



# REPORTING SEASON GUIDE

## MEET THE ANALYSTS



Marcus founded Marcus Today in 1998 and has built a team and a newsletter which delivers honest and insightful stockmarket analysis and recommendations. He writes a Daily Strategy which is at the core of what we do, and around which the Marcus Today model portfolios are formed. Marcus is a well-regarded media presenter: you can catch him on ABC radio every day around 10:30 am, and on ABC News Breakfast regularly.



Henry writes the ever-popular Henry's Take in the Marcus Today newsletter, focusing on small-cap and tech names, as well as macro and portfolio strategy. He loves engaging with members via his weekly 'Ask an Analyst' webinar and our Facebook discussion group, where all questions are welcome. Henry is a regular presenter on Ausbiz.



With his rules-based approach to markets and passion for technical analysis, Chris looks after the Trading Ideas section of the newsletter which is focused on medium-term investment opportunities. Education is also a big focus and Chris writes regular articles about a structured approach to investing. Chris is a regular on Ausbiz and also writes share tips for The Age and Herald-Sun.

### **Disclaimer**

Marcus Today Pty Ltd (ACN 110 971 689) is a corporate authorised representative of MTIS Private Wealth License no. 473383. Marcus Today operates under a general advice license only and does not take into account the objectives, financial situation or needs of any individual. Information contained in this eBook is general in nature only. It does not take into account your personal financial situation, needs or objectives. Nor does it take into account the financial needs of any specific person. You should consider your own personal financial situation and needs or seek financial advice before making any decisions based on this information. Past performance is not a reliable indicator of future performance.

### **Financial Services Guide**

## REPORTING SEASON GUIDE - FEBRUARY 2021

The time when the rubber meets the road is upon us. Last February we saw some weakness as companies reported. The economy was slipping slightly, even before Covid-19 hit. Of course, things went from bad to worse when Tom Hanks was infected. The world held its collective breath for his speedy recovery, which happened, but by then circumstances had moved on and the market crashed. Since then, we have lived in a world of uncertainty. There have been some huge virus winners and some massive losers. Any trends that were in place have been accelerated to warp speed and markets have been pumped full of cheap money and promises of more.

### **This year there will be a number of factors that will dominate results:**

- The strong Australian dollar
- The CV19 fall-out and effects
- The still uncertain outlook

Will 2021 be a rerun of 2020 as vaccines take longer to roll out? Certainty and confidence will be rewarded.

### **Analysts are generally positive on the earnings outlook due to:**

- Fiscal stimulus
- Recovery in economic growth, at least locally (good for banks bad debts)
- Strong commodity prices
- US results have beaten across the board
- Expectations may be too high for CV19 winners and too low for the losers

With this in mind, there are two sectors of particular interest. **Miners and banks.**

Miners will benefit from the stratospheric iron ore prices, together with recoveries in copper and nickel. The \$64,000 question is how generous they will be with capital management. We are hoping for more largesse than last year when the outlook was more uncertain. The great thing about the mining results is that the recent quarterly production reports take away many of the surprises. It is only dividends and buybacks that matter.

Banks have seen the worst-case scenario not even come close to playing out. The housing market is at all-time highs. Economic growth has rebounded and stimulus has worked, thus ensuring GDP has bounced back. Bad debts have been much, much lower than expected. Bank earnings are forecast to rise 6% in FY21, then close to 11% in FY22. Will we see dividends come flooding back to bank shareholders? Even the Hayne Royal Commission seems a thing confined to history. Many recommendations were scrapped due to CV19 and will go quietly into the night.

With all that in mind, we present the following 11 stocks from the MT Growth Portfolio and some commentary about their prospects as we head into what will likely be another eventful reporting season.

## REA Group (REA) – 5 February (estimate)

REA's 1Q results were ahead of expectations, with listing volumes well ahead of where analysts thought they would be. We expect this trend to have continued on the back of encouraging signs of a recovery in the property market since October. Cost management will be a big focus of the upcoming results. Cost containment was well ahead of guidance in 1Q. Longer-term, the Australian real estate advertising market looks strong due to positive cyclical and structural factors. REA is much larger and more diversified due to its international operations, than its peers (namely Domain Holdings). A return to 'more normal' conditions should be supportive for listing growth, at a time when housing churn is still well below historic levels.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

REA	REA Group Ltd							Last Updated	Price	marcustoday		
SECTOR	Technology							03/02/21	14508c	Reports in AUD		
ACTIVITY	Interactive Media & Services							Mkt Cap	\$19225m	Headquarters SOUTH AUSTRALIA		
	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	38%	MARCUS TODAY STOCK BOX ©		
ROE	32.1%	32.0%	30.4%	33.2%	35.8%	36.2%	27.6%	Long Debt \$m	251	Ave PE	59.1x	
PRICE TO SALES	28.6x	22.2x	21.5x	23.8x	21.8x	18.1x	16.2x	Short Debt \$m	76	PE High	71.1x	
REVENUE %	+29%	+3%	-10%	+9%	+20%	+12%	-0%	Cash \$m	222	PE Low	41.1x	
EPS	212.5c	224.3c	204.1c	236.4c	300.5c	352.9c	313.9c	Net Debt \$m	105	Performance		
EPS GROWTH	+23%	+6%	-9%	+16%	+27%	+17%	-11%	Credit Rating	-	ROIC	+28.5%	
PE	68.3x	64.7x	71.1x	61.4x	48.3x	41.1x	46.2x	Profit Margin	+13%	1W	+1.6%	
DIVIDEND	109.0c	118.0c	105.1c	122.2c	166.1c	204.2c	153.8c	SH's equity \$m	864	1M	-2.5%	
YIELD	0.8%	0.8%	0.7%	0.8%	1.1%	1.4%	1.1%	ROA	+22%	3M	+22.7%	
GROSS YIELD	1.1%	1.2%	1.0%	1.2%	1.6%	2.0%	1.5%	Book Value	656c	6M	+33.7%	
DIV GROWTH	+20%	+8%	-11%	+16%	+36%	+23%	-25%	Volatility	30.1%	1Y	+27.2%	
DIV COVER	1.9x	1.9x	1.9x	1.9x	1.8x	1.7x	2.0x	Beta	1.3	3Y	+88.4%	
PAYOUT RATIO	51%	53%	51%	52%	55%	58%	49%	Intrinsic Value	4982c	5Y	+179.3%	
Broker Opinion							Last Ex Date	27/08/20		52 Week High		
Strong Buys	1	Mean price target		12719c		Last Dividend	Final		High	15497c		
Buys	2	Price v target		+14.1%		Franking	100%		Date	06/01/21		
Holds	6	Price target high		15880c		Est. Results	04/02/21		To high	+7%		
Sells	0	Price Target Low		8875c		Next Results	Interim		52 Week Low			
Strong Sells	1	Average - HOLD					Est. Next ExDiv	25/02/21		Low	6205c	
https://www.rea-group.com							Franking		As % of price			
Listed	01/12/1999	Yr End	Jun-21		100%		As % of price		5.4%			
STARMINE RANKING 100 = Best	Rankings are relative to all other stocks in Australia							COMBINED FACTOR RANKING			66	
	Earnings Quality	91		Credit Ranking	95		Relative value	14		Trend - Short	23	
	Value Momentum	27		Forecast Trend	48		Insto interest	53		Trend - Medium	37	
	Price Momentum	92		Intrinsic Value	9		Est Surprise	+0.3%		Trend - Long	85	
BUSINESS												
REA Group Limited advertises property and property-related services on Websites and mobile applications in Australia, Europe and Asia. The Company operates residential, commercial, share and co-working property sites-realestate.com.au, realcommercial.com.au, Flatmates.com.au and spacely.com.au. The Company's segments include Australia, Europe, North America, Asia and Corporate. The Company's Australia segment includes property & online advertising, and financial services. Its Asian operations comprise iProperty, which operates property portals across Malaysia and Hong Kong, and portals in Thailand, Singapore and Indonesia, and its Chinese site, myfun.com, which supports the Asian, Australian and the United States businesses by showcasing residential property listings to Chinese buyers and investors. It has an interest in Move, Inc. and PropTiger, which offer online real estate services.												

