

# Weekly Informer

3<sup>rd</sup> February 2022

EUROZ HARTLEYS

## In this edition

Key Picks - February

| Resources             | Code | Price   | Rec.     | Event   | Analyst             | Page |
|-----------------------|------|---------|----------|---|---------------------|------|
| Aeris Resources       | AIS  | \$0.125 | Buy      | DecQ Report: COVID impacts guidance                         | Michael Scantlebury | 8    |
| Calidus Resources     | CAI  | \$0.68  | Buy      | Dec Q'ly FY'22 Report: First Gold On-Track                  | Jon Bishop          | 14   |
| Champion Iron         | CIA  | \$5.83  | Buy      | Dec Q'ly Report: Maiden Div & Phase 2 Within Sight          | Jon Bishop          | 17   |
| Cooper Energy         | COE  | \$0.29  | Buy      | Dec Q'ly Report: Things on the Improve                      | Jon Bishop          | 21   |
| Emerald Resources     | EMR  | \$1.07  | Buy      | Okvau hits guidance added cash                              | Mike Millikan       | 25   |
| Genesis Minerals      | GMD  | \$1.58  | Spec Buy | Initiation of Coverage - Backing Management                 | Kyle De Souza       | 31   |
| Genex Power           | GNX  | \$0.18  | Buy      | Dec Q'ly FY'22 Report: New Project & Pumped Hydro Advancing | Jon Bishop          | 60   |
| Gold Road Resources   | GOR  | \$1.33  | Buy      | DecQ: Guidance missed, cash builds.                         | Michael Scantlebury | 64   |
| IGO                   | IGO  | \$11.75 | Hold     | Dec Q'ly/H FY'22 Report: Strong Li Tailwind to Come Jun H   | Jon Bishop          | 70   |
| OM Holdings           | OMH  | \$0.90  | Buy      | Expecting CY21 dividend                                     | Trent Barnett       | 74   |
| Panoramic Resources   | PAN  | \$0.25  | Spec Buy | First Ni-Cu-Co concentrate shipped, ramping up              | Mike Millikan       | 78   |
| Pilbara Minerals      | PLS  | \$3.25  | Spec Buy | Selling prices more than offset disappointing operations    | Trent Barnett       | 83   |
| Ramelius Resources    | RMS  | \$1.315 | Buy      | DecQ Report: Keep on trucking                               | Michael Scantlebury | 88   |
| Silver Lake Resources | SLR  | \$1.49  | Buy      | Dec Q'ly FY'22 Report: Was it 11% Bad?!                     | Jon Bishop          | 93   |

## Industrials

| Industrial Stocks Half Year Reporting 2022 |     |        |          |                                   | Analyst         | Page |
|--|-----|--------|----------|-----------------------------------|-----------------|------|
| Mader Group                                | MAD | \$2.05 | Buy      | Q2 operational update and upgrade | Gavin Allen     | 100  |
| Openn Negotiation                          | OPN | \$0.14 | Spec Buy | Q2 and North American Markets     | Harry Stevenson | 104  |

## Quick Comments

|                         |     |         |          |  |                     |     |
|-------------------------|-----|---------|----------|--|---------------------|-----|
| Aeris Resources         | AIS | \$0.135 | Buy      | DecQ result, guidance lowered at both operations                         | Michael Scantlebury | 112 |
| Botanix Pharmaceuticals | BOT | \$0.056 | Spec Buy | December Quarterly: Big Year Ahead!                                      | Seth Lizee          | 113 |
| Cyprum Metals           | CYM | \$0.16  | Spec Buy | Nifty West further shallow copper extensions                             | Mike Millikan       | 115 |
| Emerald Resources       | EMR | \$0.98  | Buy      | Bullseye takeover - Takeovers Panel decision still pending               | Mike Millikan       | 118 |
| Emerald Resources       | EMR | \$1.07  | Buy      | Memot drilling update confirms high-grade gold (awaiting copper results) | Mike Millikan       | 120 |
| Emerald Resources       | EMR | \$1.07  | Buy      | DecQ: Okvau delivers -26.4koz @ US\$740/oz AISC, cash growing            | Mike Millikan       | 122 |
| Firefinch               | FFX | \$0.63  | Spec Buy | December Quarterly report  | Michael Scantlebury | 124 |
| Gold Road Resources     | GOR | \$1.38  | Buy      | DecQ Report: under guidance, still builds cash.                          | Michael Scantlebury | 125 |
| Neometals Ltd           | NMT | \$1.415 | Buy      | HNR.asx expands footprint  | Trent Barnett       | 126 |
| Openn Negotiation       | OPN | \$0.145 | Spec Buy | 2Q Update - 159% YoY growth.   | Harry Stevenson     | 127 |
| Panoramic Resources     | PAN | \$0.25  | Spec Buy | DecQ: first Ni-Cu-Co concentrate production and shipment                 | Mike Millikan       | 129 |
| Pentanet                | 5GG | \$0.39  | Spec Buy | December Quarterly   | Various             | 131 |
| Perseus Mining          | PRU | \$1.47  | Buy      | Moves on Orca Gold taking 15% stake                                      | Mike Millikan       | 132 |
| Pilbara Minerals        | PLS | \$3.31  | Spec Buy | December quarter production  | Trent Barnett       | 134 |
| Predictive Discovery    | PDI | \$0.22  | Spec Buy | Regional drilling upgrading gold prospects around Bankan                 | Mike Millikan       | 136 |
| Proteomics Int. Labs.   | PIQ | \$0.96  | Spec Buy | December Quarterly Update  | Seth Lizee          | 139 |
| Ramelius Resources      | RMS | \$1.43  | Buy      | December quarterly report  | Michael Scantlebury | 141 |
| Sandfire Resources      | SFR | \$6.70  | Buy      | Completes Acquisition of MATSA   | Steven Clark        | 143 |
| Swick Mining Services   | SWK | \$0.30  | Buy      | Company Update   | Harry Stevenson     | 144 |
| Wide Open Agriculture   | WOA | \$0.60  | Spec Buy | Q2 Update  | Harry Stevenson     | 145 |

