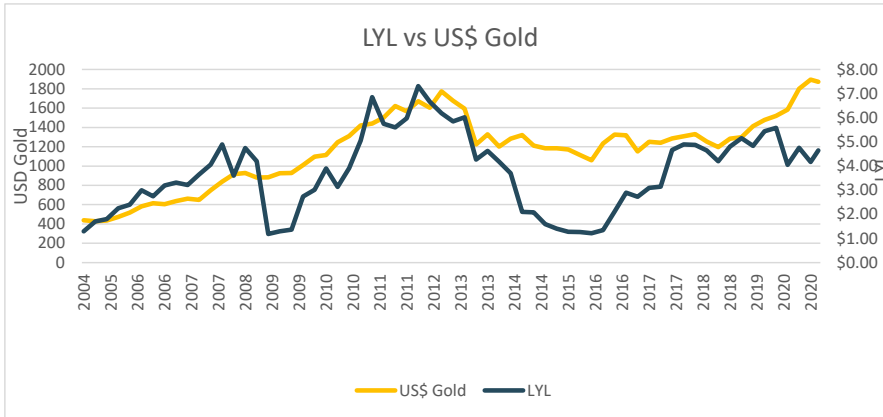
All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycpodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

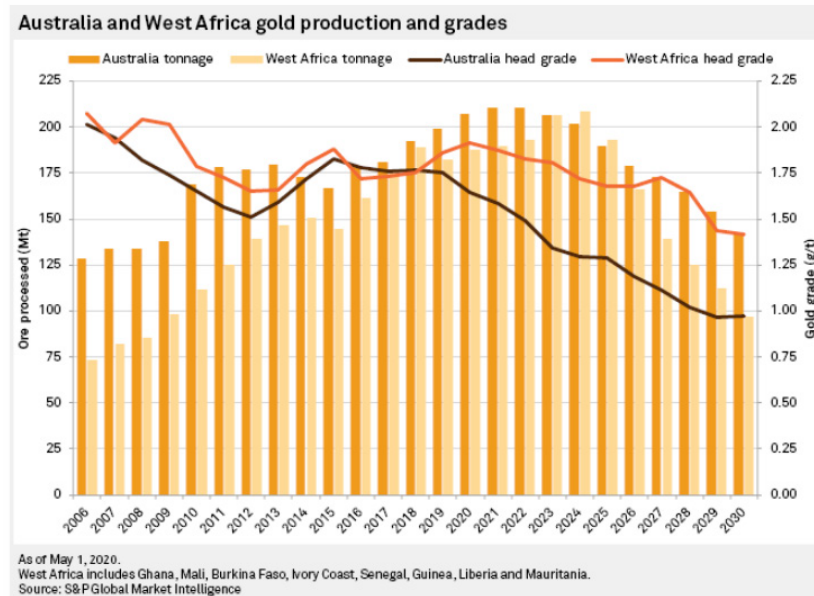


We note the company's share price also tracks the same relationship; we expect share price to recover as restrictions ease and new projects which were delayed with the onset of Covid-19 are awarded.



(Source: Euroz Hartleys)

The following chart highlights the expected ramp up of ore processed in West Africa through to CY'30. The chart highlights activity in the region is expected to continue to ramp up through CY'24; we expect LYL will be well placed to capitalise on their experience in the region as new projects are awarded.



(Source: S&P Global Intelligence 2020)

While FY'21 is shaping up to be a slower year for Lycopodium's resource segment we do expect activity to ramp up in FY'22 with the company set to capitalise on increasingly favourable operating environment and tendering opportunities as operating environment improves.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Infrastructure

LYL's infrastructure division is focused on maximising opportunities across their core services. The company specialises in provision of rail infrastructure management, non-process infrastructure and infrastructure related asset management. During the year LYL completed rail inspection services for various clients including BHP and Southern Ports Authority.

Industrial Processes

The industrial process segment leverages expertise in the provision of projects and engineering services in the areas of speciality chemicals, pharmaceutical and heat/mass transfer. During FY'20 the company continued to leverage its expertise in the provision of projects and engineering services in areas of speciality chemicals, pharmaceutical and heat/mass transfer. The company has highlighted these are areas of potential growth through leveraging their specialised knowledge in these emerging sectors.

Mondium

Mondium is Lycopodium's incorporated joint venture with Monadelphous Ltd.