## Macquarie Group (MQG) – 9 February (Operational Briefing)

No announcement on dividend but an update from MQG. As usual with a Macquarie briefing, it will be comprehensive and conservative. The company mantra of under promise, over deliver, will remain. As far as numbers go, the FY21 estimate is for earnings of approximately \$2.283bn. We also will be keen to see progress on acquisitions and asset recycling that has been a feature of the results. It could be a more complicated result given the big profit from the recent float of Nuix (NXL). Commentary on USD headwinds and US opportunities in infrastructure under Biden will be a feature. Rarely do MQG disappoint. Even if there is some initial weakness the play book is to buy on this opportunity. We would suspect that to continue.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

MQG	Macquarie Group Ltd							Last Updated	Price	marcustoday			
SECTOR	Financials							03/02/21	13213c	Reports in AUD			
ACTIVITY	Diversified Capital Markets							Mkt Cap	\$47952m	NEW SOUTH WALES			
	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	439%	MARCUS TODAY STOCK BOX ©			
ROE	16.0%	17.9%	14.6%	10.6%	13.1%	14.2%	15.9%	Long Debt \$m	68607	Ave PE	17.4x		
PRICE TO SALES	-	-	3.9x	3.8x	4.2x	3.7x	3.5x	Short Debt \$m	23828	PE High	22.4x		
REVENUE %	-	-	+2%	-9%	+13%	+6%	-	Cash \$m	9717	PE Low	14.9x		
EPS	743.5c	868.1c	764.5c	590.6c	785.0c	884.9c	925.6c	Net Debt \$m	82718	Performance			
EPS GROWTH	+15%	+17%	-12%	-23%	+33%	+13%	+5%	Credit Rating	BBB+	1W	-3.6%		
PE	17.8x	15.2x	17.3x	22.4x	16.8x	14.9x	14.3x	ROIC	+36.1%	1M	-4.6%		
DIVIDEND	525.0c	575.0c	535.4c	353.3c	546.2c	616.4c	340.0c	Profit Margin	+51%	3M	+4.2%		
YIELD	4.0%	4.4%	4.1%	2.7%	4.1%	4.7%	2.6%	SH's equity \$m	21063	6M	+7.0%		
GROSS YIELD	4.7%	5.1%	4.7%	3.1%	4.8%	5.5%	3.0%	ROA	+1%	1Y	-8.7%		
DIV GROWTH	+12%	+10%	-7%	-34%	+55%	+13%	-45%	Book Value	6321c	3Y	+27.5%		
DIV COVER	1.4x	1.5x	1.4x	1.7x	1.4x	1.4x	2.7x	Volatility	19.2%	5Y	+105.6%		
PAYOUT RATIO	71%	66%	70%	60%	70%	70%	37%	Beta	1.5	52 Week High			
Broker Opinion							Last Ex Date	16/11/20	Intrinsic Value			11632c	
Strong Buys	1	Mean price target	14480c	Last Dividend		Interim	IV versus Price			-12.0%	High	15235c	
Buys	6	Price v target	-8.7%	Franking		40%	Daily RSI			34.5	Date	20/02/20	
Holds	5	Price target high	16000c	Est. Results		06/05/21	Weekly RSI			57.3	To high	+15%	
Sells	0	Price Target Low	12500c	Next Results		Final	ATR Daily			250.7c	52 Week Low		
Strong Sells	0	Average - BUY		Est. Next ExDiv		17/05/21	As % of price			1.9%	Low	7045c	
<a href="https://www.macquarie.com/au/en.html">https://www.macquarie.com/au/en.html</a>							Franking			40%	Date		23/03/20
Listed	05/11/2007	Yr End	Mar-21	As % of price			4.8%	To Low		-47%			
STARMINE RANKING 100 = Best	Rankings are relative to all other stocks in Australia						COMBINED FACTOR RANKING				41		
	Earnings Quality	28	Credit Ranking	35	Relative value	55	Trend - Short	82					
	Value Momentum	53	Forecast Trend	27	Insto interest	67	Trend - Medium	25					
	Price Momentum	79	Intrinsic Value	50	Est Surprise	-0.4%	Trend - Long	52					
BUSINESS													
Macquarie Group Ltd is a financial services company. The Company provides asset management, leasing and asset financing, retail banking and wealth management, market access, commodity trading, investment banking and principal investment. Its segments include Macquarie Asset Management, which provides investment solutions to clients across a range of capabilities, including infrastructure, renewables, real estate, private credit and multi-asset solutions; Banking and Financial Services, which offers a range of personal banking, wealth management, business banking and vehicle finance products and services; Commodities and Global Markets, which provides offering across global markets including equities, fixed income and telecoms, as well as providing clients with risk and capital solutions across physical and financial markets, and Macquarie Capital, which offers advisory, capital raising services, providing clients with specialist expertise, advice and flexible capital solutions.													

## BHP Group (BHP) – 16 February (taken from BHP website)

BHP released their quarterly production report on 19 January. The numbers were largely in-line with expectations, if not slightly soft. The continued strength in iron ore prices will be the major factor in the BHP results. Sustained high prices are expected to have provided a substantial earnings tailwind. The third quarter will be key in determining whether a 'beat' on the FY guidance is possible in the key iron ore division. 2Q was largely in line. Keep an eye on costs, as there could be a risk to management's costs guidance; current guidance is based on a 70c AUD. It has been above 70 since July. No special dividend is expected, although there is some potential for a share buyback.



