















BlackBull Research Market View, Australian Equities








March 2023






Aus Equities

Ticker		Rating	Change from Previous		P/E Fwd	Dividend Yield % Fwd
 ALD	Ampol Limited	HOLD		Saw benefits from stronger retail fuel margins and refining margins declared a special dividend of 50 cents per share	11.5x	5.50%
 BHP	BHP Group	HOLD		<p>Revenue for the half year came in at US\$25.7B and profits after tax came in at US\$6.5B- down -16% and 32% from the same corresponding period last year respectively. The result was driven by weaker iron ore and coal prices causing BHP to cut its interim dividend by -40% from last year to US\$0.90 on weaker commodity prices.</p> <p>The result was driven by weaker iron ore and coal prices causing BHP to cut its interim dividend by -40% from last year to US\$0.90 on softer commodity prices</p>	11x	6%
 CGC	Costa Group	NEUTRAL		Weak result. Unfortunate weather and lack of access to international markets likes China and Japan hurt earnings the former flagged to the market last year.	16x	3.20%
 CSL	CSL Limited	BUY		Vifor Pharma contribution and recovery in plasma collection boosted group revenue by +19% and net profit after tax by +10%.	32x	1.20%

 GEM	G8 Education	BUY		Earnings improved slightly as revenue growth on occupancy improvement was offset by inflation-related costs.	15x	3.70%
 HVN	Harvey Norman Holdings	NEUTRAL	✓	Weakening consumer sentiment saw the homeware retailer's sales soften, while weaker margins meant profits fell -15%. Outlook appears more bleak.	9.5x	5.50%
 IVC	Invocare	NEUTRAL	✓	Invocare surged after receiving a takeover bid of \$12.65 per share, after the stock was beaten down from a weak full year earnings for the 2022 financial year	23x	2.10%
 JHX	James Hardie Industrials	HOLD		Softening construction demand meant JHX reported a weak result and lowered its 2023 full year net profit guidance from US\$650m-US\$710m down to US\$600m-US\$620m.	21x	
 LYC	Lynas Rare Earths	HIGH RISK BUY		Volatile news flow, with Tesla suggesting they will lower the use of rare earths in their vehicles and licensing issues at their Malaysia plant. Expecting weaker earnings due to cost inflation	11.5x	
 MYR	Myer Holdings Limited	HOLD		Strong turnaround result, with profits doubling from last year to \$65m. Reintroduced their dividend.	11x	6.10%
 NXT	Next DC	BUY		Growth continues, albeit at a slower rate. Revenue up +10%, while investment into growth saw the company return back into a net loss		
 OML	oOh! Media	HIGH RISK BUY		Post-Covid recovery impressed as CBD foot traffic and air traffic improved, lifting revenue by +18%	13.8x	4.50%

	QAN	Qantas Airways	HOLD		Solid profit result which was flagged prior to earnings, but investors were disappointed with the \$500m share buyback and had hoped for a return to dividends	18x	
	QBE	QBE Insurance	BUY		Strong result, beating expectations on solid premium growth and being a benefactor to rising interest rates	8.4x	5.50%
	RIO	Rio Tinto	HOLD		Softer result on weaker commodity prices, while high energy and raw material costs impacted upon margins.	10.9x	5.90%
	TLS	Telstra Corporation	BUY		Result was above expectations, driven by mobile growth, setting up to lift dividends over the near-term	20x	4.20%
	TPG	TPG Telecom	HOLD		Operating earnings (EBITDA) increased +24% on strong revenue growth on roaming charges and adding 300,000 new mobile users	19x	3.20%
	WDS	Woodside Energy	NEUTRAL		Delivered a record net profit after tax of US\$5.2b, up three-fold from the previous year benefiting from the BHP petroleum asset merger and realising average fuel price of \$98.4 per boe	9x	8%
	WES	Wesfarmers	HOLD		A sound result as Bunnings continues to deliver solid growth, whilst meaningful contributions from Kmart and Office meant the conglomerate declared a 80 cent per share interim dividend.	22x	3.60%

 WOW	Woolworths	BUY		Inflation costs successfully passed onto consumers, lifting net profit after tax by +14% and half year dividend by +18%	27x	2.60%
 WTC	Wisetech Global	HOLD	∨	Another solid result, downgrade due to record high share price and assumption growth would slow down	86x	0.20%
 XRO	Xero Limited	HIGH RISK BUY		Share price surged after revealing it'll cut 700-800 roles representing 16% of its staff as it looks to cut costs and boost profitability		