

# Medicare's Easter gift for DI

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The Australian Government has announced its latest changes to the Medicare Benefits Schedule. The most notable change is the latest indexation announcement of 3.6%, effective 1 July 2023. Our channel checks describe the increase as 'fair' and 'responsible' and it is clearly a better reflection of inflationary pressures in the system than the 1.6% indexation rate in the prior year. However, the rate does not include any catch-up for the lower indexation rate versus inflation last year. The FY24 indexation applies to most GP service items as well as diagnostic imaging (DI) codes (with the exception of nuclear imaging services). The indexation rate appears to be less generous for pathology, as it applies to only six specific codes that were denied indexation in the previous year. We adjust our earnings forecasts across our DI coverage, augmenting our expectations of an improving revenue profile as DI volumes continue to improve based on the surgical backlog, less COVID disruption and now better indexation for FY24 than we originally forecast (~2.5%). We note there is no change to Medicare pricing in 2H23. However, various DI providers have indicated attempts to pass some inflationary pressures onto the consumer via co-payments. The extent and magnitude of co-payments is a case-by-case proposition depending on geography, competitive positioning and complexity of the scan. For clarity, the following pricing changes reflect only Medicare indexation and we have not attempted to reflect DI providers' ability to increase co-payments. As a result, we make the following changes to our forecasts across the listed Australian DI providers, namely CAJ, IDX, HLS and SHL.

- DI revenue increase +0.9% from 1 July 2023: Medicare indexation of 3.6% covers 95% of revenues (we assume nuclear imaging for all operators represents around ~5% of Medicare revenues), resulting in a weighted-average uplift of ~3.4%. Our forecasts already factored in a 2.5% indexation uplift for FY24; as such, we have processed a 0.9% revenue upgrade to Australian imaging revenues across our coverage to reflect the higher-than-expected indexation.
- Revenue sharing arrangements with radiologists dilutes (~20%) some of the price benefit: This pricing benefit intuitively represents pure margin as it moves through the P&L. However, most operators have an undisclosed mix of radiologists on fixed salary and/or a sliding scale of revenue sharing agreements. For the purpose of our model, we have conservatively assumed 80% of the benefit falls through to earnings to recognise the revenue sharing arrangements that exist. We have applied this consistently to all operators but recognise some operators may not have implemented revenue sharing arrangements to the same extent.
- Earnings impact greatest for CAJ > IDX > HLS > SHL.
  - **CAJ** (AU imaging = 100% of group revenues): We adjust our FY24 and FY25 EPS forecasts by +7.7% and +7.0%, respectively, which highlights CAJ is proportionately the biggest beneficiary across the DI players given the extent to which its operations are bulk billed.
  - **IDX** (AU imaging = 87% of group revenues): We adjust our FY24 and FY25 EPS forecasts by +6.7% and +5.9%, respectively, which looks more muted versus CAJ due to its lower representation of bulk billing revenues.
  - **HLS** (AU imaging = 25% of group revenues): We adjust our FY24 and FY25 forecasts by +3.7% and +2.5%, respectively. We have not processed any indexation for pathology.
  - **SHL** (AU imaging = 10% of group revenues): We adjust our FY24 and FY25 forecasts by +0.6% and +0.5%, respectively. We have not processed any indexation for pathology.

**Note:** We list valuation and key risks by stock below our earnings revisions tables for each company.

Key financial metrics	Rating	Price (A\$)	12m target price (A\$)	Projected return	Price to earnings (x)	Dividend yield
Sonic Healthcare Limited	Neutral	36.27	31.54	-10.5%	23.6	2.5%
Healius Limited	Underweight	3.23	2.71	-14.9%	51.2	1.1%
Integral Diagnostics Limited	Overweight	3.02	3.13	5.2%	40.5	1.4%
Capitol Health Limited	Neutral	0.27	0.30	17.0%	25.2	3.8%
Source: Jarden Research						