- Data provided by Thomson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

BHP	BHP Group Ltd						Last Updated	Price	marcustoday		
							03/02/21	4510c			
SECTOR	Basic Materials						Mkt Cap	\$210300m	Reports in USD		
ACTIVITY	Diversified Metals & Mining						Headquarters	VICTORIA			
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	56%	MARCUS TODAY STOCK BOX @	
PRICE TO SALES	17.1%	18.4%	19.0%	27.0%	22.7%	19.4%	-	Long Debt \$m	22036		
REVENUE %	5.9x	4.9x	4.7x	4.9x	4.1x	4.2x	4.4x	Short Debt \$m	5012		
EPS	+21%	+4%	-5%	+21%	-3%	-5%	-	Cash \$m	13426		
EPS GROWTH	180.3c	182.3c	178.7c	281.9c	261.5c	230.9c	227.0c	Net Debt \$m	13622	PE High	
PE	+43%	+1%	-2%	+58%	-7%	-12%	-2%	Credit Rating	A2	PE Low	
DIVIDEND	19.1x	18.8x	19.2x	12.2x	13.1x	14.9x	15.1x	ROIC	+17.3%	Performance	
YIELD	118.0c	235.0c	121.6c	193.8c	181.8c	148.0c	136.0c	Profit Margin	+19%	1W	
GROSS YIELD	3.4%	6.8%	3.5%	5.6%	5.3%	4.3%	4.0%	SH's equity \$m	47936	1M	
DIV GROWTH	4.9%	9.8%	5.1%	8.1%	7.6%	6.2%	5.7%	ROA	+18%	3M	
DIV COVER	+42%	+99%	-48%	+59%	-6%	-19%	-8%	Book Value	948c	6M	
PAYOUT RATIO	1.5x	0.8x	1.5x	1.5x	1.4x	1.6x	1.7x	Volatility	28.8%	1Y	
							Beta	0.9		3Y	
Broker Opinion							Last Ex Date	03/09/20		5Y	
Strong Buys	3		Mean price target	4727c			Last Dividend	Interim	Intrinsic Value	5286c	
Buys	7		Price v target	-4.6%			Franking	100%	IV versus Price	+17.2%	
Holds	4		Price target high	5600c			Est. Results	15/02/21	Daily RSI	45.4	
Sells	0		Price Target Low	3880c			Next Results	Final	Weekly RSI	66.9	
Strong Sells	0		Average - BUY				Est. Next ExDiv	04/03/21	ATR Daily	115.3c	
http://www.bhpbilliton.com							Franking		As % of price	2.6%	
Listed	28/05/1987	Yr End	Jun-21				100%		ATR Weekly	219.6c	
RANKINGS							COMBINED FACTOR RANKING		As % of price	4.9%	
STARMINE RANKING 100 = Best							RANKINGS are relative to all other stocks in Australia		90		Trend - Short
Earnings Quality		78	Credit Ranking	56	Relative value	82	Trend - Medium	75			
Value Momentum		93	Forecast Trend	84	Insto interest	85	Trend - Long	54			
Price Momentum		59	Intrinsic Value	75	Est Surprise	+0.3%					
BUSINESS											
BHP Group Ltd, formerly BHP Billiton Ltd, is a global resources company. The Company is a producer of various commodities, including iron ore, metallurgical coal, copper and uranium. Its segments include Petroleum, Copper, Iron Ore and Coal. The Petroleum segment is engaged in the exploration, development and production of oil and gas. The Copper segment is engaged in mining of copper, silver, lead, zinc, molybdenum, uranium and gold. The Iron Ore segment is engaged in mining of iron ore. The Coal segment is engaged in mining of metallurgical coal and thermal (energy) coal. Its businesses include Minerals Australia, Minerals Americas, Petroleum and Marketing. The Company extracts and processes minerals, oil and gas from its production operations located primarily in Australia and the Americas. The Company manages product distribution through its global logistics chain, including freight and pipeline transportation.											

# Webjet (WEB) – 17 February (estimate)

Far trickier to forecast this one given the ongoing issues with the travel industry. Potential to surprise. Large short position at 14%. Any good news could see a squeeze. Be mindful of the large capital raising going into the Covid crisis; the market cap of WEB is now higher than pre-Covid. Cash burn will be important. Look out for \$10.5m per month of burn. Given the lockdowns around the world it is more a question of holding on than growth, hence the focus on the cash position. Guidance and commentary on the timing of the travel bounce back will be crucial but, given the market valuation is already near or above pre-Covid levels, any upside could be short lived. Even with vaccines being rolled out, it is still hard to have travel certainty as states and countries close borders at short notice.



- Data provided by Thomson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

WEB	Webjet Ltd							Last Updated	Price	marcustoday		
SECTOR	Consumer Cyclical							03/02/21	504c	Reports in AUD		
ACTIVITY	Internet & Direct Marketing Retail							Mkt Cap	\$1711m	Headquarters		
										VICTORIA		
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	25%	MARCUS TODAY STOCK BOX ©		
PRICE TO SALES	8.4x	2.3x	4.5x	5.9x	17.1x	6.2x	4.3x	Long Debt \$m	187	Ave PE	7.9x	
REVENUE %	+272%	-50%	-24%	-65%	+177%	+44%	-16%	Short Debt \$m	11	PE High	43.5x	
EPS	26.6c	45.7c	-24.2c	-21.8c	11.6c	27.8c	11.7c	Cash \$m	210	PE Low	-23.1x	
EPS GROWTH	-11%	+72%	-153%	+10%	+153%	+140%	-58%	Net Debt \$m	-11	Performance		
PE	18.9x	11.0x	-20.8x	-23.1x	43.5x	18.1x	43.1x	Credit Rating	-	1W	+5.7%	
DIVIDEND	14.4c	16.0c	4.4c	0.0c	4.7c	10.1c	2.3c	ROIC	-0.1%	1M	-0.6%	
YIELD	2.9%	3.2%	0.9%	0.0%	0.9%	2.0%	0.4%	Profit Margin	-54%	3M	+45.2%	
GROSS YIELD	4.1%	4.5%	1.2%	0.0%	1.3%	2.9%	0.6%	SH's equity \$m	805	6M	+78.1%	
DIV GROWTH	+12%	+11%	-73%	-100%	-	+113%	-78%	ROA	-7%	1Y	-40.9%	
DIV COVER	1.9x	2.9x	-5.5x	-	2.4x	2.7x	5.2x	Book Value	461c	3Y	-57.6%	
PAYOUT RATIO	54%	35%	-18%	0%	41%	36%	19%	Volatility	49.0%	5Y	-17.0%	
Broker Opinion								Last Ex Date	25/03/20			
Strong Buys	0	Mean price target		421c		Last Dividend		Final		52 Week High		
Buys	2	Price v target		+19.7%		Franking		100%		High	1025c	
Holds	4	Price target high		552c		Est. Results		16/02/21		Date	20/02/20	
Sells	1	Price Target Low		270c		Next Results		Interim		To high	+103%	
Strong Sells	1	Average - HOLD				Est. Next ExDiv		23/09/20		52 Week Low		
https://www.webjetlimited.com/								Franking		As % of price		
Listed	18/12/1997	Yr End	Jun-21		100%		As % of price		3.2%		Low	225c
Ratings are relative to all other stocks in Australia								COMBINED FACTOR RANKING				6
STARMINE RANKING 100 = Best	Earnings Quality	1	Credit Ranking	6	Relative value	11	Trend - Short	17				
	Value Momentum	3	Forecast Trend	14	Insto interest	23	Trend - Medium	15				
	Price Momentum	47	Intrinsic Value	-	Est Surprise	-1.4%	Trend - Long	21				
BUSINESS												
Webjet Limited is engaged in the provision of online travel bookings. The Company is in the digital travel business providing services in regional consumer markets, as well as global wholesale markets via the online channel. It operates through the segments, including Business to Consumer Travel (B2C Travel) and Business to Business Travel (B2B Travel). The Company's B2C division consists of Webjet and Online Republic brands. Webjet is the Australia and New Zealand's online travel agency. The Online Republic specializes in bookings of cars, cruises and motorhomes. Its B2B division consists of JacTravel, Sunhotels, Lots of Hotels, FIT Rooms and Totalstay. JacTravel is the B2B suppliers of hotel accommodation, offering application program interface (API) connectivity and a travel agent Website. Sunhotels platform provides global accommodation along with a range of ancillary products such as transfers and excursions.												