The JV was established in 2016 and enables Lycopodium to participate in EPC projects which would normally be beyond LYL's capacity. The JV aims to combine the complementary strengths, resources and experience of Monadelphous in multidisciplinary construction works, with Lycopodium's engineering expertise in minerals project delivery.

Mondium is currently completing two major projects:

- \$400m - Western Turner Syncline Phase 2 - for Rio Tinto; expected to be completed in CY'21.
- \$100m - Greenbushes Tailing Treatment Plant - for Talison Lithium.

Given the scale of EPC tender opportunities that Mondium can bid for, we expect contributions to continue to grow and scale over time

In FY'20 the JV delivered LYL a \$2.9m share in net profit.

Our forecasts look for \$3.2m in FY'21 as activity at Western Turner continue to ramp up.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

Recent Contracts

The following is a summary of the projects in process through FY'20.

It highlights a focus on gold resource projects as well as the strong pipeline of studies and projects the company is well placed to convert into a major EPC contracts as restrictions ease.

Client	Contract	Project	Commodity	Location	Sector
EPCM/EPC/EP projects					
West African Resources	EPCM	Sanbrado Gold Project	Gold	Burkina Faso	Resources
Teranga Gold Corporation	EPCM	Wahgnion Gold Project	Gold	Burkina Faso	Resources
Perseus Mining Limited	EPC	Yaoure Gold Project	Gold	Cote D'Ivoire	Resources
IAMGOLD Corporation	EP	Boto Gold Project	Gold	Senegal	Resources
Fekola Sa (B2Gold)	EP	Fekola Mine Expansion	Gold	Mali	Resources
Mondium					
Rio Tinto	EPC	Western Turner Syncline Phase 2	Iron Ore	WA	Resources
Talison Lithium	EPC	Tailings Retreatment Project	Lithium	WA	Resources
Studies and Projects					
Newmont Ghana Gold Ltd	Study	Ahafo North Stage 3 Study	Gold	Ghana	Resources
Base Resources	FID Study	Toliara Project	Mineral Sands	Madagascar	Resources
Sandfire Resources	FEED Study	Motheo Copper Project	Copper	Botswana	Resources
PT Amman Mineral Nusa Tenggara	FEED Study	Batu Hijau Plant Expansion	Copper/Gold	Indonesia	Resources
Australian Potash Ltd	FEED Study	Lake Wells Sulphate of Potash	SOP	WA	Resources
Equinox Gold/Leagold Mining	FEED Study	Los Filos Project	Gold	Mexico	Resources
Mali Lithium Limited	DFS Study	Goulamina Lithium Project	Lithium	Mali	Resources
Cardinal Resources	DFS Study	Namdini Gold Project	Gold	Ghana	Resources
Ma'aden Gold and Base Metals	DFS Study	Al Amar Tailings Retreatment	Gold	Saudi Arabia	Resources
Lepidico Limited	DFS Study	Phase 1 Lithium Chemical Plant	Lithium	Abu Dhabi	Resources
John Holland Rail Country	Design	Maryvale Crossing Loop Extension Design	Rail	NSW	Infrastructure
Main Roads WA	Design	Armadale Road to North Lake Bridge	Civil Engineering	WA	Infrastructure
Icon Construction	Scope	Hydrogen Liquefaction and Loading Terminal	Industrial Process	Victoria	Industrial
Cape Preston Port Company	Optimisation	CPPC Maintenance Optimisation	Infrastructure Mgt	WA	Infrastructure
Zeco Energy	Design	Solar Powered Light Tower Design	Industrial Process	Victoria	Industrial
Victorian Government	Study	Victorian Agricultural Facility	Industrial Process	Victoria	Industrial

LYL highlights their unique position in the engineering market that has both the systems and processes necessary to service Tier 1 clients, but also the flexibility to provide simplified processes for juniors and mid-tier clients. This strategy enables LYL to attract and maintain clients as their needs develop.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Revenue Recognition