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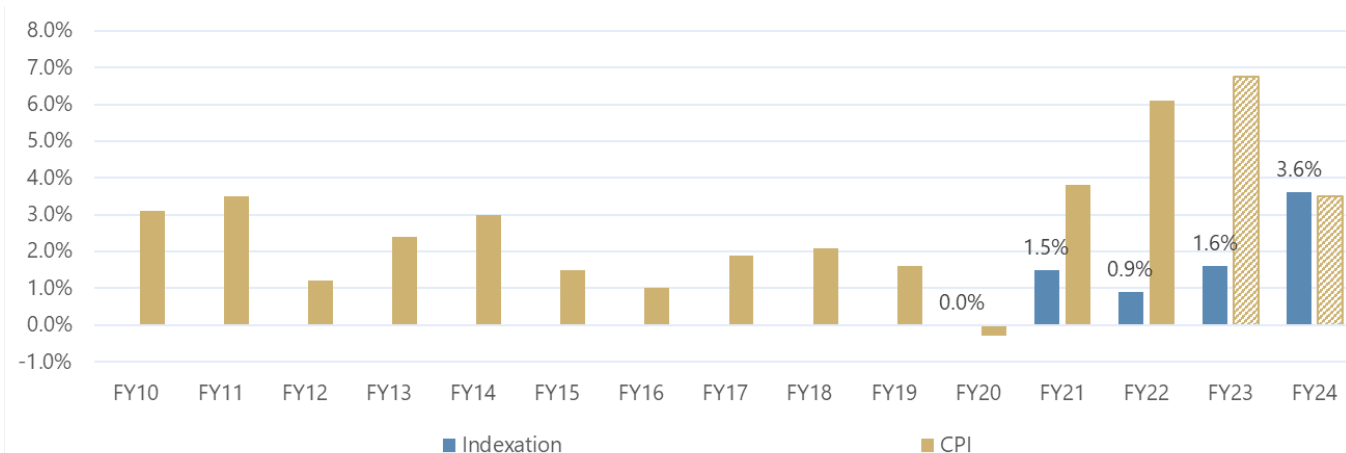
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## Indexation vs CPI

Our channel checks indicate that indexation of 3.6% will be well received by industry operators, who have not previously had indexation match inflation, including 20 years to FY20 when no indexation was granted to the industry. Focusing on the commentary specific to Diagnostic Imaging over the past four years, we can see indexation has been typically applied to more than 90% of Diagnostic Imaging items.

- **FY21:** Indexation of 1.5% was applied to 90% of MBS items, equating to 80% of benefits.
- **FY22:** Indexation of 0.9% was applied to 90% of MBS items, equating to 80% of benefits.
- **FY23:** Indexation of 1.6% was applied to 97% of DI Services, including MRI items.
- **FY24:** Indexation of 3.6%, which we assume applies to 95% of MBS DI benefits.

**Figure 1: Indexation vs CPI FY10-FY24**



Source: RBA, Medicare. Note: Shaded bars represent RBA forecasts for inflation.

## Earnings changes

Indexation of 3.6% was a 0.9% positive surprise to our previous expectation, which we have now pushed through our FY24 Australian imaging revenue forecasts across our coverage. We assume 80% of this benefit falls through to earnings, with most costs being fixed and only a portion of radiologists' costs being variable based on revenues. Whilst we understand the proportion of radiologists on these contracts varies by operator, we have initially kept this assumption the same across each operator.

Our FY24 EPS revisions are greatest for those with the greatest exposure to AU imaging: CAJ +7.6% (100% AU imaging), IDX +6.7% (87% AU imaging), HLS +3.7% (25% AU imaging) and SHL +0.6% (10% AU imaging).

### CAJ

**Figure 2: Jarden CAJ earnings forecast revisions**

CAJ \$m	FY23e			FY24e			FY25e		
	Prior	Current	%pcp	Prior	Current	%pcp	Prior	Current	%pcp
Revenue	213.4	213.4	0.0%	233.6	235.9	0.9%	245.3	247.6	0.9%
EBITDA	44.6	44.6	0.0%	52.2	53.9	3.4%	56.1	57.9	3.2%
	20.9%	20.9%		22.3%	22.9%		22.9%	23.4%	
D&A (incl AASB 16)	(23.7)	(23.7)	0.0%	(23.8)	(23.8)	0.0%	(24.4)	(24.4)	0.0%
Total EBIT (incl. FX impact)	20.9	20.9	0.0%	28.4	30.1	6.1%	31.7	33.5	5.7%
EBIT margin	9.8%	9.8%		12.2%	12.8%		12.9%	13.5%	
Net Interest expense (income)	(4.6)	(4.6)	0.0%	(5.2)	(5.2)	0.2%	(4.8)	(4.7)	1.0%
PBT	16.3	16.3	0.0%	23.2	24.9	7.5%	26.9	28.8	6.9%
Income tax expense	(4.9)	(4.9)		(7.0)	(7.5)		(8.1)	(8.6)	
Tax rate	30.0%	30.0%		30.0%	30.0%		30.0%	30.0%	
Underlying NPAT	11.2	11.2	0.0%	16.1	17.3	7.6%	18.6	19.9	7.0%
Diluted EPS	1.05	1.05	0.0%	1.49	1.60	7.6%	1.73	1.85	7.0%

Source: Jarden estimates

**CAJ valuation and risks:** Our three-stage DCF-based 12-month target price for CAJ increases to \$0.30 (from \$0.29) and we maintain our Neutral rating. Key investment risks are COVID disruption, increased/reduced GP/staffing shortages, M&A risk, persistent inflationary pressures, a recovery of in-clinic GP attendances and an improving profile of DI volumes in CAJ-weighted states.

