

Trade Window Holdings

Updated Guidance and Longer Term Outlook

JAMES LINDSAY

James.Lindsay@forsythbarr.co.nz
 +64 9 368 0145

TradeWindow (TWL) provided an update on its financial performance for FY23. The company has seen some implementations taking longer than expected, which has pushed expected revenue into FY24. As a result, the company has revised its revenue guidance for FY23. TWL now expects trading revenue to be between NZ\$4.8m and NZ\$5.1m, down from the prior guidance of NZ\$5.5m to NZ\$7.0m. Our prior FY23 trading revenue estimate was NZ\$6.2m. In the update, TWL also provided an estimate for total revenue between NZ\$5.5m and NZ\$5.8m, lower than the previous guidance range of NZ\$6.0m to NZ\$7.5m. Our prior FY23 total revenue estimate was NZ\$6.8m. Despite this, TWL's CEO stated that he is seeing positive customer feedback, and expects demand to continue in the coming years. TWL provided initial trading revenue guidance for FY24 of NZ\$10.4m (in-line with our prior estimate of NZ\$10.5m) and FY25 of NZ\$20.2m (above our prior NZ\$16.0m estimate). Further, TWL provided EBITDA guidance, targeting monthly EBITDA break-even by the end of FY25. This is up to one year ahead of our expectations. We anticipate the company to raise capital shortly. We lower our FY23 and FY24 revenue numbers, which reduces our market comparable EV/Sales driven spot valuation to NZ\$0.42.

| NZX Code | TWL | Financials: Mar/ | 22A | 23E | 24E | 25E | Valuation (x) | 22A | 23E | 24E | 25E |
|--------------------|----------------------|------------------------------|--------|--------|-------|-------|-------------------|------|-----|-----|-----|
| Share price | NZ\$0.52 | NPAT* (NZ\$m) | (10.8) | (14.2) | (9.3) | (4.8) | PE | n/a | n/a | n/a | n/a |
| Spot Valuation | NZ\$0.42 (from 0.50) | EPS* (NZc) | (12.6) | (14.1) | (9.1) | (4.5) | EV/EBIT | n/a | n/a | n/a | n/a |
| Risk rating | High | EPS growth* (%) | 89.0 | -11.7 | 35.4 | 49.9 | EV/EBITDA | n/a | n/a | n/a | n/a |
| Issued shares | 100.8m | DPS (NZc) | 0.0 | 0.0 | 0.0 | 0.0 | Price / NTA | 11.1 | n/a | n/a | n/a |
| Market cap | NZ\$52.4m | Imputation (%) | 0 | 0 | 0 | 0 | Cash div yld (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| Avg daily turnover | 10.1k (NZ\$12k) | *Based on normalised profits | | | | | Gross div yld (%) | 0.0 | 0.0 | 0.0 | 0.0 |

What's changed?

- **Revenue estimates:** FY23 and FY24 total revenue estimates lowered by -19% and -4% respectively.
- **Spot valuation:** EV/Sales driven spot valuation falls to NZ\$0.42, from NZ\$0.50 due to lowered revenue estimates.

FY23 revenue estimates reduced

TWL's updated FY23 revenue guidance was down -21% and -16% on the trading and total revenue lines, respectively, compared to prior guidance midpoints stated at the 1H23 result in November 2022. We lower our FY23 total revenue estimates -19% to NZ\$5.0m, in line with this new guidance as some customer implementations are taking longer than expected.

Initial FY24 and FY25 revenue guidance is strong

TWL provided first-time trading revenue guidance for FY24 and FY25, illustrating confidence in the company's momentum. FY24 trading revenue guidance of NZ\$10.4m is up +110% on the mid-point of the new FY23 guidance. Our prior estimates were in line with this FY24 trading revenue; however, we marginally lower our FY24 estimates by -4% to NZ\$10.3m, modestly below management's FY24 guidance. Trading revenue guidance for FY25 is NZ\$20.2m, representing a +94% uplift over FY24 guidance midpoint. We make minor changes to our FY25 estimates, maintaining conservatism relative to management estimates and mindful of the uncertainties in global and local economies.

EV/Sales driven valuation falls, however, sector multiple devaluations now appear to have stopped

Our EV/Sales driven spot valuation falls by -16% to NZ\$0.42 from NZ\$0.50. The lowered revenue estimates have been partially offset by a slight rise in peers' EV/Sales multiples. The Nasdaq Emerging Cloud Index median EV/Sales multiple has risen +12% from its recent lows, and the sector devaluation appears to have stopped (see Figure 8).