## In every edition

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| Commodity Outlook                                      | 147 |
| ASX Gold Company Comparisons - Micro - Mid             | 148 |
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The Weekly Informer is Euroz Hartleys' weekly research clearing document. It includes research notes on stocks within the coverage universe published during the preceding week. The Weekly Informer is published mid-week

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### Industrials

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# Industrial Stocks

## Half Year Reporting 2022

EUROZ HARTLEYS

**Analyst**

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**Date**1<sup>st</sup> February 2022**Disclaimer**

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**First Half 2022**

We provide below half year forecasts compared to pcp, reporting dates and full year consensus for our industrial stock coverage universe.

| Ticker | Company                        | Earnings metric   | Actual           | Euroz Hartleys forecasts |                  |                  | Consensus        | Reporting |
|--------|--------------------------------|-------------------|------------------|--------------------------|------------------|------------------|------------------|-----------|
|        |                                |                   | 1H 2021<br>(\$m) | 1H 2022<br>(\$m)         | 2H 2022<br>(\$m) | FY 2022<br>(\$m) | FY 2022<br>(\$m) |           |
| AFG    | Australian Finance Group Ltd   | NPAT              | 24.9             | 29.0                     | 29.0             | 58.0             | 59.0             | 25-Feb-22 |
| ANG    | Austin Engineering Ltd         | EBITDA            | 5.9              | 11.2                     | 20.2             | 31.4             | 26.1             | 24-Feb-22 |
| ASB    | Austral Ltd                    | EBIT              | 70.5             | 50.0                     | 55.7             | 105.7            | 101.0            | 25-Feb-22 |
| BOT    | Botanix Pharmaceuticals Ltd    | n/a               | n/a              | n/a                      | n/a              | n/a              | n/a              | Late Feb  |
| CCV    | Cash Converters Ltd            | NPAT (underlying) | 7.7              | 9.9                      | 10.7             | 20.6             | 20.6             | 28-Feb-22 |
| CLX    | CTI Logistics Ltd              | EBITDA            | 17.8             | 17.8                     | 14.5             | 32.3             | 34.7             | 24-Feb-22 |
| COS    | Cosol Ltd                      | EBIT              | 2.6              | 3.3                      | 5.0              | 8.3              | n/a              | 15-Feb-22 |
| CVL    | Civmec Ltd                     | NPAT              | 15.0             | 19.0                     | 19.3             | 38.3             | n/a              | 14-Feb-22 |
| CWP    | Cedar Woods Properties Ltd     | NPAT              | 22.4             | 15.0                     | 24.0             | 39.0             | 39.1             | 17-Feb-22 |
| DCG    | Decmil Ltd                     | EBITDA            | 5.6              | 7.4                      | 12.4             | 19.8             | 17.3             | 25-Feb-22 |
| DDH    | DDH Ltd*                       | EBITDA *          | n/a              | 41.0                     | 41.7             | 82.7             | 88.4             | 25-Feb-22 |
| DUR    | Duratec Ltd                    | NPAT              | 4.8              | 0.6                      | 7.9              | 8.5              | 8.5              | Late Feb  |
| EHL    | Emeco Holdings Ltd             | Operating EBITDA  | 118.0            | 125.0                    | 139.0            | 264.0            | 263.6            | 16-Feb-22 |
| FRI    | Finbar Group Ltd               | NPAT              | 4.0              | 4.0                      | 4.8              | 8.8              | 8.8              | 24-Feb-22 |
| FWD    | Fleetwood Corp Ltd             | EBITA             | 16.0             | -2.4                     | 12.5             | 10.1             | 12.2             | 24-Feb-22 |
| FZO    | Family Zone Cyber Security Ltd | Revenue           | 4.4              | 20.7                     | 29.6             | 50.3             | 47.8             | 28-Feb-22 |
| GNP    | Genusplus Group Ltd            | EBITDA            | n/a              | 17.0                     | 18.9             | 35.9             | 35.7             | 24-Feb-22 |
| GNG    | GR Engineering Ltd             | EBITDA            | 11.6             | 22.0                     | 23.7             | 45.7             | 45.7             | 21-Feb-22 |
| HZR    | Hazer Ltd                      | n/a               | n/a              | n/a                      | n/a              | n/a              | n/a              | Late Feb  |
| IMD    | Imdex Ltd                      | EBITDA            | 33.1             | 50.0                     | 49.2             | 99.2             | 95.4             | 07-Feb-22 |