## IDX

Figure 3: IDX Jarden earnings revisions

	FY23e			FY24e			FY25e		
	Prior	Current	Chg (%)	Prior	Current	Chg (%)	Prior	Current	Chg (%)
Existing Australia	308.6	308.6	0.0%	331.9	335.0	0.9%	351.9	355.1	0.9%
Imaging Queensland	72.0	72.0	0.0%	77.6	78.3	0.9%	82.2	83.0	0.9%
Existing New Zealand	39.0	39.0	0.0%	44.3	44.3	0.0%	46.6	46.6	0.0%
Ascot (NZ)	18.2	18.2	0.0%	19.2	19.2	0.0%	20.3	20.3	0.0%
<b>Total revenue</b>	<b>437.8</b>	<b>437.8</b>	<b>0.0%</b>	<b>473.0</b>	<b>476.8</b>	<b>0.8%</b>	<b>500.9</b>	<b>505.0</b>	<b>0.8%</b>
<b>EBITDA</b>	<b>82.5</b>	<b>82.5</b>	<b>0.0%</b>	<b>102.7</b>	<b>105.7</b>	<b>3.0%</b>	<b>112.9</b>	<b>116.1</b>	<b>2.9%</b>
EBITDA margin	18.8%	18.8%		21.7%	22.2%	0.5%	22.5%	23.0%	
Depreciation	(40.4)	(40.4)	0.0%	(40.5)	(40.6)	0.0%	(41.3)	(41.4)	-0.1%
<b>EBITA</b>	<b>42.0</b>	<b>42.0</b>	<b>0.0%</b>	<b>62.1</b>	<b>65.2</b>	<b>4.9%</b>	<b>71.6</b>	<b>74.7</b>	<b>4.4%</b>
EBIT margin	9.6%	9.6%		13.1%	13.7%		14.3%	14.8%	
NIE	(16.9)	(16.9)		(17.0)	(17.0)		(17.1)	(17.0)	
<b>PBT</b>	<b>25.1</b>	<b>25.1</b>	<b>0.0%</b>	<b>45.1</b>	<b>48.1</b>	<b>6.7%</b>	<b>54.5</b>	<b>57.7</b>	<b>5.9%</b>
Tax	(7.3)	(7.3)		(13.1)	(14.0)		(15.8)	(16.7)	
Tax rate	29.0%	29.0%		29.0%	29.0%		29.0%	29.0%	
<b>Underlying NPAT (post AASB 16)</b>	<b>17.8</b>	<b>17.8</b>	<b>0.0%</b>	<b>32.0</b>	<b>34.2</b>	<b>6.7%</b>	<b>38.7</b>	<b>41.0</b>	<b>5.9%</b>
<b>Underlying EPS (Diluted)</b>	<b>7.7</b>	<b>7.7</b>	<b>0.0%</b>	<b>13.8</b>	<b>14.8</b>	<b>6.7%</b>	<b>16.7</b>	<b>17.7</b>	<b>5.9%</b>

Source: Jarden estimates

**IDX valuation and risks:** Our three-stage DCF-based 12-month target price for IDX increases to \$3.13 (was \$3.04) and we maintain our Overweight rating. Key investment risks include further COVID infections, MRI competition and reimbursement risk.