Trade Window Holdings (TWL)

| Market Data (NZ\$) | | | | | | Spot valuation (NZ\$) | | | | | |
|--|--------------|---------------|---------------|--------------|--------------|---------------------------------------|--------------|-------------|-------------|--------------|--------------|
| Priced as at 13 Jan 2023 | | | | | | 0.52 | | | | | |
| 52 week high / low | | | | | | 2.63 / 0.49 | | | | | |
| Market capitalisation (NZ\$m) | | | | | | 52.4 | | | | | |
| Key WACC assumptions | | | | | | DCF valuation summary (NZ\$m) | | | | | |
| Risk free rate | | | | | | 4.50% | | | | | |
| Equity beta | | | | | | 1.50 | | | | | |
| WACC | | | | | | 12.6% | | | | | |
| Terminal growth | | | | | | 2.5% | | | | | |
| Total firm value | | | | | | 47 | | | | | |
| EV/Sales comparative value | | | | | | 0.42 | | | | | |
| Less: Capitalised operating leases | | | | | | (5) | | | | | |
| Value of equity | | | | | | 43 | | | | | |
| Profit and Loss Account (NZ\$m) | | | | | | Valuation Ratios | | | | | |
| | 2021A | 2022A | 2023E | 2024E | 2025E | | 2021A | 2022A | 2023E | 2024E | 2025E |
| Sales revenue | 2.3 | 4.9 | 5.5 | 10.3 | 16.3 | EV/EBITDA (x) | n/a | n/a | n/a | n/a | n/a |
| Normalised EBITDA | (5.9) | (9.5) | (12.4) | (8.1) | (3.4) | EV/EBIT (x) | n/a | n/a | n/a | n/a | n/a |
| Depreciation and amortisation | 1.1 | 1.7 | 2.2 | 1.7 | 1.6 | PE (x) | n/a | n/a | n/a | n/a | n/a |
| Normalised EBIT | (6.9) | (11.2) | (14.6) | (9.8) | (5.0) | Price/NTA (x) | n/a | 11.1 | n/a | n/a | n/a |
| Net interest | (0.1) | (0.2) | (0.1) | (0.1) | (0.1) | Free cash flow yield (%) | -9.0 | -13.3 | -19.2 | -16.0 | -7.5 |
| Associate income | 0 | 0 | 0 | 0 | 0 | Net dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tax | 0.5 | 0.6 | 0.6 | 0.6 | 0.3 | Gross dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Minority interests | 0 | 0 | 0 | 0 | 0 | Capital Structure | | | | | |
| Normalised NPAT | (6.6) | (10.8) | (14.2) | (9.3) | (4.8) | 2021A | 2022A | 2023E | 2024E | 2025E | |
| Abnormals/other | 0 | 0 | 0 | 0 | 0 | Interest cover EBIT (x) | n/a | n/a | n/a | n/a | n/a |
| Reported NPAT | (6.6) | (10.8) | (14.2) | (9.3) | (4.8) | Interest cover EBITDA (x) | n/a | n/a | n/a | n/a | n/a |
| Normalised EPS (cps) | (114.1) | (12.6) | (14.1) | (9.1) | (4.5) | Net debt/ND+E (%) | -9.1 | -51.8 | 20.5 | 17,776.1 | 339.9 |
| DPS (cps) | 0.0 | 0 | 0 | 0 | 0 | Net debt/EBITDA (x) | n/a | 0.4 | 0.1 | n/a | n/a |
| Growth Rates | | | | | | Key Ratios | | | | | |
| | 2021A | 2022A | 2023E | 2024E | 2025E | | 2021A | 2022A | 2023E | 2024E | 2025E |
| Revenue (%) | | >100 | 13.5 | 86.2 | 58.3 | Return on assets (%) | -113.0 | -67.9 | -144.5 | -138.5 | -64.9 |
| EBITDA (%) | | n/a | n/a | n/a | n/a | Return on equity (%) | 185.8 | -100.3 | 548.4 | 121.3 | 57.5 |
| EBIT (%) | | n/a | n/a | n/a | n/a | Return on funds employed (%) | -188.8 | -99.8 | 560.5 | 122.2 | 57.9 |
| Normalised NPAT (%) | | n/a | n/a | n/a | n/a | EBITDA margin (%) | -250.2 | -195.8 | -223.3 | -78.5 | -20.7 |
