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Australia Consumer | Asia Pacific

Shape of hardware earnings recovery still lacks visibility

MTS results highlight improving sentiment toward the hardware category. Leading indicators of a potential recovery are positive, but timing and magnitude of rebound still lack visibility.

MORGAN STANLEY AUSTRALIA LIMITED+

Mac Ross, CFA
Equity Analyst
Mac.Ross@morganstanley.com +61 2 9770-1579

Melinda K Baxter
Equity Analyst
Melinda.Baxter@morganstanley.com +61 2 9770-1176

Julia M de Sterke
Equity Analyst
Julia.De.Sterke@morganstanley.com +61 2 9770-1658

AUSTRALIA CONSUMER		
Asia Pacific		
Industry View		**In-Line**
WHAT'S CHANGED		
Metcash Ltd (MTS.AX)	**From**	**To**
Price Target	A$3.35	**A$3.75**

Key Takeaways

- Metcash (MTS) FY25 results highlight improvement in sentiment toward hardware-/housing-exposed stocks.
- Improvement in leading indictors such as building approvals and easing of financial conditions support a potential rebound.
- However, the pathway to increased building activity is less visible given a more modest pickup in building activity and hardware-related retail sales.
- This keeps us cautious (but optimistic) on sales/margin rebuild for MTS Hardware (~37% of earnings), with limited visibility on timing/magnitude of rebound.
- Earnings (VA consensus HW EBIT FY26/27e +13%), share price (+25% vs. April low), and valuation (above mid-cycle) already partly reflect MTS HW recovery.

Housing indicators are improving…though it is still early: Notably, building approvals have exhibited positive growth since late last year, following a sharp protracted downturn. This in conjunction with an easing of financial conditions (i.e., interest rate cuts) supports a resumption of housing activity and construction-related spending. However, building conditions are still highly challenged, as evidenced by record high insolvency rates, high construction costs, low volume growth, etc. We remain guarded, pending further evidence that the recovery is sustainable.

The hardware segment is well placed for a recovery in activity, but the pathway (timing, magnitude) is less visible: We expect FY25 to represent trough margins for MTS, but highlight that given the deleverage to date and where we are in the cycle, forecasting the shape of the margin recovery is challenging. Likewise, a HW recovery is already partially reflected in earnings (VA consensus HW EBIT FY26/27e +13%) and valuation (above mid-cycle).

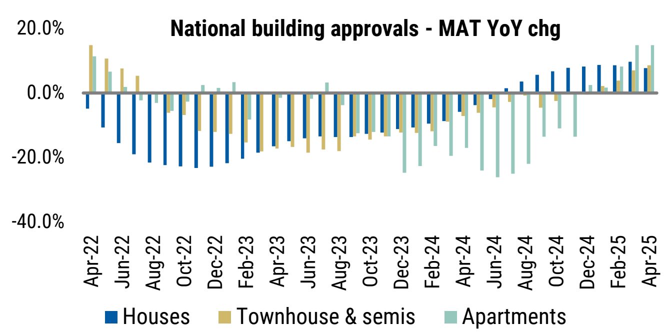
Maintain EW; price target up to A$3.75/shr from A$3.35/shr. We increase our FY26-28e EPS ~3.5% on average (updating for FY25 results and stronger HW recovery in FY26/27e). We acknowledge upside risk to our HW divisional earnings outlook, but to become more constructive on MTS, we would need to see (i) greater visibility on the shape of the housing recovery, (ii) clarity on operating leverage/ margin rebuild, and (iii) tangible benefits from the merger of IHG and TTH.

Early hardware indicators are promising, but pathway to increased building activity is less visible

Construction indicators are showing continued signs of improvement following a protracted downturn, helped in part by an easing in financial conditions. To the extent that financial conditions continue to ease and be supportive, we would expect this to be a tailwind for a resumption in housing-related activity. However, we have yet to see the positive growth in building approvals flow through to housing starts. Therefore, a key focus is how effectively approvals convert into actual starts (i.e., a resumption of positive activity growth), and whether or not this shift helps rebalance the gap between starts and completions (see below).

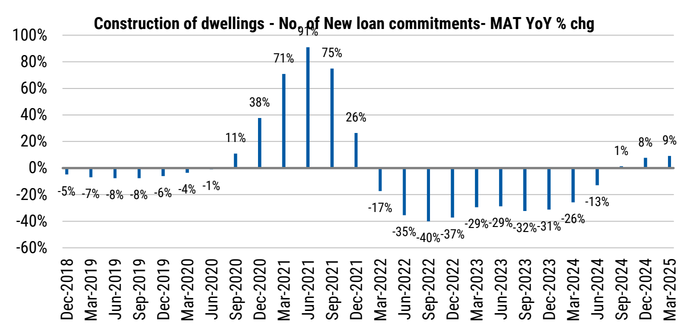
Leading indicators of hardware rebound continue to show signs of improvement: Following a protracted downturn, several key leading indicators for housing-related construction activity continue to show signs of an early recovery. Notably, since July 2024, national building approvals have returned to positive growth, after a period of extended declines (see Exhibit 1). Supporting this rebound is a reduction in borrowing costs, following two RBA interest rate cuts in February and May of this year, and the expectation of further interest rate cuts across CY25 (Morgan Stanley expects rate cuts in August and November). Per Exhibit 2 , the reduction in borrowing costs has driven an increase in the number of new owner-occupier construction loan commitments, which is closely linked to the growth in building approvals.