## HLS

Figure 4: HLS Jarden earnings revisions

HLS \$Am	FY23e			FY24e			FY25e		
	Prior	Current	% diff chg	Prior	Current	% diff chg	Prior	Current	% diff chg
Pathology BAU (ex-COVID)	1,232.7	1,232.7	0.0%	1,297.2	1,297.2	0.0%	1,362.1	1,362.1	0.0%
Agelix	31.0	31.0	0.0%	36.0	36.0	0.0%	41.7	41.7	0.0%
Pathology BAU (incl. Agelix)	1,263.7	1,263.7	0.0%	1,333.2	1,333.2	0.0%	1,403.8	1,403.8	0.0%
COVID	90.8	90.8	0.0%	30.0	30.0	0.0%	30.0	30.0	0.0%
Imaging	432.4	432.4	0.0%	458.3	462.6	0.9%	485.8	490.4	0.9%
Day hospital / IVF	-	-		-	-		-	-	
Other / Corporate	5.1	5.1	0.0%	5.1	5.1	0.0%	5.1	5.1	0.0%
Intersegment	-	-		-	-		-	-	
<b>Total revenue (continuing operations)</b>	<b>1,792.0</b>	<b>1,792.0</b>	<b>0.0%</b>	<b>1,826.6</b>	<b>1,830.9</b>	<b>0.2%</b>	<b>1,924.7</b>	<b>1,929.3</b>	<b>0.2%</b>
Discontinued operations	37.9	37.9	0.0%	-	-		-	-	
Pathology (incl. Agelix)	297.1	297.1	0.0%	334.6	334.6	0.0%	381.9	381.9	0.0%
Imaging	98.5	98.5	0.0%	115.7	119.1	2.9%	126.3	130.0	2.9%
Other	(17.2)	(17.2)	0.0%	(17.6)	(17.6)	0.0%	(18.0)	(18.0)	0.0%
<b>EBITDA</b>	<b>378.4</b>	<b>378.4</b>	<b>0.0%</b>	<b>432.8</b>	<b>436.2</b>	<b>0.8%</b>	<b>490.2</b>	<b>493.9</b>	<b>0.7%</b>
...margin	21.1%	21.1%		23.7%	23.8%		25.5%	25.6%	
Discontinued operations	8.0	8.0		0.0	0.0		0.0	0.0	
D&A	(267.2)	(267.2)	0.0%	(279.6)	(279.6)	0.0%	(282.0)	(282.0)	0.0%
<b>EBIT</b>	<b>111.2</b>	<b>111.2</b>	<b>0.0%</b>	<b>153.2</b>	<b>156.6</b>	<b>2.2%</b>	<b>208.2</b>	<b>211.8</b>	<b>1.8%</b>
...margin	6.2%	6.2%		8.4%	8.6%		10.8%	11.0%	
Net Interest expense (income)	(59.4)	(59.4)	0.0%	(61.9)	(61.9)	0.0%	(62.1)	(62.0)	-0.1%
<b>Profit before tax and significant items</b>	<b>51.8</b>	<b>51.8</b>	<b>0.0%</b>	<b>91.2</b>	<b>94.6</b>	<b>3.7%</b>	<b>146.1</b>	<b>149.8</b>	<b>2.5%</b>
Income tax expense	(15.5)	(15.5)	0.0%	(27.4)	(28.4)	3.7%	(43.8)	(44.9)	2.5%
<b>Underlying NPAT</b>	<b>36.3</b>	<b>36.3</b>	<b>0.0%</b>	<b>63.9</b>	<b>66.3</b>	<b>3.7%</b>	<b>102.3</b>	<b>104.9</b>	<b>2.5%</b>
<b>Diluted EPS - Underlying (cpts)</b>	<b>6.3</b>	<b>6.3</b>	<b>0.0%</b>	<b>11.1</b>	<b>11.5</b>	<b>3.7%</b>	<b>17.7</b>	<b>18.1</b>	<b>2.5%</b>

Source: Jarden estimates

**HLS valuation and risks:** Our three-stage DCF-based 12-month target price increases to \$2.71 (from \$2.66) and we maintain our Underweight rating. Risks to our view are additional M&A interest, a rebound in pathology and imaging volumes and revised/improved merger terms from ACL (Not Covered).