| Normalised EPS (%) | | n/a | n/a | n/a | n/a | EBIT margin (%) | -295.8 | -229.9 | -263.7 | -95.3 | -30.4 |
| Ordinary DPS (%) | | -100.0 | n/a | n/a | n/a | Capex to sales (%) | 5.1 | -31.4 | 2.8 | 2.9 | 2.1 |
| Cash Flow (NZ\$m) | | | | | | Capex to depreciation (%) | | | | | |
| | 2021A | 2022A | 2023E | 2024E | 2025E | | 2021A | 2022A | 2023E | 2024E | 2025E |
| EBITDA | (5.9) | (9.5) | (12.4) | (8.1) | (3.4) | Imputation (%) | 0 | 0 | 0 | 0 | 0 |
| Working capital change | 0.1 | (0.5) | 1.8 | (0.4) | (0.4) | Pay-out ratio (%) | 0 | 0 | 0 | 0 | 0 |
| Interest & tax paid | 0.3 | 0.4 | 0.7 | 0.5 | 0.3 | Segment Revenue (NZ\$m) | | | | | |
| Other | 0.8 | 1.2 | (0.1) | (0.1) | (0.1) | | 2021A | 2022A | 2023E | 2024E | 2025E |
| Operating cash flow | (4.6) | (8.5) | (9.9) | (8.1) | (3.6) | Transactional | 0.6 | 1.3 | 1.4 | 4.0 | 8.1 |
| Capital expenditure | (0.1) | 1.5 | (0.2) | (0.3) | (0.3) | Subscription | 0.4 | 1.6 | 2.4 | 4.5 | 5.7 |
| (Acquisitions)/divestments | 0.0 | (1.6) | (2.5) | 0 | 0 | Service | 0.1 | 0.2 | 0.2 | 0.3 | 0.5 |
| Other | 4.5 | (1.5) | (0.6) | (0.6) | (0.7) | Installation | 0.2 | 0.4 | 0.5 | 0.8 | 1.3 |
| Funding available/(required) | (0.2) | (10.1) | (13.2) | (9.0) | (4.6) | Other | 0.7 | 1.0 | 0.6 | 0.3 | 0.2 |
| Dividends paid | (0.0) | 0 | 0 | 0 | 0 | Total revenue | 2.3 | 4.9 | 5.5 | 10.3 | 16.3 |
| Equity raised/(returned) | 6.8 | 15.0 | 9.6 | 0 | 0 | Segment Revenue ARPC (NZ\$) | | | | | |
| (Increase)/decrease in net debt | 6.6 | 4.9 | (3.6) | (9.0) | (4.6) | | 2021A | 2022A | 2023E | 2024E | 2025E |
| Balance Sheet (NZ\$m) | | | | | | Transactional (per month) | - | 703 | 575 | 1150 | 1550 |
| | 2021A | 2022A | 2023E | 2024E | 2025E | Subscription (per month) | - | 341 | 435 | 628 | 647 |
| Working capital | (0.2) | 0.3 | (1.5) | (1.1) | (0.7) | Service (per month) | - | 42 | 42 | 42 | 42 |
| Fixed assets | 0.2 | 0.3 | 0.3 | 0.4 | 0.5 | Total revenue per sub / month | 1,022 | 712 | 787 | 1,184 | 1,374 |
| Intangibles | 3.9 | 6.8 | 5.2 | 4.2 | 3.4 | Installation (per new customer) * | 14,030 | 16,699 | 15,000 | 15,000 | 15,000 |
| Right of use asset | 0.0 | 1.4 | 1.9 | 1.4 | 2.1 | Segment costs as % of revenue | | | | | |
| Other assets | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 | | 2021A | 2022A | 2023E | 2024E | 2025E |
| Total funds employed | 3.9 | 9.1 | 6.2 | 5.2 | 5.7 | Cost of goods sold as % of revenue | 64% | 50% | 52% | 27% | 21% |
| Net debt/(cash) | 7.1 | (3.7) | (0.7) | 7.7 | 11.8 | R&D as % of revenues | 190% | 126% | 132% | 66% | 42% |
| Lease liability | 0 | 0.9 | 0.9 | 0.3 | 1.1 | S&M as % of revenue | 63% | 65% | 64% | 33% | 23% |
| Other liabilities | 0.2 | 1.0 | 8.5 | 4.8 | 1.0 | G&A as % of revenues | 183% | 130% | 115% | 57% | 37% |
| Shareholder's funds | (3.3) | 10.8 | (2.5) | (7.6) | (8.3) | Total expenses as % of revenue | 500% | 372% | 362% | 184% | 122% |
| Minority interests | 0 | 0 | 0 | 0 | 0 | *Transactional customers | | | | | |
| Total funding sources | 3.9 | 9.1 | 6.2 | 5.2 | 5.7 | | | | | | |

* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend** Information on Forsyth Barr's Carbon and ESG (CESG) ratings can be found at www.forsythbarr.co.nz/corporate-news-events/cesg-report

Earnings revisions

We lower our FY23 trading revenue by -21%, from NZ\$6.2m to NZ\$5.0m, in line with the guidance downgrades. The immediate impact of this downgrade is due to a slower-than-expected implementation for one of TWL's products shifting revenues from FY23 into FY24. Our total revenue estimates falls -19%, to sit at the mid-point of TWL's guidance. Our trading revenue downgrade is partially offset by a minor upgrade in revenue from grants.

Our prior FY24 numbers were in-line with TWL's updated guidance. However, we slightly reduce our trading revenue estimates by -4% to NZ\$10.0m. This compares with the company guidance of NZ\$10.4m. We remain mindful of the uncertainties in global and local economies with evidence of slowing trade volumes.

FY25 trading revenue remains largely unchanged at NZ\$16.1m, and is -20% below initial company expectations. We retain these estimates as a level of conservatism.

Figure 1. Earnings revisions (NZ\$m)

| | FY23E | | | FY24E | | | FY25E | | |
|---------------------------------------|---------------|---------------|-------------|---------------|---------------|------------|---------------|---------------|------------|
| | Old | New | Change | Old | New | Change | Old | New | Change |
| Trading revenue | 6.2 | 5.0 | -21% | 10.5 | 10.0 | -4% | 16.0 | 16.1 | - |
| Other income | 0.6 | 0.6 | +5% | 0.3 | 0.3 | - | 0.2 | 0.2 | - |
| Total revenues | 6.8 | 5.5 | -19% | 10.8 | 10.3 | -4% | 16.3 | 16.3 | - |
| Employee benefits expense | (13.6) | (13.6) | - | (14.1) | (14.1) | - | (15.3) | (15.3) | - |
| Depreciation and amortisation | (2.2) | (2.2) | - | (1.8) | (1.7) | -1% | (1.6) | (1.6) | -1% |
| Other expenses | (4.3) | (4.3) | - | (4.3) | (4.3) | - | (4.4) | (4.4) | - |
| Total operating expenses | (20.1) | (20.1) | - | (20.2) | (20.1) | - | (21.3) | (21.3) | - |
| Operating EBITDA | (11.1) | (12.4) | -11% | (7.6) | (8.1) | -6% | (3.4) | (3.4) | +2% |
| Operating profit/EBIT | (13.3) | (14.6) | +9% | (9.4) | (9.8) | +5% | (5.0) | (5.0) | -2% |
| Net financing costs | (0.1) | (0.1) | +4% | (0.1) | (0.1) | +8% | (0.1) | (0.1) | - |
| Profit before income tax | (13.5) | (14.7) | +9% | (9.5) | (9.9) | +5% | (5.2) | (5.1) | +2% |
| Income tax benefit | 0.6 | 0.6 | - | 0.6 | 0.6 | - | 0.3 | 0.3 | -2% |
| Net profit (loss) for the year | (12.9) | (14.2) | -10% | (8.9) | (9.3) | -5% | (4.9) | (4.8) | +2% |

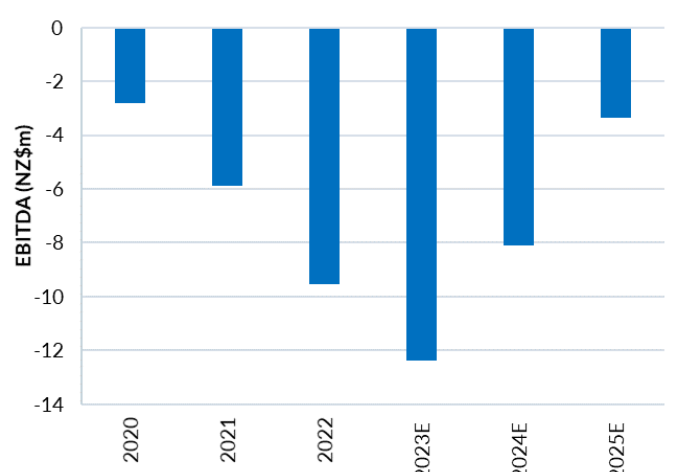
Source: Company data, Forsyth Barr analysis

Figure 2. TWL – Revenue (NZ\$m)



Source: Company data, Forsyth Barr analysis

Figure 3. TWL – EBITDA (NZ\$m)



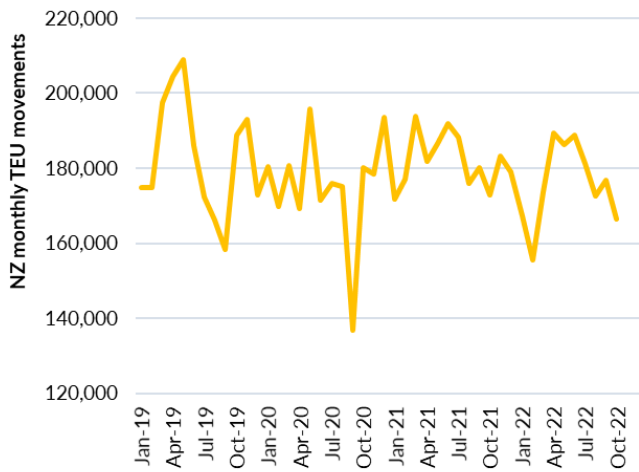
Source: Company data, Forsyth Barr analysis