Exhibit 1: National building approvals continue to improve...



Source: ABS, Morgan Stanley Research

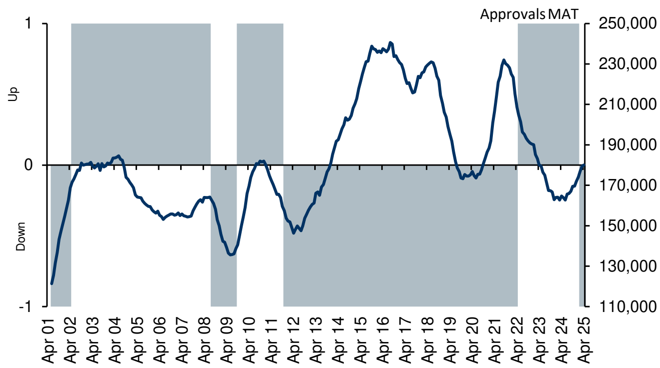
Exhibit 2: ...supported by owner-occupier construction loan growth



Source: ABS, Morgan Stanley Research

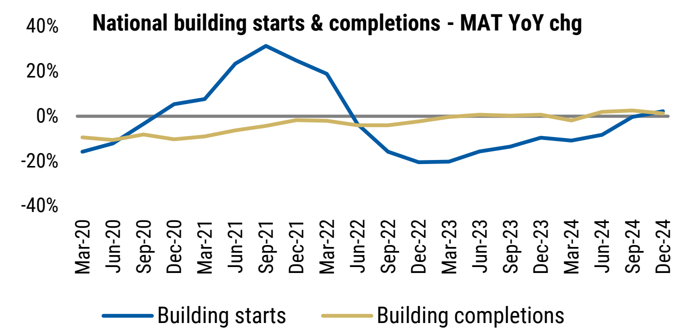
Housing starts and completions are also improving, although the improvements are modest: The latest ABS data (through to December 2024) also highlight that housing starts and completions are also improving (see Exhibit 4), although the improvements are modest vs. the rebound being reported in approvals. The same easing of conditions – a reduction in interest rates and moderating input cost inflation (see Exhibit 6) – driving the rebound in approvals are also underpinning the improvement in housing starts and to a lesser extent completions.

Exhibit 3: National building starts have slowly been improving (April 2025)



Source: Morgan Stanley Research, ABS

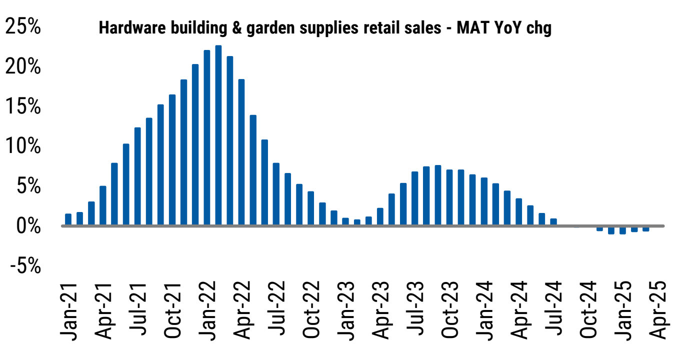
Exhibit 4: National building starts has slowly been improving (December 2024)



Source: Morgan Stanley Research, ABS

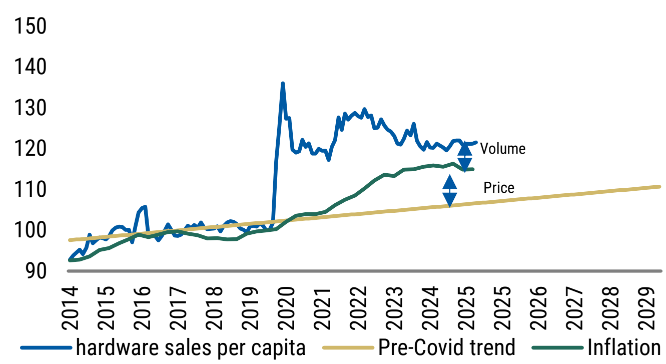
Hardware category spending should improve if conditions remain supportive; however, the industry is likely to be highly competitive in the early stages of a recovery: Hardware category spending has been subdued given the depressed environment; this was particularly evident through most of CY24. To the extent that conditions remain supportive, hardware category spending should improve along with a resurgence in housing-related construction spending and turnover activity. However, this has yet to play out in retail sales data. We also see the risk that a potential recovery is likely to be accompanied by intense competitive dynamics, particularly in the form of ongoing promotions and discounting, given the protracted downturn and latent capacity in some segments of the markets (for example, frame and truss construction facilities).