| JYC    | Joyce Corp Ltd                 | NPAT (norm.)      | 3.2              | 3.0                      | 4.4              | 7.4              | 7.4              | Late Feb  |
| LYL    | Lycopodium Ltd                 | NPAT              | 6.2              | 11.8                     | 7.8              | 19.6             | 19.5             | 23-Feb-22 |
| MAD    | Mader Group Ltd                | EBITDA            | 16.3             | 22.6                     | 22.5             | 45.1             | 44.3             | 28-Feb-22 |
| MAH    | Macmahon Holdings Ltd          | EBIT              | 46.5             | 50.0                     | 51.1             | 101.1            | 101.0            | 22-Feb-22 |
| MIN    | Mineral Resources Ltd          | EBITDA            | 764.0            | 418.0                    | 420.0            | 838.0            | 913.0            | 09-Feb-22 |
| MLD    | MACA Ltd                       | EBITDA            | 69.6             | 98.6                     | 110.7            | 209.3            | 207.9            | 21-Feb-22 |
| MND    | Monadolphous Ltd               | EBITDA            | 52.1             | 46.8                     | 57.6             | 104.4            | 106.0            | 22-Feb-22 |
| NWH    | NRW Holdings Ltd               | EBITA             | 59.0             | 73.0                     | 81.5             | 154.5            | 155.0            | 15-Feb-22 |
| OBL    | Omni Bridgeway Ltd             | NPAT              | -110.0           | 0.0                      | -25.4            | -25.4            | 9.0              | 18-Feb-22 |
| OPN    | Openn Negotiation Ltd          | Revenue           | na               | 0.4                      | 0.6              | 1.0              | 2.0              | 28-Feb-22 |
| PIQ    | Proteomics Int. Labs. Ltd      | Revenue           | 0.6              | 0.8                      | 2.3              | 3.0              | 3.0              | Late Feb  |
| PPC    | Peet Ltd                       | NPAT              | 10.1             | 19.0                     | 26.4             | 45.4             | 34.5             | 24-Feb-22 |
| PRN    | Perenti Ltd                    | EBITDA            | 201.0            | 184.0                    | 202.0            | 386.0            | 395.0            | 22-Feb-22 |
| SRG    | SRG Ltd                        | EBITDA            | 20.5             | 25.0                     | 30.0             | 55.0             | 54.5             | 22-Feb-22 |
| SWK    | Swick Mining Services Ltd**    | EBITDA (drilling) | 14.9             | 16.2                     | 18.8             | 35.0             | 35.0             | NA        |
| SXE    | Southern Cross Electrical Eng  | NPAT              | 4.5              | 4.8                      | 8.6              | 13.4             | 16.1             | 28-Feb-22 |
| VYS    | Vysarn Ltd                     | EBITDA            | 2.0              | 4.0                      | 6.0              | 10.0             | 10.0             | 28-Feb-22 |
| WOA    | Wide Open Agriculture Ltd      | Revenue           | 0.0              | 3.8                      | 5.7              | 9.5              | 9.5              | 28-Feb-22 |
| XRF    | XRF Scientific Ltd             | PBT               | 2.4              | 3.2                      | 3.6              | 6.8              | 7.0              | 22-Feb-22 |
| YOJ    | Yojee Ltd                      | Revenue (trade)   | 0.4              | n/a                      | n/a              | n/a              | 2.6              | Late Feb  |
| 5GG    | Pentanet Limited               | Revenue           | 4.8              | 7.8                      | 8.8              | 16.5             | n/a              | Late Feb  |

\* Prior to contribution by SWK, to be updated post half year results

Source: Facset

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# Industrial Stocks

## Half Year Reporting 2022

### Others

- **Cosol Ltd** (Commentary on integration of Clarita and implied second half run rate )
  - COS \$0.64, PT \$1.20
- **Cedar Woods Properties Ltd** (continue to look to strong language around ongoing prospects; share price does not reflect on the ground conditions)
  - CWP \$5.20 PT \$8.10
- **Finbar Group Ltd** (Half may be surprise to upside, demand strong, construction a challenge with skilled labour shortage, bumper 2023/24 possible regardless)
  - FRI \$0.77, PT \$1.17
- **Genusplus Ltd** (looking for front foot commentary, however in context of managing people in the West, reporting consistent with guidance)
  - GNP \$1.29, PT \$1.71
- **Omni Bridgeway Ltd** (information in recent updates has improved and we look for this to continue, investment case not about 1h 2022 earnings)
- **Pentanet Ltd** (not about half year, short term investment case about subscriber run-rate end fiscal 2022)
  - 5GG \$0.40, PT \$1.25

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