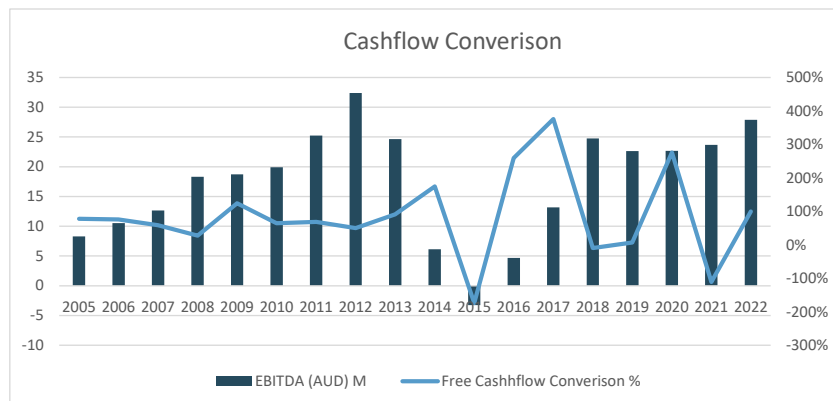
LYL typically completes construction contracts which work on an Engineering, Procurement, Construction Management (EPCM) basis, although, it is completing a growing order book on an EPC basis. Revenues from Engineering and construction contracts are recognised on an “over time” basis, revenue is recognised as and when performance obligations are satisfied.

Contracting involves the transfer of risk from owners to contractors; the success of a contracting business hinges on the ability of company to appropriately price risk when tendering. The management team believe they have developed a measure to appropriately evaluate risk and only bid on projects where risk rewards are appropriately balanced.

Historical performance track record would suggest this is the case. Given the strong holding of the stock by management there is clearly an invested interest managing this risk and company performance.

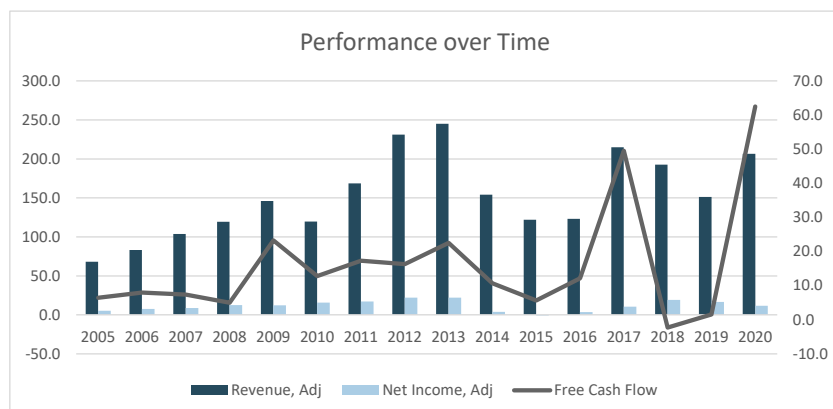
Historical Financial Performance

The capital light business model ensures EBITDA is consistently converted to free cashflow.



- The business has converted ~100% of EBITDA to cashflow since listing; enabling the business to continue to pay owners strong dividends. We forecast full year fully franked dividends of 19cps, 68% of earnings.
- Given the favourable payment terms in FY'20 we look for a draw down on working capital through FY'21 normalising into FY'22.

Guided by an experienced board and management the business has consistently generated healthy revenue, NPAT and strong free cashflows since listing.



- Our forecasts look for revenue of \$160m and NPAT of \$11.7m in FY'21.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

FY'20 Results

FY'20 results were solid with full year results slightly above prior guidance; given project delivery generally unaffected by Covid-19 disruptions.

FY	Units	2019	2020	(+/-)	%
Contract Revenue	A\$m	151.1	206.7	55.5	37%
Interest income	A\$m	1.8	1.5	-0.3	-16%
Other income	A\$m	1.1	3.0	1.9	173%
Total Revenue	A\$m	154.0	211.1	57.1	37%
(-) Employee Benefits expense	A\$m	-66.7	-67.0	-0.3	0%
(-) Depreciation	A\$m	-1.5	-8.0	-6.6	453%
(-) Project Exp.	A\$m	-5.5	-5.0	0.5	-10%
(-) Equipment and materials	A\$m	-18.4	-71.1	-52.6	286%
(-) Contractors	A\$m	-32.1	-31.3	0.8	-3%
(-) Occupancy Expense	A\$m	-8.1	-1.2	6.9	-85%
(-) Other expenses	A\$m	-12.2	-12.1	0.0	0%
(-) Warranty Provision	A\$m	13.4	0.7	-12.7	-95%
(-) Finance Costs	A\$m	-0.1	-0.6	-0.5	750%
(-) Share of net profit from JV	A\$m	0.7	2.9	2.2	341%
PBT	A\$m	23.5	18.5	-62.2	-22%