Exhibit 5: Hardware retail spending has not shown signs of improvement



Source: Morgan Stanley Research, ABS

Exhibit 6: Hardware category inflation remains well above trend, although it has moderated slightly

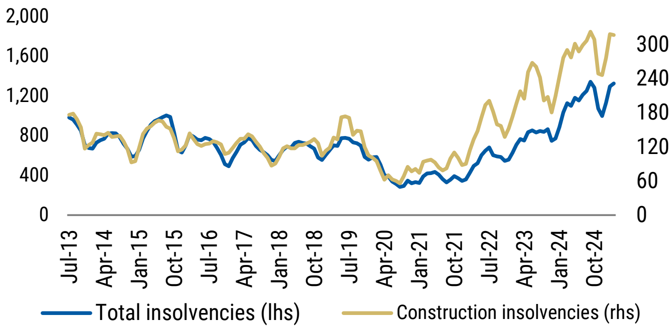


Source: e = Morgan Stanley Research estimates, ABS

But industry headwinds are still present, and the environment does remain challenging: Per the above, the environment does appear to be improving; however, it is important to note that the environment still remains challenging. By way of example, construction insolvencies are at record highs, as builders have had to navigate a variety of headwinds such as: i) cost pressure and margin compression, ii) high funding costs, iii) cash flow and liquidity issues, and iv) volume declines. Further, on a MAT basis approvals, starts and completions are still depressed relative to history, highlighting the challenging environment.

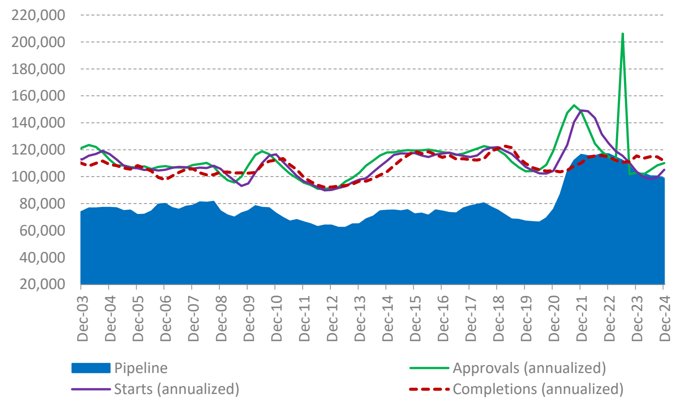
The detached housing pipeline is still elevated, but has been moderating: Since CY20, the pipeline for detached housing, as measured by houses under construction, has remained elevated relative to history (Exhibit 8). However, the pipeline has been moderating as completions have outpaced starts (N.B.: ABS data for completions and starts are as of December 2024, next release is as of March 2025). However, the positive cadence in approvals (data as of April 2025) is an encouraging sign – it relates to the future build of the pipeline and activity. Therefore a key focus area is how effectively approvals convert into actual starts (i.e., a resumption of positive activity growth), and whether or not this shift helps rebalance the gap between starts and completions.

Exhibit 7: Construction insolvencies are at record highs



Source: ABS, Morgan Stanley Research

Exhibit 8: Although the detached housing pipeline remains elevated, it has been moderating



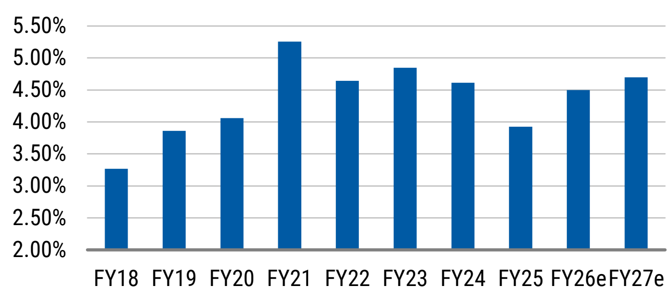
Source: ABS, Morgan Stanley Research

MTS's hardware division is well positioned for a recovery – but caution is still warranted

Tracking the downturn in housing construction activity and hardware category spending, MTS's hardware division has had a meaningful decline in sales, accompanied by meaningful operational deleverage. We are incrementally more constructive on the outlook for the segment and view MTS as well placed for a recovery in construction-/housing-related activity. But given that the operating environment remains challenging, and activity (i.e., housing starts) has yet to flow through, caution is still warranted, in our view. We expect FY25 to represent trough margins, but would highlight that given the deleverage to-date and where we are in the cycle, forecasting margins and thus earnings is difficult. We reiterate our EW rating, but see upside risk to our base case HW divisional earnings outlook, which we reflect in our bull case (below).