## SHL

Figure 5: SHL Jaren earnings revisions

SHL \$Am	FY23e			FY24e			FY25e		
	Prior	Current	% difference	Prior	Current	% difference	Prior	Current	% difference
<b>Revenues</b>									
Pathology	6,795.7	6,795.7	0.0%	6,985.0	6,985.0	0.0%	7,273.9	7,273.9	0.0%
Imaging	769.4	769.4	0.0%	807.9	814.8	0.9%	848.3	855.5	0.9%
Other	395.2	395.2	0.0%	411.0	411.0	0.0%	427.4	427.4	0.0%
<b>Total sales to external customers</b>	<b>7,960.3</b>	<b>7,960.3</b>	<b>0.0%</b>	<b>8,203.8</b>	<b>8,210.8</b>	<b>0.1%</b>	<b>8,549.6</b>	<b>8,556.9</b>	<b>0.1%</b>
Unallocated revenue / income	-	-		-	-		-	-	
<b>Total revenue</b>	<b>7,960.3</b>	<b>7,960.3</b>	<b>0.0%</b>	<b>8,203.8</b>	<b>8,210.8</b>	<b>0.1%</b>	<b>8,549.6</b>	<b>8,556.9</b>	<b>0.1%</b>
Pathology	1,565.1	1,565.1	0.0%	1,613.2	1,613.2	0.0%	1,710.3	1,710.3	0.0%
Imaging	187.5	187.5	0.0%	197.9	203.7	2.9%	207.8	213.9	2.9%
Other	26.6	26.6	0.0%	32.9	32.9	0.0%	38.5	38.5	0.0%
<b>EBITDA</b>	<b>1,779.2</b>	<b>1,779.2</b>	<b>0.0%</b>	<b>1,844.0</b>	<b>1,849.8</b>	<b>0.3%</b>	<b>1,956.6</b>	<b>1,962.6</b>	<b>0.3%</b>
...margin	22.4%	22.4%		22.5%	22.5%		22.9%	22.9%	
Depreciation	(621.1)	(621.1)	0.0%	(646.6)	(646.6)	0.0%	(651.3)	(651.4)	0.0%
Amortisation	(72.9)	(72.9)	0.0%	(83.0)	(83.0)	0.0%	(85.5)	(85.6)	0.0%
NIE	(70.7)	(70.7)	0.0%	(81.6)	(81.6)	0.0%	(74.9)	(74.9)	0.0%
<b>PBT</b>	<b>1,014.5</b>	<b>1,014.5</b>	<b>0.0%</b>	<b>1,032.8</b>	<b>1,038.6</b>	<b>0.6%</b>	<b>1,144.8</b>	<b>1,150.8</b>	<b>0.5%</b>
Tax	(268.8)	(268.8)	0.0%	(268.3)	(269.8)	0.6%	(296.7)	(298.2)	0.5%
Tax rate	26.5%	26.5%		26.0%	26.0%		25.9%	25.9%	
MIE	(21.0)	(21.0)	0.0%	(25.0)	(25.0)	0.0%	(26.3)	(26.3)	0.0%
<b>NPAT (post minorities)</b>	<b>724.8</b>	<b>724.8</b>	<b>0.0%</b>	<b>739.5</b>	<b>743.7</b>	<b>0.6%</b>	<b>821.9</b>	<b>826.4</b>	<b>0.5%</b>
<b>EPS</b>	<b>152.8</b>	<b>152.8</b>	<b>0.0%</b>	<b>156.8</b>	<b>157.7</b>	<b>0.6%</b>	<b>174.3</b>	<b>175.2</b>	<b>0.5%</b>

Source: Jarden estimates

**SHL valuation and risks:** Our three-stage DCF-based 12-month target price increases to A\$31.54 (from A\$31.43) and we maintain our Neutral rating. Key risks are the sustainability of global COVID testing, reimbursement risk, increased/reduced GP referrals and competitive pressures.

Figure 6: Jarden CAJ forecasts

P&L (\$Am)	FY22	1H23	2H23	FY23	FY24	FY25
Revenue	184.2	98.1	115.3	213.4	235.9	247.6
Growth	3.5%	3.4%	29.0%	15.9%	10.5%	5.0%
EBITDA	41.1	19.7	24.9	44.6	53.9	57.9
Margin	22.3%	20.1%	21.6%	20.9%	22.9%	23.4%
D&A	(21.1)	(11.7)	(12.1)	(23.7)	(23.8)	(24.4)
EBIT	20.1	8.1	12.8	20.9	30.1	33.5
Margin	10.9%	8.2%	11.1%	9.8%	12.8%	13.5%
Growth	-3.7%	-33.5%	62.0%	4.2%	44.1%	11.1%
NIE	(2.9)	(2.0)	(2.6)	(4.6)	(5.2)	(4.7)
Tax	(5.2)	(1.8)	(3.1)	(4.9)	(7.5)	(8.6)
Minorities	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
NPAT (Underlying)	11.8	4.2	7.1	11.2	17.3	19.9
NPAT (Reported)	10.7	(15.2)	6.7	(8.5)	16.6	19.9
Diluted EPS (underlying)	1.1	0.4	0.7	1.1	1.6	1.9
EPS growth	-3.4%	-42.9%	56.0%	-5.5%	52.6%	15.5%
DPS	1.0	0.5	0.5	1.0	1.0	1.1
Balance Sheet (\$Am)	FY22	1H23	2H23	FY23	FY24	FY24
Cash & equivalents	13.4	14.8	17.8	17.8	22.3	28.5
Debtors and inventory	4.7	5.0	5.7	5.7	6.0	6.3
Fixed and intangibles	169.6	221.4	222.2	222.2	223.3	225.8
ROU assets	56.7	60.8	58.9	58.9	58.9	58.9
Other	26.8	10.8	10.8	10.8	10.8	10.8
Total assets	271.2	312.9	315.4	315.4	321.3	330.3
Creditors	11.5	12.3	15.0	15.0	15.3	16.1
Debt	19.0	68.8	68.8	68.8	68.8	68.8
Leases	62.2	66.7	65.0	65.0	64.4	63.3
Other	24.4	25.7	25.7	25.7	25.7	25.7
Total liabilities	117.1	173.5	174.5	174.5	174.2	173.9
Net Assets	154.0	139.4	140.9	140.9	147.1	156.4
Total Equity	154.0	139.4	140.9	140.9	147.1	156.4
Cash flow (\$Am)	FY22	1H23	2H23	FY23	FY24	FY24
Gross Operating Cash Flow	41.1	18.5	24.9	43.4	53.9	57.9
Net interest paid	(1.0)	(1.2)	(1.6)	(2.8)	(3.2)	(2.7)
Change in WC / Other	(1.2)	0.5	1.9	2.4	0.1	0.4
Tax paid	(5.3)	(0.8)	(3.1)	(3.9)	(7.5)	(8.6)
Other	(0.6)	(1.4)	(1.3)	(2.7)	(2.7)	(2.0)
Operating cash flow	32.9	15.7	20.8	36.5	40.6	45.0
Capex	(13.2)	(4.8)	(7.2)	(11.9)	(13.9)	(15.8)
Other/Acquisitions	(1.7)	(48.6)	-	(48.6)	-	-
Investing cash flow	(14.9)	(53.4)	(7.2)	(60.6)	(13.9)	(15.8)
Debt issued / (repaid)	(10.0)	49.8	-	49.8	-	-
Equity issued / (repaid)	4.3	-	-	-	-	-
Dividends	(10.6)	(5.2)	(5.3)	(10.5)	(10.6)	(10.9)
Lease payments	(10.0)	(5.8)	(5.4)	(11.2)	(11.6)	(12.0)
Other	-	0.4	-	0.4	-	-
Financing cash flow	(26.4)	39.1	(10.7)	28.5	(22.2)	(22.9)
+ / (-) in Cash & equivalents	(8.4)	1.5	3.0	4.4	4.5	6.2