Material movements were as follows:

- Contract revenue
 - Up significantly on FY'19 with completion of two significant EPCM projects in Burkina Faso (Sanbrado Gold Mine for WAF and Wahgnion Gold mine for Teranga Gold Corporation).
 - Activity at both of these projects was relatively unaffected by Covid-19 disruptions; with measures implemented at both sites mitigating any impact
- Depreciation
 - Up on prior year with the impact on AASB16.
- Equipment and materials
 - Ramp up construction activities at Wahgnion and Sanbrado during the year.
- Occupancy
 - Reflects implementation of AASB16 during the year.
- Warranty Provisions
 - Unwound in the previous year we look for warranty expenses to normalise through current year.
- Share of Net Profit
 - Higher contribution from Mondium JV.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

Outlook

	1H19	2H19	FY'19	1H20	2H20	FY'20	FY'21F	FY'22F
Revenue	72.1	82.0	154.0	109.5	101.6	211.1	158.5	208.5
Operating costs								
OPEX	-59.8	-69.9	-129.6	-94.2	-92.8	-186.9	-139.5	-185.5
Contribution from JV	0.2	0.5	0.7	0.9	2.0	2.9	3.2	3.4
		0.0			0.0			
EBITDA	12.5	10.8	23.3	16.3	9.3	25.6	23.7	27.9
D&A	-0.7	-0.8	-1.5	-4.0	-4.0	-8.0	-8.0	-7.9
EBIT	11.8	10.0	21.8	12.2	5.3	17.5	15.7	20.0
PBT	12.7	3.7	16.4	12.6	-1.0	11.7	11.7	14.3
TAX	-4.2	-2.9	-7.1	-3.8	-3.0	-6.8	-5.0	-6.1
NPAT	8.5	7.9	16.4	8.9	2.8	11.7	11.7	14.3
EPS								
	21.5	19.8	41.3	22.3	7.1	29.4	29.5	36.1
DPS								
	15.0	15.0	30.0	15.0	5.0	20.0	18.6	23.4
DPS Ratio	70%	76%	73%	67%	71%	68%	63%	65%
Margins								
EBITDA	17%	13%	15%	15%	9%	12%	15%	13%
EBIT	16%	12%	14%	11%	5%	8%	10%	10%
NPAT	12%	10%	11%	8%	3%	6%	7%	7%
Operating Cashflow								
	-0.3	1.4	1.1	74.6	-12.4	62.2	-27.2	26.8
CAPEX	-1.4	-0.2	-1.6	-0.4	-0.1	-0.5	-1.0	-0.9
Lease Expense	0.0	0.0	0	-3.1	-3.7	-6.7	-6.7	-6.7
Free Cashflow	-1.7	1.2	-0.5	71.2	-16.2	55.0	-34.9	19.2
Cashflow Conversion	-13%	11%	-2%	437%	-174%	215%	-147%	69%

- Orderbook does not support the same level of activity through FY'21; we forecast full year revenue \$160m.
- Yaouré Gold Project is expected to be completed towards the end of CY 2020; we expect better conversion of revenue as projects complete. We look for 15% EBITDA margins up from 12%.
- Mondium order book remains healthy with the JV picking up a number of new contracts during the period. We expect activity at the \$400m Western Turner Syncline project to ramp up during the period, consequently Mondium contribution increases to \$3.2m.
- While the orderbook is lower than previous years the increased activity in the gold sector should leave LYL well placed to secure additional work in the first half of 2021; consequently, we look for a ramp up of activity in FY'22, with revenue increasing to \$210m.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Valuation

Our 12 month price target of \$5.61/sh is based on a basic; though undemanding capitalisation of forecast 2021 and 2022 earnings. LYL has experienced a pullback (along with the rest of the market) from Covid-19 highs, and while industrial peers have recovered most of this lost ground, LYL continues to trade at a discount. This valuation metric is also supported by a DCF valuation which is coming out at \$6.00/sh.

LYL trades on a 2021 EV/EBIT of 6x and EV/EBITDA of 4x on our forecasts.

We provide a comparative metrics for a number of companies we consider close peers.