## Fortescue Metals Group (FMG) - 18 February (taken from FMG website)

Clearly FMG is going to announce good results. The question is, 'how good?' We have seen the production report so it's really just a question of how generous the company is in handing out cash. In the last quarter, iron ore shipments of 46.4mt contributed to record shipments for a half year of 90.7mt. Average revenue of US\$122/dmt. These numbers, suggest a revenue number of around \$9.41bn for the half but it will be all about the dividend. Twiggy, being the biggest shareholder, may need to be rewarded but the market will also be looking for signs of costs blowouts that have been hinted at. This may put a more conservative bent into what is usually a strong shareholder bias. Expectations for a dividend around 105c. Guidance, as always, will be important.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

FMG		Fortescue Metals Group Ltd						Last Updated	Price	marcustoday						
SECTOR		Basic Materials						03/02/21	2271c	Reports in USD						
ACTIVITY		Steel						Mkt Cap	\$70043m	Headquarters						
										WESTERN AUSTRALIA						
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	39%	MARCUS TODAY STOCK BOX ☺						
PRICE TO SALES	8.3x	10.2x	7.2x	5.5x	3.9x	5.2x	5.9x	Long Debt \$m	4927	Ave PE	18.4x					
REVENUE %	-18%	+41%	+32%	+41%	-25%	-12%	-3%	Short Debt \$m	186	PE High	50.0x					
EPS	34.6c	102.9c	153.6c	244.3c	154.7c	122.0c	106.6c	Cash \$m	3074	PE Low	7.1x					
EPS GROWTH	-48%	+197%	+49%	+59%	-37%	-21%	-13%	Net Debt \$m	2039	Performance						
PE	50.0x	16.8x	11.3x	7.1x	11.2x	14.2x	16.2x	Credit Rating	WD	1W	-10.2%					
DIVIDEND	23.0c	114.0c	119.7c	187.8c	117.7c	89.6c	65.3c	ROIC	+35.2%	1M	-3.1%					
YIELD	1.3%	6.6%	6.9%	10.9%	6.8%	5.2%	3.8%	Profit Margin	+37%	3M	+32.0%					
GROSS YIELD	1.9%	9.4%	9.9%	15.5%	9.7%	7.4%	5.4%	SH's equity \$m	13231	6M	+30.4%					
DIV GROWTH	-49%	+396%	+5%	+57%	-37%	-24%	-27%	ROA	+37%	1Y	+99.4%					
DIV COVER	1.5x	0.9x	1.3x	1.3x	1.3x	1.4x	1.6x	Book Value	430c	3Y	+350.6%					
PAYOUT RATIO	66%	111%	78%	77%	76%	73%	61%	Volatility	46.0%	5Y	+1013.2%					
Broker Opinion								Last Ex Date	31/08/20	Beta		0.8				
Strong Buys	1	Mean price target	2233c	Last Dividend		Final	Intrinsic Value		-	52 Week High		2640c				
Buys	5	Price v target	+1.7%	Franking		100%	IV versus Price		-	High	2640c					
Holds	10	Price target high	3200c	Est. Results		18/02/21	Daily RSI		27.3	Date	08/01/21					
Sells	1	Price Target Low	1490c	Next Results		Interim	Weekly RSI		65.1	To high	+16%					
Strong Sells	0	Average - HOLD		Est. Next ExDiv		01/03/21	ATR Daily		85.6c	52 Week Low		820c				
http://fmgl.com.au/								Franking		ATR Weekly		164.7c	Date	13/03/20		
Listed	19/03/1987	Yr End	Jun-21	100%		As % of price		3.8%	ATR Monthly		164.7c	To Low	-64%			
RANKINGS								COMBINED FACTOR RANKING		100						
STARMINE RANKING 100 = Best								Relative value		96	Trend - Short		87			
Earnings Quality								85	Forecast Trend		98	Trend - Medium		80		
Value Momentum								100	Intrinsic Value		-	Trend - Long		93		
Price Momentum								92	Est Surprise		+6.3%					
BUSINESS																
Fortescue Metals Group Limited (Fortescue) is engaged in the exploration, development, production, processing and sale of iron ore. Fortescue owns and operates a fully integrated infrastructure and supply chain including five berth Herb Elliott Port in Port Hedland, the Judith Street Harbour towage infrastructure and the heavy haul railway covering 620 kilometers (km) of track. The Company is developing the Eliwana Mine and Rail Project and the Iron Bridge Magnetite Project. The Chichester Hub, which includes the Cloudbreak and Christmas Creek mines, is located in the Chichester Ranges. The Solomon Hub is located in the Hamersley Ranges, and includes the Firetail and Kings Valley mines, which produce in excess of 70 million tons per annum (mtpa). Its Iron Bridge project is located over 145 kms south of Port Hedland. Its Eliwana Mine and Rail development includes 143km of rail and a 30mtpa dry ore processing facilities.																

## Santos (STO) – 18 February (estimate)

Another one that had a recent production report, on 21 January. Record annual production of 89 mmboe, 18% above the prior year and at the top end of upgraded guidance provided in December. Record quarterly production of 25.4 mmboe, 1% above the prior quarter. The market is expecting a US\$1.719bn number but, equally as important, will be an update on the Barossa Final Investment Decision (FID) due around mid-year. We may get some more colour on that. The completion of the SK deal is also a focus giving STO some more cash and strengthening the balance sheet. This is one that could be due an upgrade, especially if we see continued strength in the oil price.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