Segments (\$Am)	FY22	1H23	2H23	FY23	FY24	FY25
Revenue						
Existing Australia	184.2	94.5	96.5	191.0	204.3	214.6
FMIG		3.6	18.8	22.4	31.5	33.1
Total revenue	184.2	98.1	115.3	213.4	235.9	247.6
Growth rates						
Existing Australia	3.5%	(38.6%)	(45.8%)	3.7%	7.0%	5.0%
FMIG	n.a.	n.a.	n.a.	n.a.	40.7%	5.0%
Total revenue	3.5%	(36.2%)	(35.2%)	15.9%	10.5%	5.0%
Costs						
Labour	(114.6)	(62.2)	(72.1)	(134.3)	(144.7)	(150.7)
Equipment and consumables	(10.2)	(5.4)	(6.5)	(11.8)	(13.1)	(13.7)
Occupancy	(4.7)	(3.0)	(3.1)	(6.1)	(6.4)	(6.6)
Services costs	(13.5)	(7.7)	(8.8)	(16.5)	(17.8)	(18.6)
% Sales						
Labour	62.2%	63.4%	62.5%	62.9%	61.4%	60.9%
Equipment and consumables	5.5%	5.5%	5.6%	5.5%	5.5%	5.5%
Occupancy	2.6%	3.1%	2.7%	2.9%	2.7%	2.7%
Services costs	7.3%	7.9%	7.6%	7.7%	7.5%	7.5%
Key metrics	FY22	FY23	FY23	FY23	FY24	FY25
Valuation metrics (spot price)						
PE (U/L)	23.8			25.2	16.5	14.3
EV/EBITDA (post AASB 16)	9.8			9.0	7.5	7.0
EV/EBITDA (pre AAB16)	11.5			10.5	8.3	7.7
EV/EBIT	21.9			21.0	14.6	13.1
Dividend Yield	3.8%			3.8%	3.8%	4.3%
ROE	7.9%			7.6%	12.0%	13.1%
ROIC	8.8%			7.6%	10.9%	11.9%
Leverage						
Net debt (incl. leases)	67.8			116.0	110.9	103.6
Net debt (ex. leases)	5.6			51.0	46.5	40.3
Net debt / EBITDA (pre-AASB 16)	0.2x			1.6x	1.2x	0.9x
Net Interest Cover	6.9x			4.5x	5.8x	7.1x
EBITDA (post AASB 16)	41.1	19.7	24.9	44.6	53.9	57.9
Net Cash from Operation (excl. int. / tax)	41.1	18.5	26.5	45.0	53.3	58.3
Lease payments	(11.9)	(6.2)	(6.3)	(12.5)	(13.6)	(14.1)
Maintenance capex	(9.7)	(4.2)	(5.8)	(10.0)	(10.8)	(11.4)
FCF (as per CAJ)	19.5	8.1	14.4	22.0	28.8	32.8
FCF/EBITDA	47.4%	41.1%	57.6%	49.3%	53.5%	56.7%

