



EARNINGS SEASON AUGUST 2024

*Weekly 15-minute
Mini -Webinar Series*



Week 3



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THIS WEEKS WINNERS

JB Hifi - reported its full-year results for FY 2024, showing total sales of \$9.59 billion, a slight decline of 0.4%. Earnings before interest and tax (EBIT) fell by 11% to \$647.2 million, while net profit after tax (NPAT) decreased by 16.4% to \$438.8 million. Despite these declines, earnings per share reached 401.4 cents. The company declared a total ordinary dividend of 261 cents per share and a special dividend of 80 cents per share. Additionally, JB Hi-Fi announced the acquisition of a 75% stake in E. & S. Trading Co. for \$47.8 million

Promedius - Pro Medicus Limited is set for continued growth, driven by key factors. The company secured nine significant contracts in North America, worth a minimum of \$245 million, expanding its U.S. market presence. Its focus on cloud-native solutions, increasingly adopted by clients, is expected to boost growth and margins. PME's investment in AI and the Visage 7 platform positions it well in medical imaging and healthcare technology. With a debt-free status and strong cash reserves, PME has the flexibility to invest in future growth while providing shareholder value through dividends. Overall, the company is expected to sustain strong revenue and profit growth.

Challenger - Challenger Limited's financial results for FY2024 exceeded market expectations, particularly in terms of profitability, EPS growth, and stronger-than-expected dividends, despite slightly lower total Life sales. The company's performance was marked by an increase in ROE and has been positively received by most analysts. However, the statutory net profit was lower due to asset and liability experiences and other one-off items, and the Funds Management division underperformed slightly compared to the previous year, which may have fallen short of market expectations.



LEADERS

THIS WEEKS LOSERS

Nufarm - This week, Nufarm Limited (ASX: NUF) experienced a significant market downturn, with shares dropping by 12% on August 15, 2024, reaching a 52-week low of \$3.86. The decline followed the company's revised guidance for FY 2024, lowering its expected underlying EBITDA to between \$300 million and \$330 million, down from a previous range of \$350 million to \$390 million. This adjustment was attributed to ongoing competitive pressures and lower demand for certain products, particularly in North America and Europe. Overall, Nufarm's stock has decreased by 23% compared to the same time last year.

Origin - experienced a significant drop in its share price, falling approximately 10% to \$9.55 from \$10.60. This decline occurred despite the company reporting strong financial results for FY 2024, including a statutory profit increase of 32% to \$1.40 billion and a 58% rise in underlying profit to \$1.18 billion. The market reaction appears to be driven by concerns over a less favorable outlook for FY 2025, with expectations of lower earnings in the Energy Markets segment due to decreased electricity profits and rising costs

Cohclear - experienced a significant market reaction this week, with its share price dropping 7% following the release of its FY24 results. Despite reporting a 27% increase in underlying net profit to \$386.6 million and a 15% rise in revenue to \$2.26 billion, investor sentiment turned negative due to concerns over future profit growth and guidance for FY25, which projected only 6% to 11% growth. The company also announced a 20% increase in its final dividend to \$2.10 per share, but the market's expectations were not met, leading to the decline in share price.



LAGGARDS

THE WEEK AHEAD

EARNINGS

ECONOMIC

Mon-19th

Tue-20th

Wed-21st

Thu-22nd

Fri-23rd

RBA Minutes

FOMC Minutes

Manufacturing PMI

Manufacturing & Services PMI

Jackson Hole Begins



ALL

PREVIEW



Analysts have lowered their FY24 EPS forecasts for Ampol, with Macquarie expecting a full year dividend of 210.00 cents and EPS of 228.00 cents, UBS forecasting 136.00 cents and 194.00 cents respectively, and Morgan Stanley projecting 176.00 cents and 219.00 cents. The consensus seems to be that Ampol is navigating the challenges well, but earnings expectations have been revised downwards for FY24.