STO	Santos Ltd						Last Updated	Price	marcustoday		
SECTOR	Energy						03/02/21	672c	Reports in USD		
ACTIVITY	Oil & Gas Exploration & Production						Mkt Cap	\$14022m	Headquarters SOUTH AUSTRALIA		
	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	58%	MARCUS TODAY STOCK BOX ©	
ROE	4.7%	10.1%	9.6%	4.6%	7.7%	8.7%	-	Long Debt \$m	4111		Ave PE
PRICE TO SALES	5.4x	4.4x	3.8x	3.4x	4.1x	3.5x	3.4x	Short Debt \$m	310	PE High	32.4x
REVENUE %	+23%	+15%	+10%	-16%	+17%	+4%	-12%	Cash \$m	344	PE Low	14.7x
EPS	16.2c	34.7c	34.2c	15.8c	28.9c	34.6c	-	Net Debt \$m	4077	Performance	
EPS GROWTH	+363%	+114%	-1%	-54%	+83%	+20%	-	Credit Rating	-	1W	-6.1%
PE	31.6x	14.7x	15.0x	32.4x	17.7x	14.8x	-	ROIC	+9.1%	1M	+7.2%
DIVIDEND	0.0c	9.7c	12.9c	5.8c	8.8c	10.2c	12.3c	Profit Margin	+16%	3M	+44.5%
YIELD	0.0%	1.9%	2.5%	1.1%	1.7%	2.0%	2.4%	SH's equity \$m	7676	6M	+27.5%
GROSS YIELD	0.0%	2.7%	3.6%	1.6%	2.5%	2.8%	3.4%	ROA	+3%	1Y	-22.7%
DIV GROWTH	-	-	+33%	-55%	+51%	+15%	+21%	Book Value	369c	3Y	+33.3%
DIV COVER	-	3.6x	2.6x	2.7x	3.3x	3.4x	-	Volatility	43.2%	5Y	+103.0%
PAYOUT RATIO	0%	28%	38%	37%	31%	29%	-	Beta	2.3	52 Week High	
Broker Opinion						Last Ex Date	25/08/20	Intrinsic Value	629c	High	845c
Strong Buys	2	Mean price target	712c	Last Dividend		Interim	Franking	IV versus Price	-6.4%	Date	06/02/20
Buys	6	Price v target	-5.7%	Est. Results		17/02/21	Next Results	Weekly RSI	64.3	To high	+26%
Holds	6	Price target high	835c	Est. Next ExDiv		23/02/21	Est. Next ExDiv	ATR Daily	22.9c	52 Week Low	
Sells	1	Price Target Low	470c	Average - BUY		Franking		As % of price	3.4%	Low	273c
Strong Sells	0	Average - BUY		http://www.santos.com		Franking		ATR Weekly	50.9c	Date	19/03/20
Listed	01/10/1954	Yr End	Dec-20	100%		As % of price		7.6%	To Low	-59%	
STARMINE RANKING 100 = Best	Rankings are relative to all other stocks in Australia						COMBINED FACTOR RANKING				52
	Earnings Quality	88	Credit Ranking	14	Relative value	66	Trend - Short	84			
	Value Momentum	60	Forecast Trend	70	Insto interest	54	Trend - Medium	75			
	Price Momentum	19	Intrinsic Value	61	Est Surprise	+8.8%	Trend - Long	32			
BUSINESS											
Santos Limited is a natural gas company. The Company is engaged in the exploration, development, production and sales of natural gas both onshore and offshore. The Company produces liquid petroleum gas (LPG), ethane, methane, Coal seam gas (CSG), Liquefied natural gas (LNG), shale gas, condensate and oil. The Company's segments comprise its five key assets/operating areas: Cooper Basin; Gladstone LNG (GLNG); Papua New Guinea (PNG); Northern Australia, and Western Australia (WA) gas. The Company operates in Australia and Asia. Its Other Assets include East Coast Australia Gas, Western Australia oil, Victoria and onshore Northern Territory. The Cooper Basin produces natural gas, gas liquids and crude oil. GLNG produces LNG for export to global markets from the LNG plant at Gladstone. The Company's business in Papua New Guinea is centered on the PNG LNG Project. In Northern Australia, Santos has interest in the Bayu-Undan/Darwin LNG Project (DLNG).											

## Woodside Petroleum (WPL) - February 18 (taken from WPL website)

Another resource company fresh from a production quarterly, which was also delivered on 21 January. WPL produced 24.9 mboe, down 2% from Q32020 but contributing to a record annual production of 100.3 MMboe. Sales revenue of \$920m, up 32% from Q32020. As far as the numbers go, looking for net income of US\$480.8m. Commentary around FX will be interesting and we may get an update on the CEOs replacement, together with progress on Scarborough and the Pluto Train 2. No real surprises in store but given its Coleman's last year, he may want to go out on a high. Potential for upgrades.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

WPL		Woodside Petroleum Ltd						Last Updated	Price	marcustoday			
SECTOR		Energy						03/02/21	2508c	Reports in USD			
ACTIVITY		Oil & Gas Exploration & Production						Mkt Cap	\$24174m	Headquarters			
										WESTERN AUSTRALIA			
		FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	41%	MARCUS TODAY STOCK BOX ©		
ROE		6.9%	8.7%	6.2%	-5.6%	6.7%	7.0%	-	Long Debt \$m	6703		Ave PE	19.3x
PRICE TO SALES		5.9x	6.1x	4.8x	5.1x	6.6x	6.0x	5.5x	Short Debt \$m	146	PE High	33.1x	
REVENUE %		-2%	+26%	-6%	-22%	+10%	+9%	+12%	Cash \$m	4058	PE Low	12.4x	
EPS		120.4c	153.7c	113.6c	57.7c	95.6c	107.1c	87.5c	Net Debt \$m	2791	Performance		
EPS GROWTH		+17%	+28%	-26%	-49%	+66%	+12%	-18%	Credit Rating	Baa1	1W	-4.7%	
PE		15.9x	12.4x	16.8x	33.1x	20.0x	17.8x	21.8x	ROIC	+6.5%	1M	+10.3%	
DIVIDEND		96.9c	144.0c	93.9c	46.6c	69.9c	75.6c	41.3c	Profit Margin	+7%	3M	+44.1%	
YIELD		5.1%	7.5%	4.9%	2.4%	3.7%	4.0%	2.2%	SH's equity \$m	16617	6M	+25.3%	
GROSS YIELD		7.2%	10.8%	7.0%	3.5%	5.2%	5.7%	3.1%	ROA	-3%	1Y	-27.8%	
DIV GROWTH		+18%	+49%	-35%	-50%	+50%	+8%	-45%	Book Value	1776c	3Y	-14.1%	
DIV COVER		1.2x	1.1x	1.2x	1.2x	1.4x	1.4x	2.1x	Volatility	33.2%	5Y	+0.0%	
PAYOUT RATIO		80%	94%	83%	81%	73%	71%	47%	Beta	1.6	52 Week High		
Broker Opinion						Last Ex Date		24/08/20	Intrinsic Value		2163c	High	3444c
Strong Buys	2	Mean price target		2692c		Last Dividend		Interim	IV versus Price		-13.8%	Date	06/02/20
Buys	4	Price v target		-6.8%		Franking		100%	Daily RSI		58.2	To high	+37%
Holds	8	Price target high		3782c		Est. Results		18/02/21	Weekly RSI		71.8	52 Week Low	
Sells	0	Price Target Low		1868c		Next Results		Final	ATR Daily		80.5c	Low	1493c
Strong Sells	0	Average - BUY				Est. Next ExDiv		22/02/21	As % of price		3.2%	Date	23/03/20
http://www.woodside.com.au						Franking		100%	ATR Weekly		162.9c	To Low	-40%
Listed	18/11/1971	Yr End	Dec-20	Rankings are relative to all other stocks in Australia				COMBINED FACTOR RANKING				54	
STARMINE RANKING		Earnings Quality	81	Credit Ranking	28	Relative value	80	Trend - Short	85				
100 = Best		Value Momentum	64	Forecast Trend	79	Insto interest	41	Trend - Medium	82				
		Price Momentum	5	Intrinsic Value	49	Est Surprise	-6.5%	Trend - Long	13				
BUSINESS													
Woodside Petroleum Ltd (Woodside) is a liquefied natural gas (LNG) company. The Company's segments include producing, development and other segments. Its producing segment includes North West Shelf Project, Pluto LNG, Australia Oil and Wheatstone. Its development segment includes Browse, Scarborough, Kitimat, Sunrise and Senegal projects. Its Other segments includes trading and shipping activities and activities undertaken in other international locations. Its North West Shelf Project is engaged in the exploration, evaluation, development, production and sale of liquefied natural gas, pipeline natural gas, condensate, liquefied petroleum gas and crude oil from the North West Shelf ventures. Its Pluto LNG project is engaged in exploration, evaluation, development, production and sale of liquefied natural gas and condensate in assigned permit areas.													