Source: Company data, Jarden estimates

Figure 7: Jarden IDX forecasts

P&L (\$Am)	FY22	1H23	2H23	FY23	FY24	FY25
Revenue	358.7	215.1	221.9	437.8	476.8	505.0
Growth	2.8%	19.2%	24.2%	22.1%	8.9%	5.9%
EBITDA	74.8	39.8	42.7	82.5	105.7	116.1
Margin	20.8%	18.5%	19.2%	18.8%	22.2%	23.0%
Depreciation	(33.7)	(20.1)	(20.3)	(40.4)	(40.6)	(41.4)
EBITA	41.0	19.7	22.4	42.0	65.2	74.7
Margin	11.4%	9.1%	10.1%	9.6%	13.7%	14.8%
Growth	-35.0%	-16.1%	27.1%	2.4%	55.1%	14.7%
NIE	(10.4)	(8.3)	(8.6)	(16.9)	(17.0)	(17.0)
Tax	(8.9)	(3.3)	(4.0)	(7.3)	(14.0)	(16.7)
NPAT (Underlying)	21.7	8.1	9.8	17.8	34.2	41.0
NPAT (Statutory)	14.6	16.1	8.4	24.5	31.3	38.1
Diluted EPS (underlying)	10.2	3.4	4.2	7.7	14.8	17.7
EPS growth	-46.3%	-46.1%	4.5%	-24.5%	91.6%	19.9%
DPS	7.0	2.5	1.8	4.3	6.8	8.3
Balance Sheet (\$Am)	FY22	1H23	2H23	FY23	FY24	FY25
Cash & equivalents	123.2	35.8	41.0	41.0	52.8	62.8
Debtors and inventory	19.4	20.2	10.8	10.8	11.7	12.4
Fixed and intangibles	504.8	620.0	627.3	627.3	637.6	650.5
ROU assets	106.8	127.1	125.3	125.3	120.5	117.2
Other	25.3	36.0	36.0	36.0	36.0	36.0
Total assets	779.5	839.2	840.5	840.5	858.7	878.9
Creditors	22.9	32.8	31.7	31.7	32.8	34.5
Debt	223.1	225.0	225.0	225.0	225.0	225.0
Leases	117.9	138.8	138.6	138.6	136.4	134.0
Other	68.4	72.1	72.1	72.1	72.1	72.1
Total liabilities	432.3	468.6	467.3	467.3	466.2	465.6
Net Assets	347.2	370.5	373.1	373.1	392.6	413.3
Total Equity	347.2	370.5	373.1	373.1	392.5	413.3
Cash flow (\$Am)	FY22	1H23	2H23	FY23	FY24	FY25
Gross Operating Cash Flow	70.3	42.9	42.7	85.5	105.7	116.1
Net interest paid	(10.3)	(8.1)	(8.6)	(16.7)	(17.0)	(17.0)
Change in WC / Other	(4.5)	(12.5)	8.3	(4.2)	0.3	1.1
Other	(18.4)	2.3	(4.4)	(2.1)	(15.4)	(18.3)
Operating cash flow	37.1	24.6	38.0	62.6	73.6	81.9
Capex	(31.1)	(13.6)	(20.7)	(34.3)	(34.8)	(41.9)
Other (Acquisition/ Divestments)	(24.6)	(84.9)	-	(84.9)	(2.7)	-
Investing cash flow	(55.7)	(98.4)	(20.7)	(119.1)	(37.5)	(41.9)
Debt issued / (repaid)	24.3	(2.2)	-	(2.2)	-	-
Equity issued / (repaid)	91.8	1.3	-	1.3	-	-
Dividends	(20.9)	(6.7)	(5.8)	(12.5)	(11.9)	(17.3)
Lease payments / other	(14.2)	(6.3)	(6.3)	(12.6)	(12.9)	(13.3)
Financing cash flow	81.1	(13.8)	(12.1)	(25.9)	(24.9)	(30.6)
+ / (-) in Cash & equivalents	62.5	(87.7)	5.2	(82.4)	11.2	9.4