Engineering / Contractors	Ticker	Last	SOI	Mcap	EV	P/E			EV/EBIT			EV/EBITDA		
						FY20	FY21	FY22	FY20	FY21	FY22	FY20	FY21	FY22
Monadelphous Group	MND	12.81	94.6	1212.4	1,096	33.5	23.0	20.3	16.6	13.6	11.8	11.8	10.1	9.1
Civmec Limited	CVL	0.46	501.0	230.5	320	11.2	8.6	7.6	11.4	7.9	7.0	8.2	6.2	5.7
Gr Engineering	GNG	1.10	155.2	170.7	141	30.2	11.9	9.5	16.9	6.8	5.5	12.8	6.0	4.9
Sth Crs Elect Engrn	SXE	0.55	251.3	137.0	88	12.4	9.5	7.4	5.4	4.0	3.2	4.1	3.1	2.5
SRG Global	SRG	0.35	451.5	155.8	191	36.1	14.1	10.6	19.1	13.9	10.1	6.3	4.8	4.1
Primero Group	PGX	0.55	171.7	94.4	85	20.1	9.5	7.6	11.6	5.7	4.6	9.2	5.0	4.1
		Average				23.9	12.8	10.5	13.5	8.6	7.0	8.7	5.9	5.1
		Median				25.1	10.7	8.6	14.1	7.3	6.2	8.7	5.5	4.5
Lycopodium	LYL	4.87	39.7	193.5	94.3	16.6		13.5	5.4	6.0	4.7	3.7	4.0	3.4

- LYL remains one of the cheapest of the companies we consider here.
- With the discount to peers reflecting liquidity and outlook.

We calculate our price target based on peer comparatives at 7x FY'21 and 7x FY'22

FY	2021	2022
EBIT	15.7	20.0
Multiples	7.0	7.0
EV	110.1	139.9
(-) Debt	-3.7	-3.7
(+) Cash	102.9	102.9
Equity	209.3	239.1
(/) SOI	40.0	40.0
Equity/Sh.	\$5.24	\$5.98
Average		\$5.61

We do not see the EV/EBIT targets applied particularly demanding

- Companies with liquidity, scale and visible orderbooks are trading above 10x.
- At our price target the company continues to offer 3.3% dividend yield
- Though AASB 16 has muddied the waters of EBITDA as short cut to free cashflow - EBIT is closer; with current low interest rate environment strong cashflow generative businesses should be trading higher than 10x.
- We expect contract wins in second half of year to provide clarity to FY'22 earnings, stocks with visible FY'22 earnings are trading above 10x FY'22.
- Valuation remains supported by long term DCF valuation which considers cashflows.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

DCF Valuation

FY	Units	2021	2022	2023	2024	2025
EBIT	A\$m	15.7	20.0	16.0	16.1	16.1
(-) Tax (Ungeared)	A\$m	-4.7	-6.0	-4.8	-4.8	-4.8
(+) D&A	A\$m	8.0	8.0	7.9	7.8	7.8
(-) Lease expense	A\$m	-5.6	-5.6	-5.6	-5.6	-5.6
(-) Capex	A\$m	-1.0	-0.9	-0.9	-0.8	-0.8
(-) ΔNWC	A\$m	-40.3	11.2	-7.0	-2.0	0.0
FCFF	A\$m	-27.9	26.6	5.6	10.6	12.6
Period	x	1.0	2.0	3.0	4.0	5.0
Disc. Factor	x	0.92	0.84	0.77	0.70	0.64
Disc FCFF	A\$m	-25.5	22.3	4.3	7.4	8.1
NPV forecasted FCFF	A\$m	16.6				
Terminal FCFF		12.6				
TGR		2.5%				
TV		192.5				
PV of TV		123.8				
EV		140.4				
(-) Debt		-3.7				
(+) Cash		102.9				
Equity Value		239.7				
A\$/Sh per share		6.00				
WACC		9.2%				

We provide the following DCF valuation which considers long term cash flows of the business. Forecasting past FY'22 is of course challenging, we have conservatively kept our future forecasts inline with our current FY'21 forecasts; consequently, there is of course value beyond the \$6.00/sh.