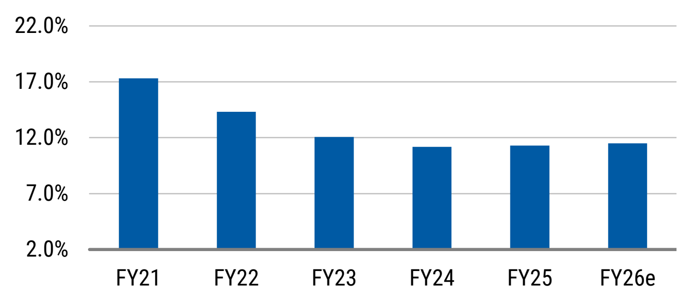
MTS is well positioned for a recovery: Given MTS's high exposure to the commercial/ trade segment, which accounts for >60% of divisional EBIT (<40% DIY), it is more exposed to construction activity as opposed to DIY spending. Therefore, its earnings are more cyclical in nature, in our view. This is the inverse of Bunnings, where ~60% is DIY and ~40% is trade/commercial. This high cyclical exposure to the commercial segment can be seen in the EBIT margin profile volatility for both IHG and Total Tools, and the deleverage that has occurred recently. Specifically, IHG EBIT margin contracted ~69bps in FY25 and is ~133bps below the FY21 high. Total Tools EBIT margin contracted ~88bps in FY25e. We attribute the deleverage to the challenging market conditions (i.e., decline in volumes, intense promotional activity, CODB inflation).

Exhibit 9: IHG sales / EBIT margins



Source: e = Morgan Stanley Research estimates, company data

Exhibit 10: Total Tools network sales and EBIT margins



Source: e = Morgan Stanley Research estimates, company data

We are more constructive on the outlook, with FY25 to represent trough margins in HW: We are incrementally more constructive on the prospects for a rebound in the construction and hardware category, given the continual improvement in top-down indicators (i.e., building approvals) and the easing of financial conditions. Importantly, in our base case we assume that conditions improve from here following a challenging FY24 and FY25. Across both IHG and Total Tools, we expect FY25 to represent trough EBIT margins. We forecast margins to expand +57bps and +10bps, respectively, in FY26. But we think a level of caution is still warranted.

MTS is well positioned to benefit from a recovery in housing activity: The above highlights the imbedded operating leverage in both IHG and Total Tools, but also highlights that the margin rebuild profile will be volatile, in our view. This inherent sensitivity to operating leverage, combined with the early-stage nature of a potential broader market recovery, makes forecasting operating margins challenging. Note that consensus already reflects a recovery in HW, forecasting EBIT growth of +13% YoY across FY26e and FY27e. Lastl, we highlight that the stock price also reflects this, given ithat t has re-rated from a consensus P/E of ~11.7x in December to 13.5x today.

A more sustained recovery in construction activity would increase our confidence in the margin and earnings outlook: Forecasting the pace and extent of the margin recovery is challenging, given the magnitude of the decline and the fact that we are only in the early stages of a potential broader market rebound. With operating conditions remaining challenging (i.e., Total Tools LFL seven-week trading -2.7%, continued promotional intensity), and a recovery in housing starts (i.e., activity) yet to flow through, we remain cautiously optimistic. We acknowledge there is greater upside risk to HW divisional earnings than downside risk, but our preference is to see greater confirmation of a resumption in activity.

What we require to turn more positive on MTS: At a high level, turning more positive on MTS from here centres on the performance of the hardware division, and assumes a steady state in the Food and Liquor businesses relative to our current base case. More specifically on what we require as it pertains to the HW division:

- **Greater confidence in and visibility of the shape of the housing recovery –** specifically as it relates to housing-related activity, to which MTS is exposed via its trade business – and importantly, that this is sustained. Further, the currently heightened cost of construction is not a headwind to volume growth.
- **Clarity on operating leverage –** that a return to volume growth translates to meaningful operational leverage and thus earnings growth, and that a return to volume growth is not offset by heightened competitive pressures in the form of promotions and discounts. This would positively translate to EBIT margin stability.
- **Tangible benefits from the merger of IHG and TTH:** MTS recently announced the merger of IHG and TTH, citing 'accelerated growth' from improved strategic alignment, scale benefits, leveraging customer bases, and simplification. Process on reporting tangible benefits from the merger would make us incrementally more positive on the outlook for the overall hardware group.

MTS earnings estimates

FY25e result in line with guidance: Group EBIT of A$508m was +2% YoY; hardwarewas the notable detractor with divisional EBIT A$189m, declining 10% YoY as tough trading conditions continued, albeit showing some signs of some improvement. For more detail. see our First Take.

Earnings estimate changes: We increase our Group EPS estimates +3.4% on average across FY26-28, driven primarily by our revisions to our hardware divisional assumptions. In more detail, we increase our IHG divisional EBIT margin forecasts +20-25bpts across FY26-27 to reflect operational leverage from a resumption in housing activity. This is somewhat tempered by persistent near-term pressures in Total Tools (i.e.. 7wk trading update LFL -2.7%). We conservatively leave our Total Tool margin assumptions unchanged, given the lack of earnings visibility.