Contributing information

Updating import and export container data

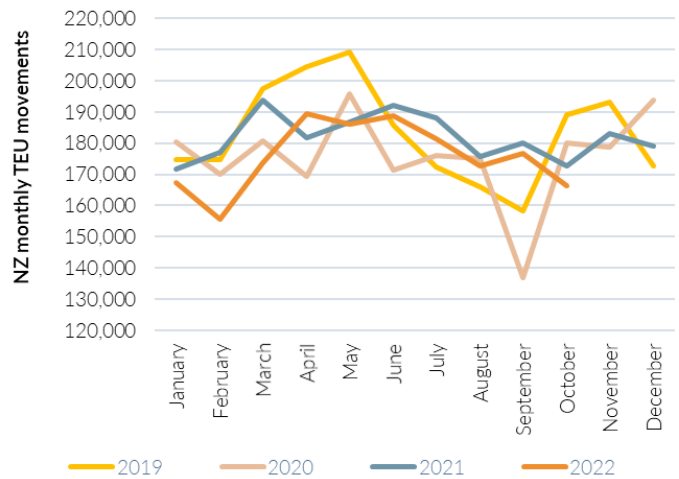
Recent export data, at the container level, has shown a degree of weakness for Twenty-foot Equivalent Unit (TEU) movements. Both NZ's export and import data appeared weaker, with October export TEU movements lower than each of the last three years and imports failing to show a strong month-on-month improvement as seen in 2019 and 2020.