- We use a WACC of 9.2%
- Terminal growth rate of 2.5%

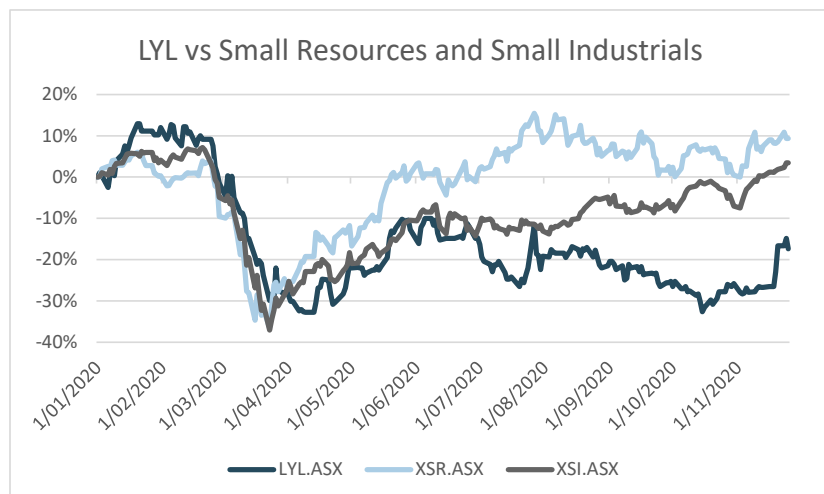
Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Covid-19 Recovery

The following tracks the performance of the ASX Small Resources Index, Small Industrials Index and Lycopodium's performance from a common base since the beginning of CY'20.



- Though simplistic; it highlights the resource led recovery and industrials lagging.
- Both index's have now recovered to pre-Covid19 levels.
- LYL continues lag and trades at a significant discount to pre Covid-19 levels, we expect further recovery as new work is awarded.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

Balance Sheet

Balance Sheet		FY'19	FY'20
Cash	A\$m	60.5	102.9
Receivables	A\$m	34.4	26.9
Contract and other assets	A\$m	1.5	0.0
Inventories	A\$m	0.9	1.1
Current Tax Receivables	A\$m	1.8	0.9
Other Current Assets	A\$m	3.8	2.5
Total Current Assets	A\$m	102.8	134.3
Investments in listed equities	A\$m	0.8	0.9
PP&E	A\$m	3.8	3.2
Right of Use Asset	A\$m	-	3.0
Intangible Assets	A\$m	6.7	6.8
Other receivables	A\$m	0.2	0.1
Deferred tax assets	A\$m	4.1	3.8
Equity Acnted Investments	A\$m	1.4	3.5
Total Non-current Assets	A\$m	17.0	21.4
Total Assets	A\$m	119.9	155.7
Payables	A\$m	21.9	23.2
Contract and other liabilities	A\$m	13.8	47.7
Borrowing	A\$m	0.4	0.3
Lease Liabilities	A\$m	-	1.6
Derivative financial liabilities	A\$m	0.2	0.0
Current tax liabilities	A\$m	0.5	0.8
Provisions	A\$m	3.0	2.3
Total Current Liabilities	A\$m	39.8	75.9
Borrowings	A\$m	0.3	0.2
Provisions	A\$m	0.3	0.1
Lease Liabilities	A\$m	-	1.6
Total Non-current Liabilities	A\$m	0.6	1.9
Total Liabilities	A\$m	40.4	77.8

Balance sheet is fit for purpose; comprising of cash and working capital. Cash balance is particularly healthy, we expect draw down during the FY'21 year as contract liabilities are completed. We forecast management to continue to maintain a significant cash balance to support working capital requirements as new contracts ramp up in FY'22.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

RISKS

We see the key investment risks relating to LYL as:

Contracting Risk

Contractors shift risk from owners to contractors, creating a fundamental business risk if contracts miss price the transfer of risk. LYL has a history of evaluating risk and conservative contract tendering ensuring favourable outcomes for both LYL and the client. We expect LYL's management have the experience and invested interest to appropriately manage this risk.

Liquidity

The stock is 30% owned by founders and management and 40% held by institutions. Trading volumes on the ASX remain low and LYL trades on at least a slight discount for liquidity.

Order Book

In order to sustain a similar level of activity through FY'21 and FY'22 further contract wins are required to replenish orderbook. We expect tender activity to ramp up in the second half of FY'21 with work to commence in FY'22.

Political Risk

LYL is unique in that it generates a significant portion of revenue through activity in Africa, there is of course the usual Geopolitical risks of doing business in this region.

Commodity Risk

Majority of LYL's revenue is generated through resource sectors activity; in particular gold sector activity. A sustained decrease in commodity prices may lead to a decrease in work available for LYL.