Most analysts have a positive outlook on Northern Star Resources (NST), with Buy or Outperform ratings and target prices ranging from \$14.35 to \$18.65. Thus, the average target price from the brokers is \$16.38. Analysts hold mixed views on Northern Star Resources Limited (NST) ahead of its August 22, 2024

earnings report, with a consensus rating of Hold reflecting cautious optimism. The projected earnings per share (EPS) of AU\$0.22 for Q4 2024 suggests potential growth from previous quarters. Despite significant year-over-year growth, including a 1373.17% increase in EPS last quarter, the stock has seen a recent decline of 3.74% over the past three months. Some analyses indicate the stock may be undervalued by around 29%, presenting a potential buying opportunity. Investors are advised to closely monitor the earnings report as it could impact future ratings and stock performance.



Telix's strong growth potential in the biopharmaceutical sector, particularly given its focus on niche markets such as radiopharmaceuticals for cancer treatment. Telix Pharmaceuticals presents a compelling investment opportunity in the biopharmaceutical space, driven by its innovative product pipeline and strong market performance, although potential investors should remain mindful of the inherent risks associated with biotech investments.

ASX200 Net Chg for the Week



VEIWER'S PICK

Telix Pharma (TLX)

As of August 2024, Telix Pharmaceuticals' share price stands at AU\$17.99, marking an 80.4% increase over the past year. Despite recent volatility, with a 52-week high of AU\$20.31 and a subsequent 11.4% decline, the company remains financially strong, reporting AU\$576.27 million in revenue and AU\$31.68 million in earnings. Telix's gross margin is 63.68%, though its net profit margin is modest at 5.5%.

The upcoming half-year results could further illuminate its financial health.

Telix is expanding its product portfolio, with FDA-approved Illuccix and ongoing clinical trials. The company's growth potential in radiopharmaceuticals makes it an attractive yet risky investment in the biotech sector.

Its hard to see Telix disappointing the market based on their usually upbeat earnings updates.

VERDICT:

The share price has increased 88%+ this year
EPS and Revenue are expected to be significantly higher.