Exhibit 11: Our earnings estimate changes

		FY26e			FY27e			FY28e	
A$m	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Sales	**20029**	**20128**	**0.5%**	**20572**	**20761**	**0.9%**	**21096**	**21355**	**1.2%**
F&G	10969	11015	0.4%	11259	11335	0.7%	11557	11664	0.9%
Liquor	5358	5428	1.3%	5465	5537	1.3%	5575	5647	1.3%
Hardware	3702	3684	-0.5%	3848	3889	1.1%	3964	4044	2.0%
Group EBIT	**537**	**545**	**1.4%**	**565**	**575**	**1.7%**	**582**	**601**	**3.3%**
F&G	256	258	0.7%	263	266	1.0%	270	273	1.2%
Liquor	106	106	0.6%	108	108	0.6%	110	110	0.6%
Hardware	210	215	2.5%	231	237	2.9%	239	254	6.5%
NPAT	**294**	**298**	**1.3%**	**309**	**321**	**3.9%**	**317**	**336**	**5.9%**
EPS	27	27	1.1%	28	29	3.7%	29	30	5.7%

Source: e = Morgan Stanley Research estimates

Valuation

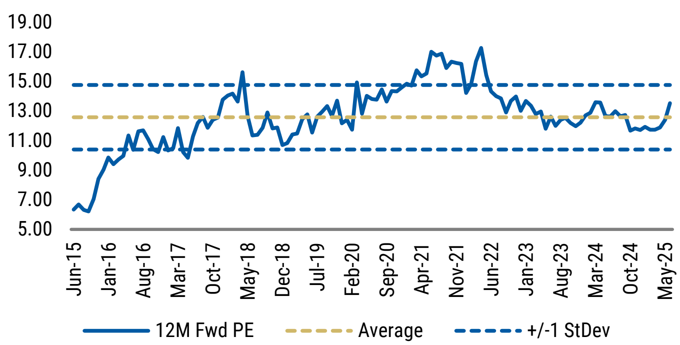
Our base case value/price target increases from A$3.35/shr to A$3.75/shr: We incorporate the above earnings estimate changes.

- Our base case DCF valuation increases from A$2.97/shr to A$3.70/shr. Core assumptions remain unchanged. The 25% increase is mainly driven by lower long-term capex assumptions.
- Our base case P/E valuation increases from A$3.74/shr to A$3.79/shr. We continue to apply a ~14x P/E multiple, which is approximately halfway between mid-cycle and +1SD.

Our bull case value increases from A$4.20/shr to A$4.75/shr. We apply a peak cycle multiple of ~17x to our earnings estimate for the next 12 months to reflect a willingness to pay up for the housing recovery. We assume an exit margin of 3.5% in our 10-year DCF to reflect performance in the HW division.

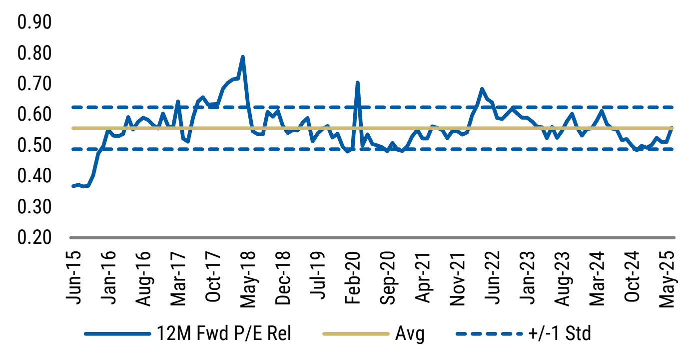
Our bear case value increases from A$2.90/shr to A$3.20/shr.

Exhibit 12: MTS trades at a 13.5x 12-month forward consensus P/E, vs. mid-cycle average of ~12.6x



Source: Factset, IBES Consensus Estimates, Morgan Stanley Research

Exhibit 13: MTS trades at a P/E of 56% relative to the S&P/ASX 200 Industrial ex Financial, in line with mid-cycle



Source: Factset, IBES Consensus Estimates, Morgan Stanley Research

MTS financial summary

Exhibit 14: MTS Financial summary

Income Statement

A$m	2025a	2026e	2027e	2028e
Revenue	**19,489**	**20,128**	**20,761**	**21,355**
EBITDA	**748**	**820**	**860**	**893**
D&A	(240)	(276)	(284)	(293)
DIVISIONAL EBIT				
F&G	248	258	266	273
Liquor	104	106	108	110
Hardware	189	215	237	254
Other	(34)	(35)	(36)	(37)
Total EBIT	**508**	**545**	**575**	**601**
Net Interest Expense	(122)	(120)	(116)	(121)
Profit before tax	385	425	459	480
Income Tax	(110)	(128)	(138)	(144)
Minorities	(0)	(0)	(0)	(0)
NPAT before sig. items	**276**	**298**	**321**	**336**
Reported NPAT	283	298	321	336
EPS - normalised (c)	**25**	**27**	**29**	**30**
EPS - reported (c)	26	27	29	30
DPS (c)	18	19	20	21
Weighted shares	1,096	1,099	1,099	1,099