Covid-19

Further lock downs and quarantine risks until a viable vaccine becomes available.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

TOP 20 Shareholders

Business remains tightly held by Board and Management and institutions; consequently, the business remains relatively illiquid.

Name	Ordinary shares	
	Number held	Percentage of units
1 Reesh Pty	9,046,221	22.76
2 HSBC Custody Nominees (Australia) Limited	4,574,834	11.51
3 Luala Pty Ltd	3,142,332	7.91
4 JP Morgan Nominees Australia Limited	3,142,276	7.91
5 BNP Paribas Nominees Pty Limited	2,926,152	7.36
6 Caddy Fox Pty Ltd	1,154,215	2.90
7 Accede Pty Ltd	992,332	2.50
8 National Nominees Limited	792,370	1.99
9 Monadelphous Group Limited	603,511	1.52
10 Citicorp Nominees Pty Ltd (Colonial First State Inv A/C)	574,971	1.45
11 Citicorp Nominees Pty Ltd	559,243	1.41
12 Mr David James Taylor	456,157	1.15
13 Mr Peter De Leo & Mrs Tiana De Leo	418,966	1.05
14 De Leo Nominees Pty Ltd (The De Leo Family A/C)	336,905	0.85
15 Selso Pty Ltd	266,148	0.67
16 De Leo Nominees Pty Ltd (The De Leo Investment A/C)	207,900	0.52
17 Botech Pty Ltd	188,959	0.48
18 Lycopodium Share Plan Pty Ltd	185,000	0.47
19 Nancris Pty Ltd	175,000	0.44
20 Rubi Holdings Pty Ltd	175,000	0.44
	29,918,492	75.29

(Annual Report 2020)

Register is distributed as follows

Shareholder Breakdown

Board and Management	41%
Institutions	30%
Retail	29%

(AGM- presentation)

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EUROZ HARTLEYS

Board of Directors

Quality of management and board experience remains a key pillar of our investment case; maintaining 40% of the shares on issue ensures that their interests remain firmly aligned with shareholder interests.

Michael Caratti (Non-Executive Chairman)

Former managing Director of Lycopodium Minerals. 40 Years' experience in the Mineral processing industry and has had a major role in the development of the Company's risk management and quality control programs. Mr Caratti is a Director of Orway Minerals Consultants (WA) Pty Ltd.

Peter De Leo (Managing Director)

Mr De Leo has over 30 years' experience in the construction and engineering fields. Mr De Leo is the managing director of Lycopodium Limited and previous the management director of Lycopodium Minerals Pty Ltd.

Rodney Lloyd Leonard (Non-Executive Director)

Mr Leonard has in excess of 30 years' experience in the Mineral processing industry and was managing Director of Lycopodium Minerals until 30 June 2019. He is also a Non-Executive Director of ADP Holdings Limited and Lycopodium Minerals Canada.

Robert Osmetti (Non-Executive Director)

Mr Osmetti has over 38 years' experience in the project management and construction of minerals, oil refining and manufacturing projects. Mr Osmetti is a Non-Executive Director of Lycopodium Minerals Canada Ltd, Lycopodium Pty Ltd and was previously the Managing Director of Mondium Pty Ltd.

Lawrence William Marshall (Non-executive, Independent Director)

Former Managing Director of Lycopodium Limited with over 40 years' experience and has played a major role in the development of the Company's information, accounting, management and risk management systems.

Steven Chadwick (Non-Executive - Independent Director)

Mr Chadwick has over 40 years' experience in the mining industry, incorporating technical, operating and management roles, as well as a strong metallurgical background. Mr Chadwick is now a metallurgical consultant specialising in a project management with a range of local and international clients. He was founding director of the BC Iron and a former Managing Director of Coventry Resources, PacMin Mining and Northern Gold.

Bruno Ruggiero (Executive Director)

Has over 30 years' experience in the minerals industry. He currently serves as the Group Technical Director for Lycopodium Limited having overarching responsibility for the Company's technical knowledge base, capabilities and direction. Mr Ruggiero is a director Lycopodium Minerals Pty Ltd.