## Bingo Industries (BIN) – 22 February (taken from BIN website)

CPE's 350c offer mid-January saw the stock up ~20%. Industry experts are doubtful a competing bid will emerge. Back in November, BIN pointed to a ~200-300bp decline in EBITDA margin for FY21. A softening in BIN's addressable market expected to evolve this financial year. Price reaction to the release was muted as the stock was in a trading halt. On a more positive note, BIN observed an increase in activity in NSW and saw a lift in volumes in the first four months of FY21. Brokers mixed, weighing up a cyclical decline in building construction and medium-term earnings recovery potential. Price targets not implying much upside. BIN has slightly de-risked itself with its November update. Expectations likely to be depressed for half year results on the 22nd given expectations for softening EBITDA margins, so it may not need much to surprise to the upside. That said, the price hasn't followed reality with the bid in play, and a soft result could bring the price back down to earth. The stock is trading at a premium and the balance of probability and asymmetry of risk appear weighted to the downside.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21
- Past performance is not a reliable indicator of future return.

BIN		Bingo Industries Ltd						Last Updated	Price	marcustoday		
SECTOR	Industrials						03/02/21	320c	Reports in AUD			
ACTIVITY	Environmental & Facilities Services						Mkt Cap	\$2097m	NEW SOUTH WALES			
	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	43%	MARCUS TODAY STOCK BOX ©		
ROE	22.6%	9.6%	6.3%	4.4%	7.3%	9.0%	-	Long Debt \$m	448	Ave PE	35.5x	
PRICE TO SALES	10.0x	7.0x	5.2x	4.2x	4.4x	3.7x	3.4x	Short Debt \$m	9	PE High	53.1x	
REVENUE %	+44%	+35%	+22%	-4%	+18%	+11%	-	Cash \$m	57	PE Low	25.2x	
EPS	11.4c	9.2c	8.1c	6.0c	10.0c	12.7c	12.0c	Net Debt \$m	400	Performance		
EPS GROWTH	+16%	-19%	-12%	-26%	+65%	+27%	-5%	Credit Rating	-	1W	-1.2%	
PE	28.0x	34.8x	39.5x	53.1x	32.1x	25.2x	26.7x	ROIC	+7.6%	1M	+31.1%	
DIVIDEND	3.6c	3.7c	3.1c	2.4c	4.5c	5.8c	-	Profit Margin	+14%	3M	+29.0%	
YIELD	1.1%	1.2%	1.0%	0.7%	1.4%	1.8%	-	SH's equity \$m	859	6M	+65.4%	
GROSS YIELD	1.6%	1.7%	1.4%	1.1%	2.0%	2.6%	-	ROA	+4%	1Y	+14.3%	
DIV GROWTH	-	+3%	-16%	-24%	+89%	+30%	-	Book Value	131c	3Y	+25.0%	
DIV COVER	3.2x	2.5x	2.6x	2.6x	2.2x	2.2x	-	Volatility	47.2%	5Y	+0.0%	
PAYOUT RATIO	31%	40%	38%	39%	45%	46%	-	Beta	1.2	52 Week High		
Broker Opinion						Last Ex Date	31/08/20	Intrinsic Value	152c	High		347c
Strong Buys	1	Mean price target	294c	Last Dividend		Interim	Franking	100%	IV versus Price	-52.5%	Date	20/02/20
Buys	2	Price v target	+8.9%	Est. Results		01/01/70	Next Results	Final	Daily RSI	80.2	To high	+8%
Holds	2	Price target high	350c	Est. Next ExDiv		01/03/21	Est. Next ExDiv	01/03/21	Weekly RSI	68.6	52 Week Low	
Sells	0	Price Target Low	250c	Average - BUY		Franks		100%	ATR Daily	11.6c	Low	147c
Strong Sells	0	Average - BUY		Franks		100%	As % of price	3.6%	ATR Weekly	21.8c	Date	23/03/20
https://www.bingoindustries.com.au/						Franks		100%	As % of price	6.8%	To Low	-54%
Listed	03/05/2017	Yr End	Jun-21	Rankings are relative to all other stocks in Australia				COMBINED FACTOR RANKING				28
STARMINE RANKING		Earnings Quality	18	Credit Ranking	42	Relative value	25	Trend - Short	58			
100 = Best		Value Momentum	18	Forecast Trend	41	Insto interest	75	Trend - Medium	93			
		Price Momentum	54	Intrinsic Value	15	Est Surprise	-4.9%	Trend - Long	34			
BUSINESS												
Bingo Industries Limited is an Australia-based waste management and recycling company. The Company provides environmental and waste management solutions across the waste management supply chain. Its services include Skip Bins, Commercial Waste, Liquid Waste, Recycling Centers, Contaminated Soils and Education. It provides all types of skip bins to residential, building or construction job. Its Commercial Waste services include front lift bins, rear lift bins, compactors and infrastructure services, specialty bins, diversion from landfill and resource recovery service, and account management and education services. Its liquid waste service categories include septic, liquid and hazardous, industrial, and cooking. It operates waste recovery facilities across New South Wales. Its recycling centers diverts waste from landfill by sorting and processing mixed waste to be reused, recycled or sent to other facilities.												

## Ooh media (OML) – 22 February (estimate)

OML's share price recently peaked following a positive reaction to its December trading update. The numbers revealed somewhat of a road ahead before it would see pre-pandemic levels again. Not expected to report growth on FY19's result. CEO Brendon Cook sold ~450k shares in December adding a bit of an exclamation point to the idea that the top may have come. The stock had been swimming with the recovery and reopening tide, with out-of-home audience volumes tracking in late November at 87% of 2019 levels, up from a low of ~50% in mid-April 2020. What could be a headwind for OML is that it is unlikely audience volumes will continue to see material growth in the near term, given most states are operating at Covid normal. OML has some of the ingredients for a solid result, having come off a low base since mid-April. Cost cutting measures, balance sheet strength and positive announcement reactions all pluses. The concern is, will the result be outweighed by the likely moderation in audience growth entering FY21?