Cash Flow Statement

A$m	2025a	2026e	2027e	2028e
EBIT	508	545	575	601
D&A	240	276	284	293
Tax paid	(102)	(128)	(138)	(144)
Net interest paid	(122)	(120)	(116)	(121)
Gross Cashflow	**523**	**573**	**606**	**629**
(Inc)/dec in working cap	3	(23)	(21)	(20)
Other	13	-	-	-
Operating cashflow	**539**	**550**	**584**	**609**
Capital expenditure	(149)	(200)	(200)	(200)
Free cashflow	**391**	**350**	**384**	**409**
Net dividends paid	(167)	(208)	(224)	(234)
Net free Cashflow	**224**	**143**	**160**	**174**
Acquisitions / Divestments	(404)	(50)	(25)	(25)
Change in net debt / other	12	(75)	(12)	(21)

Divisional metrics

Food Sales gth	-2.1%	2.7%	2.7%	2.7%
Food EBIT margin	2.3%	2.3%	2.3%	2.3%
Hardware Revenue gth (inc TTH)	2.4%	3.5%	5.6%	4.0%
Hardware EBIT margin (inc TTH)	5.3%	5.8%	6.1%	6.3%
TTH Network Sales gth	4.1%	4.9%	6.8%	4.0%
TTH EBIT margin	11.2%	11.3%	11.5%	11.5%

Balance Sheet

A$m	2024a	2025a	2026e	2027e	2028e
Current assets	3,263	3,778	3,969	4,099	4,231
Net plant & equipment	340	397	372	312	245
Net intangibles	1,062	1,452	1,452	1,452	1,452
Other NC assets	1,132	1,265	1,265	1,265	1,265
Total assets	**5,796**	**6,892**	**7,058**	**7,128**	**7,192**
Current liabilities	2,889	3,635	3,728	3,824	3,914
Borrowings	349	662	812	862	912
Other	1,030	959	791	618	440
Total liabilities	**4,268**	**5,256**	**5,331**	**5,304**	**5,266**
OEI	12	11	11	11	11
Equity	1,517	1,626	1,716	1,813	1,915
Net debt (hedged)	252	577	652	690	719
Capital employed	1,769	2,203	2,368	2,503	2,633

Ratio Analysis	**2024a**	**2025a**	**2026e**	**2027e**	**2028e**
Growth (%)					
Revenue Growth	0.7	7.2	3.3	3.1	2.9
EBIT	(0.9)	2.3	7.3	5.6	4.5
Normalised NPAT	(8.2)	(2.4)	8.0	7.9	4.6
Reported NPAT	(0.7)	10.1	5.0	7.9	4.6
EPS	(11.0)	(11.3)	7.7	7.9	4.6
Key metrics					
EBITDA margin	3.8%	3.8%	4.1%	4.1%	4.2%
EBIT margin	2.7%	2.6%	2.7%	2.8%	2.8%
NPAT margin	1.6%	1.4%	1.5%	1.5%	1.6%
Other Value Drivers % unless stated					
ROFE	31.1%	25.6%	23.8%	23.6%	23.4%
EBIT to net interest (x)	5.4	4.1	4.6	4.9	5.0
Capex-to-D&A	0.7	0.6	0.7	0.7	0.7
Capex-to-sales	0.7%	0.8%	1.0%	1.0%	0.9%
D&A-to-sales	1.1%	1.2%	1.4%	1.4%	1.4%
Net debt to EBITDA ex ROA dep	0.4	1.0	1.0	0.8	0.8
Gearing ND / (ND+E)	14%	26%	28%	28%	27%

Valuation metrics	**2024a**	**2025a**	**2026e**	**2027e**	**2028e**
P/E (x)	13.5	15.2	14.1	13.0	12.5
EV/EBITDA (x)	5.9	6.3	5.9	5.7	5.5
Dividend yield (%)	5.1%	4.7%	5.0%	5.4%	5.6%
Dividend payout (%)	69%	72%	70%	70%	70%

Source: e = Morgan Stanley Research estimates, company data

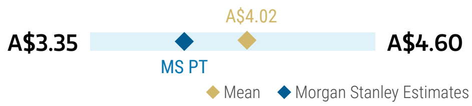
Risk Reward – Metcash Ltd (MTS.AX)

Competitive pressures in grocery offset by LT growth in hardware; valuation fair

PRICE TARGET A$3.75

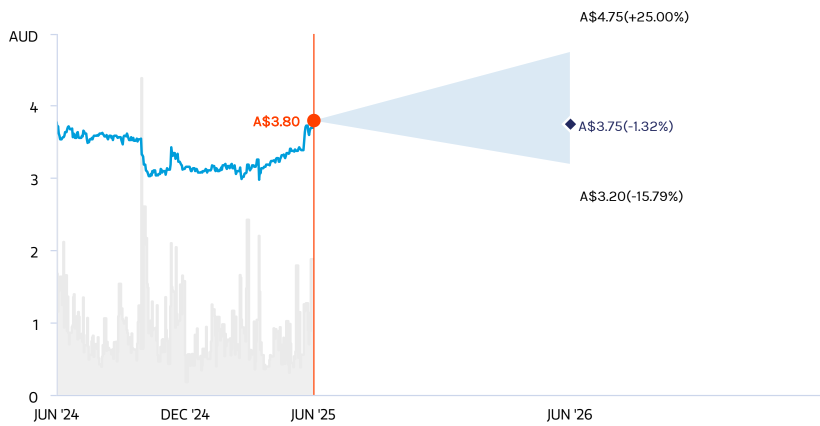
Average of DCF valuation (A$3.70, WACC 8.9%, terminal growth rate 3%) and P/E relative valuation (A$3.79, 14x NTM, set approximately halfway between mid-cycle and +1 SD, which we continue to view as appropriate now given the timing and shape of the recovery in the hardware business.).