Justine Campbell- (CFO/Company Secretary)

Justine Anne Campbell is Chief Financial Officer, Company Secretary of the Company. Justine is an experienced CFO and highly regarded industry professional who joins Lycopodium with a strong track record of finance leadership and transformation in ASX listed companies such as Civmec Group Limited and Decmil Group Limited as well as Doric Group Pty Ltd. Justine holds a Bachelor of Business degree (Accounting and Finance) and is a Chartered Accountant.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Lycopodium Limited

(LYL \$4.87) Buy - Initiation of Coverage

EURØZ HARTLEYS

Summary

LYL has established a reputation for delivering projects on time and within client specification. While the current orderbook does not support the same level of activity through FY'21 the business is well positioned to capitalise on sustained gold values and ramp up in project activity as Covid-19 vaccines roll out through 2021. Guided by experienced management with track record of managing tendering risks, we expect LYL to continue to trade up from current levels as it converts a number of studies to EPC contracts. We initiate coverage with a Buy Recommendation and a 12 month \$5.61/sh price target.

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

Copyright & Distribution

The material contained in this communication (and all attachments) is prepared for the exclusive use of clients of Euroz Hartleys Securities Ltd (ACN 089 314 983) and Euroz Hartleys Limited (ACN 104 195 057) only.

Euroz Hartleys Securities Limited is the holder of an Australian Financial Services Licence (AFSL 243302) and is a participant of the Australian Securities Exchange Group.

Euroz Hartleys Limited is the holder of an Australian Financial Services Licence (AFSL 230052) and is a participant of the Australian Securities Exchange Group.

The information contained herein is confidential. If you are not the intended recipient no confidentiality is lost by your receipt of it. Please delete and destroy all copies, and contact Euroz Hartleys Securities Limited on (+618) 9488 1400. You should not use, copy, disclose or distribute this information without the express written authority of Euroz Hartleys Securities Limited.

Disclaimer & Disclosure

Euroz Hartleys Securities Limited and Euroz Hartleys Limited, and their associates declare that they deal in securities as part of their securities business and consequently may have an interest in the securities recommended herein (if any). This may include providing equity capital market services to the issuing company, hold a position in the securities, trading as principal or agent and as such may effect transactions not consistent with the recommendation (if any) in this report.

Euroz Hartleys Securities Limited and Euroz Hartleys Limited declares that they may have separately or jointly acted as an underwriter, arranger, co-arranger or adviser in equity capital raisings, and will have received a fee for its services, from or any company mentioned within this report during the last 12 months.

You should not act on any recommendation issued by Euroz Hartleys Securities Limited without first consulting your investment adviser in order to ascertain whether the recommendation (if any) is appropriate, having regard to your objectives, financial situation and needs. Nothing in this report shall be construed as a solicitation to buy or sell a security, or to engage in or refrain from engaging in any transaction.

Euroz Hartleys Securities Limited believes that the information and advice contained herein is correct at the time of compilation, however we make no representation or warranty that it is accurate, complete, reliable or up to date, nor do we accept any obligation to correct or update the opinions in it. The opinions expressed are subject to change without notice. No member of Euroz Hartleys Securities Limited accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this material.

We cannot guarantee that the integrity of this communication has been maintained, is free from errors, virus interception or interference.

The author of this publication, Euroz Hartleys Securities Limited, and Euroz Hartleys Limited, its directors and their associates from time to time may hold shares in the security/securities mentioned in this Research document and therefore may benefit from any increase in the price of those securities. Both Euroz Hartleys Securities Limited and Euroz Hartleys Limited, and its Advisers may earn brokerage, fees, commissions, other benefits or advantages as a result of transactions arising from any advice mentioned in publications to clients.

Analyst Certification

We hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities, and we are not in possession of, nor does this Research contain any inside information.

No part of our compensation was, is or will be directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in this research, nor has any attempt been made to influence this Research.

Contact Details

Euroz Hartleys Securities Limited +61 8 9488 1400

Research Analysts

Jon Bishop - Head of Research	+61 8 9488 1481
Andrew Clayton - Resources Analyst	+61 8 9488 1427
Mike Millikan - Resources Analyst	+61 8 9268 2805
Michael Scantlebury - Resources Analyst	+61 8 9268 2837
Steven Clark - Resources Analyst	+61 8 9488 1430
Trent Barnett - Senior Analyst	+61 8 9268 3052
Gavin Allen - Industrials Analyst	+61 8 9488 1413
Harry Stevenson - Industrials Analyst	+61 8 9488 1429
Seth Lizee - Associate Research Analyst	+61 8 9488 1414

Euroz Hartleys Securities Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Securities Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.