Figure 4. Total NZ Import & Export Container (TEU) movements



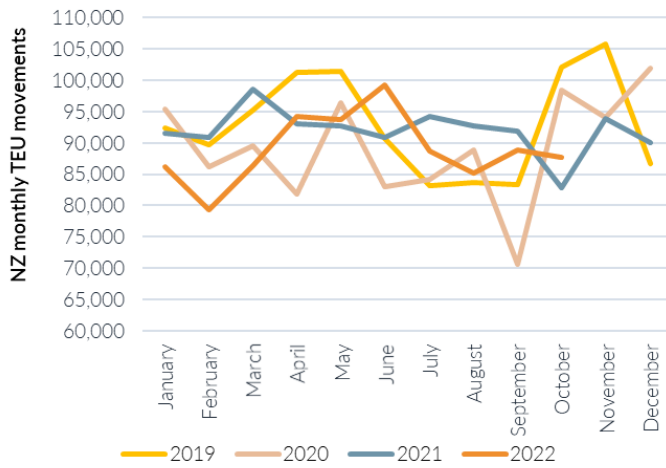
Source: Stats NZ, Forsyth Barr analysis

Figure 5. Monthly NZ Total Import & Export container (TEU) movements



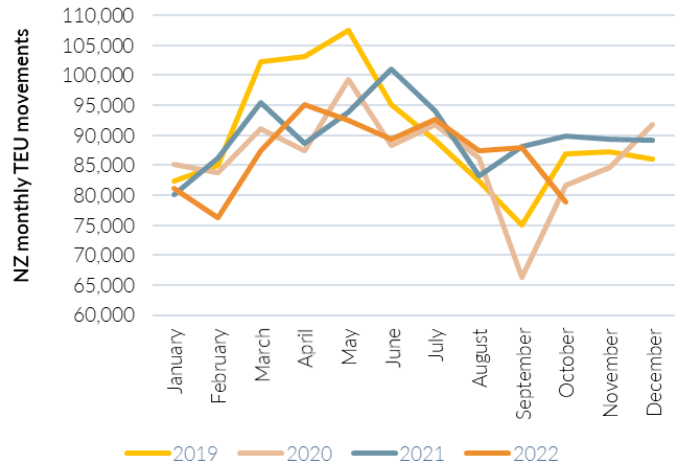
Source: Stats NZ, Forsyth Barr analysis

Figure 6. Monthly Import Container (TEU) movements for NZ



Source: Stats NZ, Forsyth Barr analysis

Figure 7. Monthly Export Container (TEU) movements for NZ



Source: Stats NZ, Forsyth Barr analysis

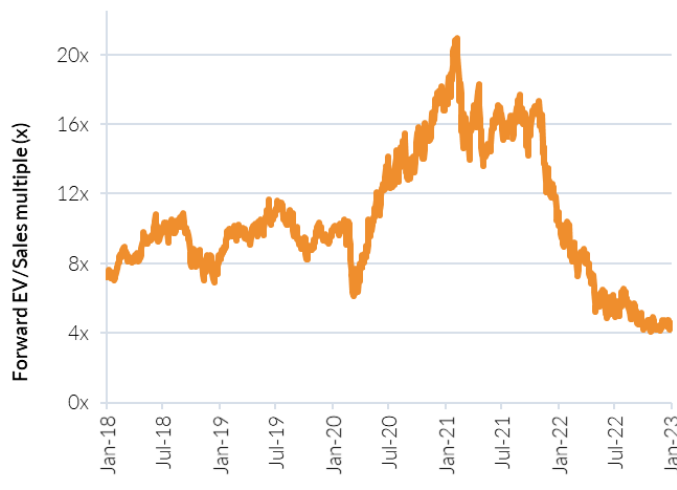
Macroeconomic outlook

The current economic climate is uncertain as the world emerges from the COVID-19 pandemic and the easy monetary policies implemented to combat it. In 2023, global growth should slow to just +1.8% due to a combination of factors, including the diminishing effects of reopening, tightening fiscal and monetary policies, China's COVID-19 restrictions and property slump, and the Russia-Ukraine war. One key question for the coming year is whether central banks can control inflation without causing economies to enter a recession. History suggests that this can be challenging. The US Federal Reserve's decision to raise interest rates from 0.25% in March 2022 to 4.5% by the end of 2022 raises concerns about the potential for a downturn. However, inflation in the US peaked in June 2022 at 9.1% and has decreased since then, thanks partly to falling energy prices and slowing consumer spending due to higher interest rates and inflation. Meanwhile, the Euro area and the UK will likely experience a mild recession due to surging energy bills. Central and Eastern Europe, and Latin America, have already begun hiking rates. A resurgence of COVID-19 and declining retail sales are impacting the Chinese economy. China is expected to have a slow first half of the year due to a reopening.

The US Emerging Cloud Index and the performance of peers

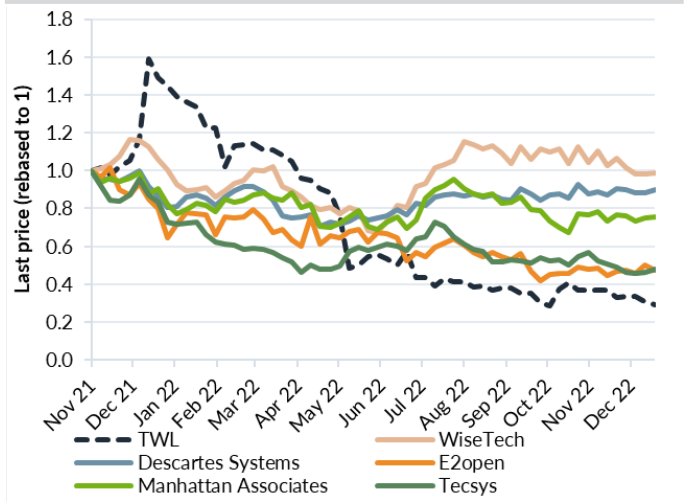
The Nasdaq Emerging Cloud Index currently trades at an EV/Sales median multiple of 4.5x. See Figure 8. The index has contracted significantly, with the current multiple representing a fall of -78% from the 20.9x peak in February 2021. Although TWL is not directly comparable to its constituents, the steep drop in the multiple reflects the difficult market conditions and challenging outlook faced by most tech companies, translating to the sector's downturn. However, the sector's multiple devaluation appears to have stopped. Figure 9 displays the performance of TWL against its relevant peers.

Figure 8. Nasdaq emerging cloud index (EV/Sales multiple)



Source: Forsyth Barr analysis, Refinitiv

Figure 9. Performance of comparables (rebased)