Consensus Price Target Distribution



Source: Refinitiv, Morgan Stanley Research

RISK REWARD CHART



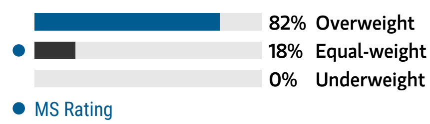
Key: — Historical Stock Performance ● Current Stock Price ◆ Price Target

Source: Refinitiv, Morgan Stanley Research

EQUAL-WEIGHT THESIS

- Structural headwinds in Food (driven by investment from majors in supply chain, convenience and eCommerce) will be difficult to overcome over the longer term. Food and Liquor account for 58% of EBIT.
- Repositioning of Hardware (42% of EBIT) has been a success, and should remain a source of medium- to long-term growth (i.e., Total Tools network expansion/further segment consolidation opportunities). Continued execution could unlock greater value and justify further re-rating..
- FY25 should represent trough EBIT margins for hardware, underpinned by early signs of a housing recovery. However, operating conditions are still challenged, and earnings visibility is poor.

Consensus Rating Distribution



Source: Refinitiv, Morgan Stanley Research

Risk Reward Themes

Self-help: *Positive*

View descriptions of Risk Rewards Themes here

BULL CASE A$4.75

Sales growth and margin expansion in Hardware

Performance in Hardware results in Group long-term EBIT margins increasing to 3.5%. We apply a peak cycle P/E multiple of 17x, reflecting higher growth and margins.

BASE CASE A$3.75

Valuation fair

We expect FY25 to represent trough EBIT margins in hardware, driven by an improving housing market. However, we acknowledge that divisional earnings visibility remains poor. We see persistent structural headwinds in food.

BEAR CASE A$3.20

Market share loss in Grocery

Competition in grocery intensifies, which we capture in our terminal growth rate of 2.5% vs. our base case terminal growth rate of 3%. Pressures result in long-term EBIT margins of 2.8%. We apply a P/E of 10.5x, which is -1 SD below mid-cycle.

Risk Reward – Metcash Ltd (MTS.AX)

KEY EARNINGS INPUTS

Drivers	2025	2026e	2027e	2028e
Food & Grocery EBIT Margins (%)	2.3	2.3	2.3	2.3
Liquor EBIT Margins (%)	2.0	2.0	2.0	2.0
Hardware EBIT Margins (%)	5.3	5.8	6.1	6.3

INVESTMENT DRIVERS

- Independent retailer sales performance and wider supermarket sales performance
- Growth in hardware
- Overall level of Australian food inflation

GLOBAL REVENUE EXPOSURE

Source: Morgan Stanley Research Estimate
View explanation of regional hierarchies here

MS ALPHA MODELS

1/5 MOST	3 Month Horizon

Source: Refinitiv, FactSet, Morgan Stanley Research; 1 is the highest favored Quintile and 5 is the least favored Quintile

RISKS TO PT/RATING

RISKS TO UPSIDE

- Hardware category spending rebounds sooner than expected and margins improve.
- Synergies from bolt-on acquisitions are greater than anticipated.
- Grocery gains wallet share/market share.

RISKS TO DOWNSIDE

- Coles and Woolworths engage in more competitive pricing behavior; Aldi accelerates store rollout.
- Hardware category spending deteriorates materially.
- Further operational deleverage in Hardware takes place.

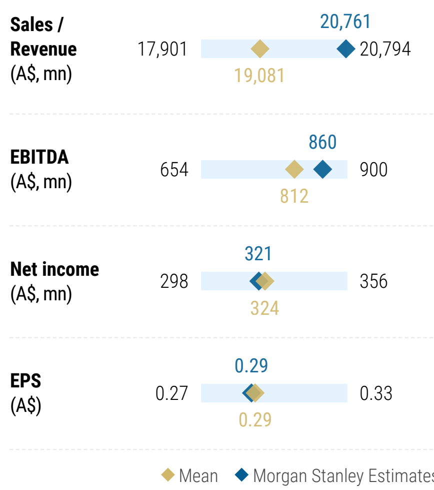
OWNERSHIP POSITIONING

Inst. Owners, % Active 67%

Source: Refinitiv, Morgan Stanley Research

MS ESTIMATES VS. CONSENSUS

FY Apr 2027e



Source: Refinitiv, Morgan Stanley Research

Risk Reward Reference links

1. View explanation of Options Probabilities methodology - Options_Probabilities_Exhibit_Link.pdf

2. View descriptions of Risk Rewards Themes - RR_Themes_Exhibit_Link.pdf

3. View explanation of regional hierarchies - GEG_Exhibit_Link.pdf

4. View explanation of Theme/Exposure methodology - ESG_Sustainable_Solutions_External_Link.pdf

5. View explanation of HERS methodology - ESG_HERS_External_Link.pdf

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(as of May 31, 2025)