BUY BEFORE & BUY THE DIP

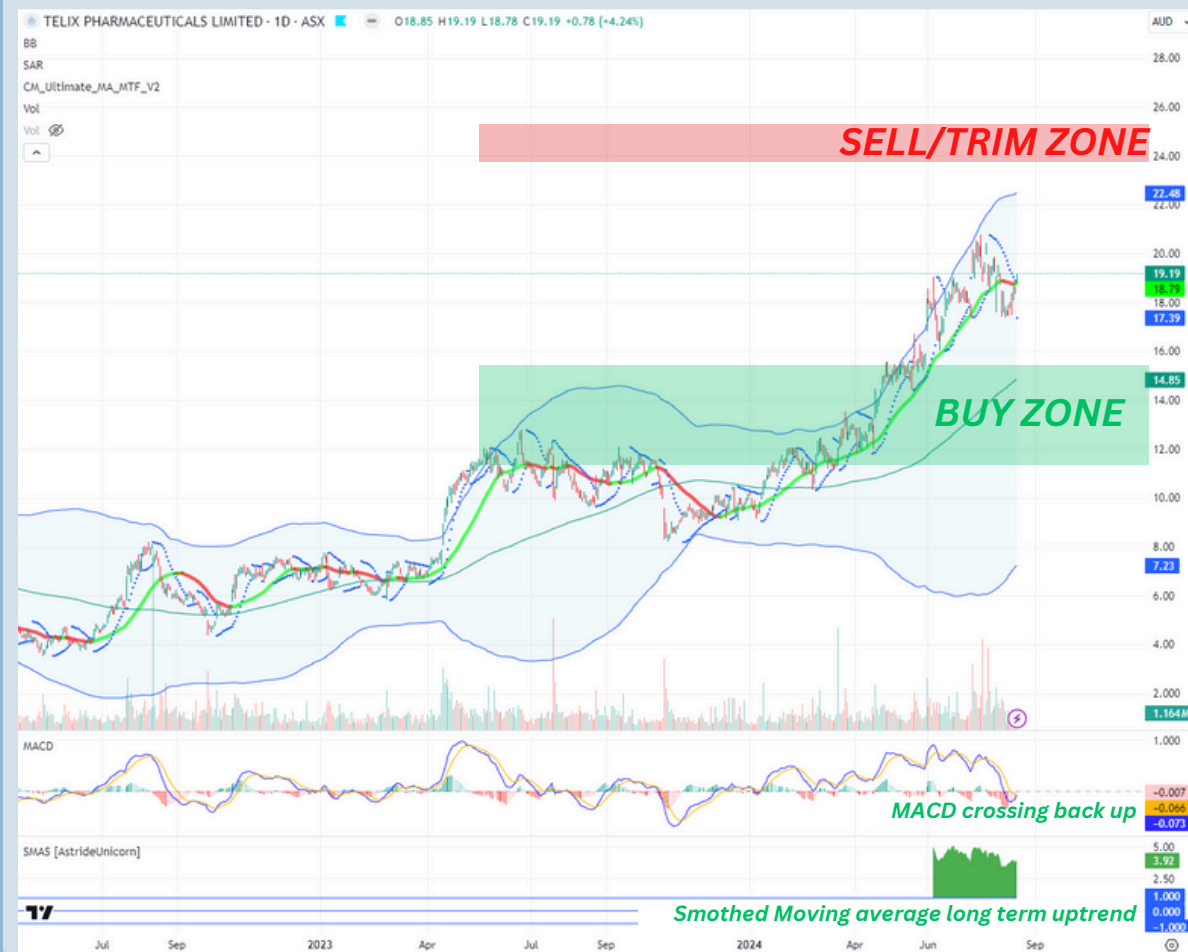
	2019	2020	2021	2022	2023	Exp
EPS Growth		-47%	-63%	-18%	105%	1406%
Revenue Growth		49%	46%	2005%	214%	49%
Annual net change		-7%	93%	-4%	27%	88%

Trade Plan

Holders: recent well supported capital raise and positive technicals mean this one will have to really disappoint to sell-off.

HOLD and look to sell into strength above \$24

New Money: Buy before earnings Thursday (Wednesday)



RISK ALERT

Super Retail (SUL)

Super Retail Group is the proud owner of four iconic brands: Supercheap Auto, rebel, BCF and Macpac, and is one of Australia and New Zealand's largest retailers.

The Auto & Parts sector faces a challenging environment, but there are opportunities, particularly in electric vehicle-related areas. Super Retail Group shows resilience in certain segments, benefiting from structural e-commerce growth and competitive advantages in the auto parts retailing space. The Olympics may have provided a bump in sales for Rebel, however they won't show up in last FY results.

The company faces mixed results across its various segments, with some areas underperforming. The overall outlook for Super Retail suggests cautious optimism, with potential for growth driven by strategic initiatives.

VERDICT:

The share price is around record highs

EPS, DPS and Revenue are expected to be lower in FY24 & FY25

Siper Retail (SUL)	Feb-22	Aug-22	Feb-23	Aug-23	Feb-24	Aug-24
EPS Surprise	2%	18.47%	2.87%	10.53%	2%	
Revenue Surprise	2.47%	4.64%	1.01%	-4.50%	0.00%	
Net change on day	-9.49%	4.70%	4.43%	4.22%	-5.98%	

EPS Growth		16%	17%	-22%	19%	-33%
Revenue Growth		8%	6%	-6%	10%	-7%
Change between earnings		-13%	12%	3%	24%	4%

Risk Management Plan

Holders: Given the “impress or be punished” attitude of the market this earnings season, this one is too risky for me

SELL (ALL OR AT LEAST HALF) BEFORE EARNINGS





By investors, FOR INVESTORS

How can we help you?



**Individual
Accounts**



SMSF



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HOLDINGS THIS EARNINGS SEASON?***

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