Source: Forsyth Barr analysis, Refinitiv

Australian Certificate of Origin accreditation

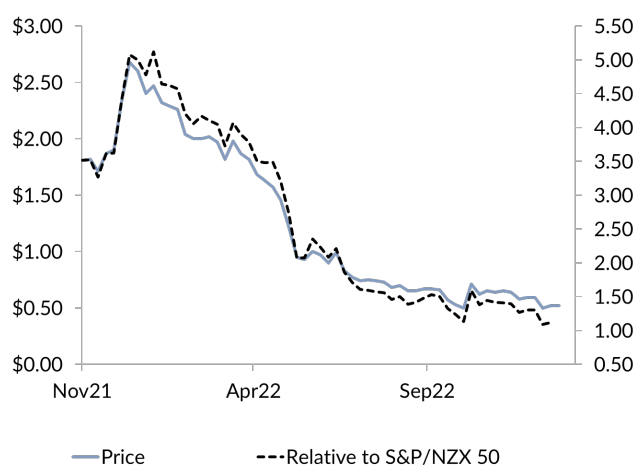


TWL has been accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) Free Trade Agreement Certificate of Origin (FTA CoO) Recognition Scheme. This is an important addition to TWL's capability, the audit process to receive accreditation took over 18 months. Being able to issue Certificates of Origin is vitally important to the proposition in the Australian market. This accreditation is subject to approval by the Australian Department of Foreign Affairs and Trade (DFAT). 'TradeWindow Origin' will be authorised to issue Certificates of Origin to the Australian market. TradeWindow Origin is TWL's 24/7 data-driven platform for digital Certificates of Origin. TradeWindow Origin is a certified body that has been given the authority by the Customs and Excise Act of 2018 to issue Certificates of Origin to New Zealand exporters under the ASEAN-Australia-New Zealand Free Trade Agreement and the New Zealand-China Free Trade Agreement.

As a background, the JAS-ANZ is an organisation that provides internationally recognised accreditation services for a range of industries, including trade and commerce. The organisation helps to create economic benefit and strengthen national, Trans-Tasman and international trade by providing accreditation for businesses, organisations and individuals. This includes certifying the competence of bodies performing inspection activities and issuing accreditation certificates, such as the Free Trade Agreement Certificate of Origin (FTA CoO) Recognition Scheme, which TWL has been accredited for. JAS-ANZ does not certify or inspect organisations, products or people; rather, it accredits the bodies that do.

See <https://www.jas-anz.org/> for more information.

Figure 10. Price performance



Source: Forsyth Barr analysis

Figure 11. Substantial shareholders

| Shareholder | Latest Holding |
|-------------------------|----------------|
| ASB Bank | 22.4% |
| Albertus Johannes Smith | 14.6% |
| Quayside Securities | 10.8% |
| Holding des mers du sud | 6.1% |

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

Figure 12. International valuation comparisons

| Company | Code | Price | Mkt Cap (m) | PE | | EV/EBITDA | | EV/EBIT | | Cash Yld 2024E |
|----------------------------|---------|-----------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| | | | | 2023E | 2024E | 2023E | 2024E | 2023E | 2024E | |
| Trade Window | TWL NZ | NZ\$0.52 | NZ\$52 | <0x | <0x | <0x | <0x | <0x | <0x | 0.0% |
| Wisetech Global | WTC AT | A\$51.21 | A\$16,747 | 72.4x | 56.3x | 42.9x | 34.0x | 52.6x | 40.4x | 0.4% |
| E2Open Parent Holdings Inc | ETWO US | US\$5.89 | US\$1,780 | 23.5x | 20.9x | 12.7x | 11.3x | 14.1x | 12.6x | n/a |
| Descartes Systems Grp/The | DSG CN | US\$93.70 | US\$7,947 | >75x | 64.3x | 35.3x | 31.7x | 56.1x | 47.1x | n/a |
| Compco Average: | | | | 48.0x | 47.1x | 30.3x | 25.7x | 40.9x | 33.4x | 0.4% |
| TWL Relative: | | | | n/a | n/a | n/a | n/a | n/a | n/a | -100% |

EV = Mkt cap+net debt+lease liabilities+min interests-investments

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

Important information about this publication

Forsyth Barr Limited (“**Forsyth Barr**”) holds a licence issued by the Financial Markets Authority to provide financial advice services. In making this publication available, Forsyth Barr (and not any named analyst personally) is giving any financial advice it may contain. Some information about us and our financial advice services is publicly available. You can find that on our website at www.forsythbarr.co.nz/choosing-a-financial-advice-service. Please note the limitations in relation to distribution generally, and in relation to recipients in Australia in particular, as set out under those headings below.

This publication has been commissioned by Trade Window Holdings (“**Researched Entity**”) and prepared and issued by Forsyth Barr in consideration of a fee payable by the Researched Entity. Forsyth Barr follows a research process (including through the Analyst certification below) designed to ensure that the recommendations and opinions in our research publications are not influenced by this arrangement and the other interests of Forsyth Barr and related parties disclosed below. However, entities may not be willing to continue to pay for research coverage that includes unfavourable views.

Any recommendations or opinions in this publication do not take into account your personal financial situation or investment goals, and may not be suitable for you. If you wish to receive personalised financial advice, please contact your Forsyth Barr Investment Adviser.