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	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1493	40%	379	46%	25%	698	41%
Equal-weight/Hold	1650	44%	372	45%	23%	782	46%
Not-Rated/Hold	4	0%	0	0%	0%	2	0%
Underweight/Sell	602	16%	74	9%	12%	235	14%
Total	3,749		825			1717	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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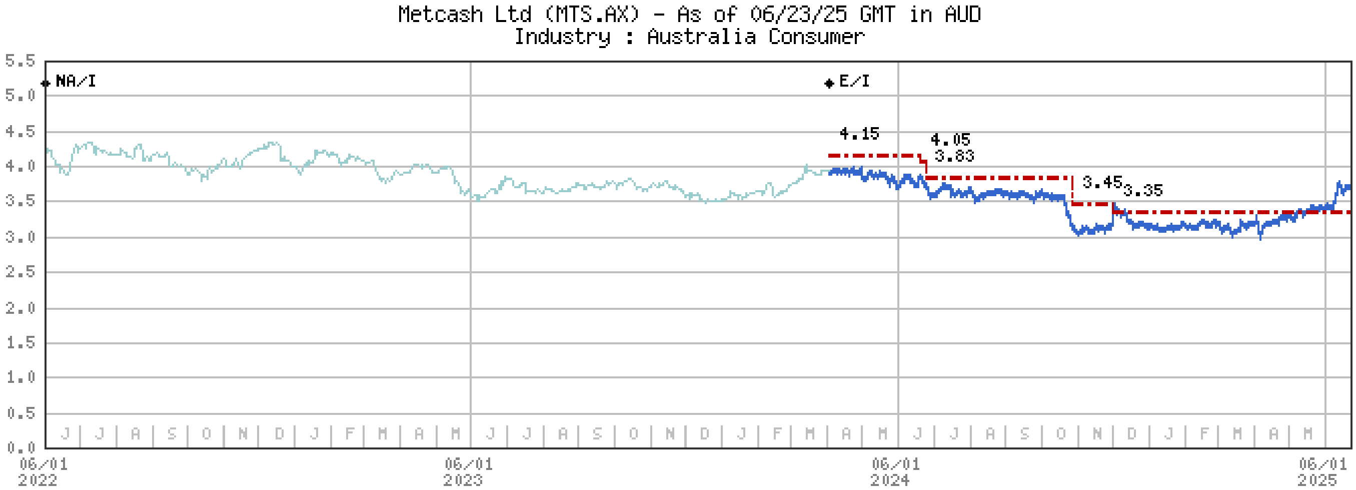
Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 6/1/20 : E/C; 6/17/20 : O/C; 1/27/21 : O/A; 8/3/21 : NA/NR; 4/27/22 : NA/I; 4/3/24 : E/I

Price Target History: 4/7/20 : 2.9; 6/17/20 : 3.3; 6/22/20 : 3.5; 7/28/20 : 3.6; 8/26/20 : 3.7; 10/14/20 : 3.8; 12/7/20 : 4.15; 1/27/21 : 4.2; 5/12/21 : 4.1; 6/28/21 : 4.15; 8/3/21 : NA; 4/3/24 : 4.15; 6/20/24 : 4.05; 6/24/24 : 3.83; 10/28/24 : 3.45; 12/2/24 : 3.35

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Australia Consumer

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/23/2025)
Julia M de Sterke		
A2 Milk Company Ltd (ATM.NZ)	E (09/12/2024)	NZ$8.68
A2 Milk Company Ltd (A2M.AX)	E (09/12/2024)	A$7.95
Mac Ross, CFA		
Metcash Ltd (MTS.AX)	E (04/03/2024)	A$3.80
Super Retail Group Ltd (SUL.AX)	U (01/30/2024)	A$13.99
Melinda K Baxter		
Coles Group Limited (COL.AX)	O (03/12/2025)	A$21.42
Domino's Pizza Enterprises LTD (DMP.AX)	E (06/10/2025)	A$19.21
Endeavour Group Ltd (EDV.AX)	O (04/15/2024)	A$4.01
Guzman y Gomez Ltd (GYG.AX)	O (08/08/2024)	A$28.72
Harvey Norman Holdings Ltd (HVN.AX)	U (09/06/2023)	A$5.25
IDP Education Ltd (IEL.AX)	E (06/03/2025)	A$3.52
JB Hi-Fi Ltd (JBH.AX)	U (06/29/2023)	A$108.40
Sigma Healthcare Ltd (SIG.AX)	O (05/02/2025)	A$3.13
Treasury Wine Estates LTD (TWE.AX)	O (04/27/2022)	A$8.07
Wesfarmers Ltd (WES.AX)	U (05/23/2024)	A$83.55
Woolworths Group Ltd (WOW.AX)	O (06/20/2024)	A$31.41

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