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21.
- Past performance is not a reliable indicator of future return.

OML	Ooh!Media Ltd							Last Updated	Price	marcustoday					
SECTOR	Consumer Cyclical							03/02/21	157c	Reports in AUD					
ACTIVITY	Advertising							Mkt Cap	\$928m	NEW SOUTH WALES					
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	190%	MARCUS TODAY STOCK BOX ☺					
PRICE TO SALES	2.8x	2.4x	2.0x	1.4x	2.1x	1.7x	1.5x	Long Debt \$m	1097	Ave PE	-3.0x				
REVENUE %	+13%	+21%	+41%	-33%	+29%	+14%	+15%	Short Debt \$m	170	PE High	26.1x				
EPS	22.3c	20.3c	17.7c	-1.9c	6.0c	11.3c	10.6c	Cash \$m	61	PE Low	-81.6x				
EPS GROWTH	+23%	-9%	-13%	-111%	+413%	+88%	-6%	Net Debt \$m	1206	Performance					
PE	7.0x	7.7x	8.8x	-81.6x	26.1x	13.9x	14.8x	Credit Rating	-	1W	-2.5%				
DIVIDEND	11.7c	9.0c	8.1c	0.0c	0.8c	1.2c	5.0c	ROIC	+6.4%	1M	-5.7%				
YIELD	7.5%	5.7%	5.2%	0.0%	0.5%	0.8%	3.2%	Profit Margin	+2%	3M	+22.7%				
GROSS YIELD	10.7%	8.2%	7.4%	0.0%	0.8%	1.1%	4.6%	SH's equity \$m	667	6M	+108.7%				
DIV GROWTH	+7%	-23%	-10%	-100%	-	+49%	+303%	ROA	-1%	1Y	-43.6%				
DIV COVER	1.9x	2.3x	2.2x	-	7.2x	9.1x	2.1x	Book Value	228c	3Y	-65.2%				
PAYOUT RATIO	53%	44%	46%	0%	14%	11%	47%	Volatility	41.5%	5Y	-62.7%				
Broker Opinion							Last Ex Date	28/02/20	Beta			2.7			
Strong Buys	0	Mean price target	180c	Last Dividend		Interim	Intrinsic Value		-	52 Week High		269c			
Buys	2	Price v target	-13.0%	Franking		100%	IV versus Price		-	High	Date		04/02/20		
Holds	3	Price target high	230c	Est. Results		22/02/21	Daily RSI		46.9	To high		+72%			
Sells	0	Price Target Low	145c	Next Results		Final	ATR Daily		5.3c	52 Week Low		Date		30/03/20	
Strong Sells	0	Average - HOLD	Est. Next ExDiv		28/08/20	As % of price		3.4%	Low	Date		55c			
https://oohmedia.com.au/							Franking		100%	ATR Weekly		15.8c	To Low		-65%
Listed	17/12/2014	Yr End	Dec-20	Ratings are relative to all other stocks in Australia				COMBINED FACTOR RANKING				74			
STARMINE RANKING		Earnings Quality	14	Credit Ranking	5	Relative value	38	Trend - Short	70						
100 = Best		Value Momentum	73	Forecast Trend	70	Insto interest	9	Trend - Medium	21						
		Price Momentum	68	Intrinsic Value	-	Est Surprise	+7.0%	Trend - Long	27						
BUSINESS															
oOh!media Limited is an Australia-based Out Of Home and media company. The Company offers advertisers the platform to create engagement with audiences through its portfolio of physical assets, linked to online, mobile and social media. It operates through a range of Out of Home advertising solutions segment. Its portfolio includes large format classic and digital roadside screens; large and small format classic and digital signs located in retail precincts such as shopping centers; large and small format classic and digital signs in airport terminals and lounges; classic and digital signs in high dwell time environments such as cafes, pubs, universities, office buildings and gyms; online sites for millennials, students, flyers, small businesses and city-based audiences, and classic and digital rail and classic format advertising in public transport corridors including rail.															

## Scentre Group (SCG) – 24 February (taken from SCG website)

It has undoubtedly been a tough 12 months for SCG and there remain structural challenges moving forward. Ultimately, the impact on valuations still remains uncertain. All that said, the sector is relatively attractively priced, with generally healthy balance sheets and a vaccine on the way. Key an eye on occupancy levels and any commentary around this factor; some are suggesting the retail re-opening sentiment trade has already played out but that reality will take some time to catch up, i.e., there will be a further deterioration in leasing spreads and lower occupancy levels well into 2021. Another major factor, both now and long-term, is the impact of the shift to online shopping. Whilst SCG's portfolio has an advantage given the quality of its assets, there is potential downside risk as cashflows remain under pressure. Macquarie believes online penetration will increase to 20% of retail sales by 2025 – double pre-pandemic levels. There is little concern around a capital raising. The group has -\$1bn of debt maturing in 2021 with -\$1.8bn maturing in 2022. Post the hybrid issue of \$4.1bn in September 2020, the group has enough cash to almost fully retire its maturing debt over the next three years.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21.
- Past performance is not a reliable indicator of future return.

SCG	Scentre Group							Last Updated	Price	marcustoday		
SECTOR	Real Estate							03/02/21	276c	Reports in AUD		
ACTIVITY	Retail REITs							Mkt Cap	\$14350m	Headquarters		
										NEW SOUTH WALES		
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	63%	MARCUS TODAY STOCK BOX @		
PRICE TO SALES	5.7x	5.8x	5.9x	6.3x	8.3x	7.1x	6.9x	Long Debt \$m	12915	Ave PE	13.3x	
REVENUE %	-2%	-1%	-7%	-23%	+16%	+3%	-6%	Short Debt \$m	1723	PE High	18.6x	
EPS	24.2c	25.2c	25.3c	14.8c	18.9c	20.7c	21.6c	Cash \$m	253	PE Low	10.9x	
EPS GROWTH	+4%	+4%	+0%	-41%	+28%	+9%	+4%	Net Debt \$m	14386	Performance		
PE	11.4x	11.0x	10.9x	18.6x	14.6x	13.3x	12.8x	Credit Rating	A2	1W	-3.5%	
DIVIDEND	21.7c	22.2c	22.8c	9.2c	15.4c	16.6c	17.3c	ROIC	+4.9%	1M	-0.7%	
YIELD	7.9%	8.0%	8.2%	3.3%	5.6%	6.0%	6.3%	Profit Margin	+45%	3M	+28.4%	
GROSS YIELD	7.9%	8.0%	8.2%	3.3%	5.6%	6.0%	6.3%	SH's equity \$m	23339	6M	+35.3%	
DIV GROWTH	+1%	+2%	+3%	-59%	+66%	+8%	+4%	ROA	+1%	1Y	-28.5%	
DIV COVER	1.1x	1.1x	1.1x	1.6x	1.2x	1.2x	1.2x	Book Value	441c	3Y	-28.1%	
PAYOUT RATIO	90%	88%	90%	62%	81%	80%	80%	Volatility	39.8%	5Y	-36.8%	
Broker Opinion								Last Ex Date	13/02/20			
Strong Buys	1	Mean price target		288c		Last Dividend		Interim		52 Week High		
Buys	4	Price v target		-4.1%		Franking		0%		High	393c	
Holds	1	Price target high		354c		Est. Results		24/02/21		Date	12/02/20	
Sells	2	Price Target Low		211c		Next Results		Final		To high	+42%	
Strong Sells	1	Average - HOLD				Est. Next ExDiv		13/08/20		52 Week Low		
https://www.scentre.com/								Franking		Low	135c	
Listed	25/06/2014	Yr End	Dec-20				0%		ATR Daily		8.5c	
Ratings are relative to all other stocks in Australia								COMBINED FACTOR RANKING				33
STARMINE RANKING 100 = Best	Earnings Quality	70	Credit Ranking	25	Relative value	76	Trend - Short	69				
	Value Momentum	53	Forecast Trend	54	Insto interest	28	Trend - Medium	41				
	Price Momentum	20	Intrinsic Value	62	Est Surprise	+3.2%	Trend - Long	22				
BUSINESS												
Scentre Group (Scentre) is the parent company of Scentre Group Trust 1 (SGT1), Scentre Group Trust 2 (SGT2) and Scentre Group Trust 3 (SGT3). The Company owns and operates a portfolio of living centers in Australia and New Zealand. The Company's portfolio includes approximately 42 Westfield living centers and over 12,000 retail outlets. Scentre's segments include property investment, and property management and construction segments. The property investment segment includes net property income from shopping centers. Property management and construction segment include external fee income from third parties, primarily property management and development fees, and associated business expenses. Scentre manages every aspect of its portfolio, including from design, construction and development to leasing, management and marketing.												