Past performance is not indicative of future performance. Estimates of future performance are based on assumptions that may not be realised. If provided, and unless otherwise stated, the closing price provided is that of the primary exchange for the issuer’s securities or investments.

This publication has been prepared in good faith based on information obtained from sources believed to be reliable and accurate. However, that information has not been independently verified or investigated by Forsyth Barr. If there are material inaccuracies or omissions in the information it is likely that our recommendations or opinions would be different. Any analyses or valuations will also typically be based on numerous assumptions (such as the key WACC assumptions); different assumptions may yield materially different results.

Forsyth Barr does not undertake to keep current this publication; any opinions or recommendations may change without notice to you.

In giving financial advice, Forsyth Barr is bound by duties under the Financial Markets Conduct Act 2013 (“**FMCA**”) to:

- exercise care, diligence, and skill,
- give priority to the client’s interests, and
- when dealing with retail clients, comply with the Code of Professional Conduct for Financial Advice Services, which includes standards relating to competence, knowledge, skill, ethical behaviour, conduct, and client care.

There are likely to be fees, expenses, or other amounts payable in relation to acting on any recommendations or opinions in this publication. If you are Forsyth Barr client we refer you to the Advice Information Statement for your account for more information.

Analyst certification: The research analyst(s) primarily responsible for the preparation and content of this publication (“**Analysts**”) are named on the first page of this publication. Each such Analyst certifies (other than in relation to content or views expressly attributed to another analyst) that (i) the views expressed in this publication accurately reflect their personal views about each issuer and financial product referenced; and (ii) no part of the Analyst’s compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that Analyst in this publication.

Analyst holdings: The following Analyst(s) have a threshold interest in the financial products referred to in this publication: N/A. For these purposes, a threshold interest is defined as being a holder of more than \$50,000 in value or 1% of the financial products on issue, whichever is the lesser.

Other disclosures: Forsyth Barr and its related companies (and their respective directors, officers, agents and employees) (“**Forsyth Barr Group**”) may have long or short positions or otherwise have interests in the financial products referred to in this publication, and may be directors or officers of, and/or provide (or be intending to provide) corporate advisory or other services to, the issuer of those financial products (and may receive fees for so acting). Members of the Forsyth Barr Group may buy or sell financial products as principal or agent, and in doing so may undertake transactions that are not consistent with any recommendations contained in this publication. Other Forsyth Barr business units may hold views different from those in this publication; any such views will generally not be brought to your attention. Forsyth Barr confirms no inducement has been accepted from the issuer(s) that are the subject of this publication, whether pecuniary or otherwise, in connection with making any recommendation contained in this publication. In preparing this publication, non-financial assistance (for example, access to staff or information) may have been provided by the issuer(s) being researched.

Corporate advisory engagements: Other than confidential engagements, Forsyth Barr has not within the past 12 months been engaged to provide corporate advisory services to the Researched Entity.

Complaints: Information about Forsyth Barr’s complaints process and our dispute resolution process is available on our website – www.forsythbarr.co.nz.

Disclaimer: Where the FMCA applies, liability for the FMCA duties referred to above cannot by law be excluded. However to the maximum extent permitted by law, Forsyth Barr otherwise excludes and disclaims any liability (including in negligence) for any loss which may be incurred by any person acting or relying upon any information, analysis, opinion or recommendation in this publication. The information contained within this publication is published solely for information purposes and is not a solicitation or offer to buy or sell any financial instrument or participate in any trading or investment strategy.

Distribution: This publication is not intended to be distributed or made available to any person in any jurisdiction where doing so would constitute a breach of any applicable laws or regulations or would subject Forsyth Barr to any registration or licensing requirement within such jurisdiction.

Recipients in Australia: This publication is only available to “wholesale clients” within the meaning of section 761G of the Corporations Act 2001 (Cth) (“**wholesale clients**”). In no circumstances may this publication be made available to a “retail client” within the meaning of section 761G. Further, this publication is only available on a limited basis to authorised recipients in Australia. Forsyth Barr is a New Zealand company operating in New Zealand that is regulated by the Financial Markets Authority of New Zealand and NZX. This publication has been prepared in New Zealand in accordance with applicable New Zealand laws, which may differ from Australian laws. Forsyth Barr does not hold an Australian financial services licence. This publication may refer to a securities offer or proposed offer which is not available to investors in Australia, or is only available on a limited basis, such as to professional investors or others who do not require prospectus disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) and are wholesale clients.

Terms of use: Copyright Forsyth Barr Limited. You may not redistribute, copy, revise, amend, create a derivative work from, extract data from, or otherwise commercially exploit this publication in any way. By accessing this publication via an electronic platform, you agree that the platform provider may provide Forsyth Barr with information on your readership of the publications available through that platform.