## Zip Co Limited (Z1P) – 25 February (estimate)

The recent IPO of Affirm in the US has had significant valuation impacts for our BNPL sector. Z1P has been re-rated higher on the back of it. A further significant factor is its success in the US. Quadpay is going very well and given the multiples of Affirm we could argue that Z1P is seriously undervalued. We have seen a recent business update showing record group quarterly revenue of \$102.0m (up 88% YoY). Record quarterly transaction volume of \$1.6b (up 103% YoY). The US market is key but the push into the UK is also starting to show promising signs and we would expect to hear more on that. Bad Debts are a killer for BNPL stocks but Z1P appears to have them under control, at less than 2%. We may see some commentary about the end of stimulus in Australia but given Biden's push for more in the US and this being the growth engine, any Australian/NZ weakness should be well and truly overlooked. No dividend expected in this high growth phase. Loss is expected to be around \$34m but it is all about the outlook. Z1P remains cheap compared to its peers.



- Data provided by Thompson Reuters.
- Details correct as at close of business, 2/2/21.
- Past performance is not a reliable indicator of future return.

Z1P	Zip Co Ltd							Last Updated	Price	marcustoday					
	Financials							03/02/21	795c						
SECTOR	Consumer Finance							Mkt Cap	\$4398m	Reports in AUD					
ACTIVITY	Headquarters							NEW SOUTH WALES							
ROE	FY-2	FY-1	FY0	FY1	FY2	FY3	FY4	Gearing	531%	MARCUS TODAY STOCK BOX ©					
PRICE TO SALES	-100.2%	-20.3%	-26.0%	-12.7%	-3.1%	6.8%	-	Long Debt \$m	579	Ave PE	-66.4x				
REVENUE %	265.3x	111.3x	53.1x	27.6x	11.6x	7.4x	5.4x	Short Debt \$m	511	PE High	299.2x				
EPS	+138%	+110%	+93%	+137%	+58%	+37%	-	Cash \$m	24	PE Low	-227.1x				
EPS GROWTH	-7.8c	-3.5c	-9.7c	-10.5c	-3.8c	2.7c	-	Net Debt \$m	1066	Performance					
PE	-101.9x	-227.1x	-82.0x	-76.1x	-210.3x	299.2x	-	Credit Rating	-	1W	+7.1%				
DIVIDEND	0.0c	0.0c	0.0c	0.0c	0.0c	0.0c	0.0c	ROIC	-2.9%	1M	+50.3%				
YIELD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	Profit Margin	-13%	3M	+40.7%				
GROSS YIELD	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	SH's equity \$m	205	6M	+33.6%				
DIV GROWTH	-	-	-	-	-	-	-	ROA	-2%	1Y	+96.8%				
DIV COVER	-	-	-	-	-	-	-	Book Value	55c	3Y	+675.6%				
PAYOUT RATIO	0%	0%	0%	0%	0%	0%	-	Volatility	67.0%	5Y	+2384.4%				
Broker Opinion							Last Ex Date	-	Intrinsic Value	-	52 Week High				
Strong Buys	1	Mean price target		773c		Last Dividend	Final	IV versus Price	-	High	1064c				
Buys	3	Price v target		+2.9%		Franking	0%	Daily RSI	72.9	Date	27/08/20				
Holds	3	Price target high		1180c		Est. Results	23/02/21	Weekly RSI	57.5	To high	+34%				
Sells	2	Price Target Low		535c		Next Results	Interim	ATR Daily	44.3c	52 Week Low					
Strong Sells	0	Average - HOLD				Est. Next ExDiv	-	As % of price	5.6%	Low	105c				
http://zipmoneylimited.com.au/							Franking		ATR Weekly	90.9c	Date	23/03/20			
Listed	09/12/2009	Yr End	Jun-21		0%		As % of price		11.4%	To Low	-87%				
STARMINE RANKING 100 = Best							Ratings are relative to all other stocks in Australia		COMBINED FACTOR RANKING		46				
Earnings Quality		4		Credit Ranking		8		Relative value		3		Trend - Short		7	
Value Momentum		29		Forecast Trend		85		Insto interest		56		Trend - Medium		94	
Price Momentum		73		Intrinsic Value		-		Est Surprise		+8.7%		Trend - Long		54	
BUSINESS															
Zip Co Limited, formerly zipMoney Limited, offers point-of-sale credit and digital payment services to consumers and merchants. The Company provides a range of integrated Retail Finance solutions to small, medium and enterprise businesses across various industries, both online and in-store. The Company offers its services primarily to the retail, education, health and travel industries. Its products include zipMoney and zipPay. zipMoney is classified as a continuing line of credit and generally applied to various ticket purchases where a promotional interest-free period is applied, between 6 to 24 months. zipPay is a no interest ever digital shopping account and generally applied to various ticket purchases, such as fashion, accessories, food and hospitality. It supports prime, near prime and emerging prime borrowers by providing those customers with a revolving unsecured line of credit to finance their transactions.															

## Phone

0458 009 821

## Email

info@marcustoday.com.au

## Website

www.marcustoday.com.au

“

What a ripper of a newsletter today after only 1 day back congratulations.

Congratulations to everyone who made this possible, I'm sure it took a lot of hard work. I'm glad I renewed my subscription.

P. L 12/1/2021

# marcustoday

## Access it from anywhere and anytime.

Don't have the time to sit at your desk? MarcusToday's content is available to you for whatever device suits - on the couch or on the road.

**BEGIN YOUR FREE 14 DAY TRIAL**