Segments (\$Am)	FY22	FY23	FY24	FY25
Revenue				
Existing Australia	249.0	308.6	335.0	355.1
Imaging Queensland	67.3	72.0	78.3	83.0
Existing New Zealand	24.7	39.0	44.3	46.6
Ascot (NZ)	18.1	18.2	19.2	20.3
...other	- 0.4	-	-	-
Total Revenue	358.7	437.8	476.8	505.0
Growth rates				
Existing Australia	5.6%	24.0%	8.6%	6.0%
Imaging Queensland	0.6%	6.9%	8.7%	6.0%
Existing New Zealand	(13.9%)	57.8%	13.7%	5.2%
Ascot (NZ)	3.4%	0.7%	5.4%	5.5%
Total revenue	2.8%	22.1%	8.9%	5.9%
EBITDA				
Existing Australia	51.6	56.4	72.9	80.9
Imaging Queensland	13.6	13.1	17.6	18.7
Existing New Zealand	5.5	8.8	10.5	11.5
Ascot (NZ)	4.0	4.1	4.7	5.1
Total EBITDA	74.8	82.5	105.7	116.1
EBITDA margins				
Existing Australia	20.7%	18.3%	21.8%	22.8%
Imaging Queensland	20.2%	18.2%	22.5%	22.5%
Existing New Zealand	22.2%	22.7%	23.7%	24.6%
Ascot (NZ)	22.3%	22.7%	24.5%	25.0%
Total EBITDA	20.8%	18.8%	22.2%	23.0%
Capex	31.1	34.3	34.8	41.9
D&A	33.7	40.4	40.6	41.4
Capex / D&A	0.9x	0.8x	0.9x	1.0x
Key metrics	FY22	FY23	FY24	FY25
Valuation metrics (spot price)				
PE	29.6x	39.2x	20.5x	17.1x
EV/EBITDA**	15.0x	13.9x	10.3x	9.2x
EV/EBIT	25.1x	24.5x	15.8x	13.8x
Dividend Yield	2.3%	1.4%	2.3%	2.8%
Returns				
ROE	6.2%	4.8%	8.7%	9.9%
ROIC	6.5%	5.4%	8.2%	9.2%
Leverage				
Net debt (incl. leases)	217.8	322.6	308.5	296.2
Net debt (ex. leases)	99.9	183.9	172.1	162.2
Net debt (ex. leases) / EBITDA**	1.7x	2.9x	2.0x	1.7x
Net Interest Cover	3.9x	2.5x	3.8x	4.4x

Source: Company data, Jarden estimates

Figure 8: Jarden HLS forecasts

P&L (A\$m)	FY22	FY23	FY24	FY25
<b>Revenue</b>	<b>2,338</b>	<b>1,792</b>	<b>1,831</b>	<b>1,929</b>
Growth	21.6%	-23.3%	2.2%	5.4%
<b>EBITDA</b>	<b>770.8</b>	<b>378.4</b>	<b>436.2</b>	<b>493.9</b>
Margin	33.0%	21.1%	23.8%	25.6%
Depreciation	(44.5)	(43.7)	(49.7)	(52.1)
Depreciation - ROU	(219.7)	(207.6)	(215.1)	(216.2)
Amortisation	(14.3)	(15.9)	(14.8)	(13.7)
<b>EBIT</b>	<b>492.3</b>	<b>111.2</b>	<b>156.6</b>	<b>211.8</b>
Margin	21.1%	6.2%	8.6%	11.0%
Growth	83.6%	-77.4%	40.7%	35.3%
NIE	(50.5)	(59.4)	(61.9)	(62.0)
Tax	(132.5)	(15.5)	(28.4)	(44.9)
<b>NPAT (Underlying)</b>	<b>309.3</b>	<b>36.3</b>	<b>66.3</b>	<b>104.9</b>
NPAT (Statutory)	307.9	10.8	60.1	104.9
<b>Diluted EPS (underlying)</b>	<b>52.3</b>	<b>6.3</b>	<b>11.5</b>	<b>18.1</b>
EPS growth	27.1%	-88.0%	82.4%	58.3%
DPS	16.0	3.5	5.3	11.0
Balance Sheet (A\$m)	FY22	FY23	FY24	FY25
Cash & equivalents	81.3	196.7	156.9	198.7
Debtors and inventory	241.3	194.8	212.6	225.2
Fixed and intangibles	2,615.5	2,513.5	2,546.8	2,561.7
ROU assets	1,074.9	1,021.5	1,021.5	1,026.8
Other	123.8	142.2	142.2	142.2
<b>Total assets</b>	<b>4,136.8</b>	<b>4,068.7</b>	<b>4,080.0</b>	<b>4,154.6</b>
Creditors	169.6	219.6	202.2	217.3
Debt	606.1	631.5	631.5	631.5
Leases	1,172.9	1,154.5	1,153.2	1,151.9
Other	266.6	180.4	180.4	180.4
<b>Total liabilities</b>	<b>2,215.2</b>	<b>2,185.9</b>	<b>2,167.3</b>	<b>2,181.1</b>
<b>Net Assets</b>	<b>1,921.6</b>	<b>1,882.8</b>	<b>1,912.8</b>	<b>1,973.5</b>
<b>Total Equity</b>	<b>1,921.6</b>	<b>1,882.8</b>	<b>1,912.8</b>	<b>1,973.5</b>
Cash flow (A\$m)	FY22	FY23	FY24	FY25
Gross Operating Cash Flow	677.1	452.5	436.2	493.9
Net interest paid	(48.0)	(59.1)	(61.9)	(62.0)
Change in WC / Other	(77.8)	96.5	(35.2)	2.5
Other	(12.5)	(199.9)	(34.5)	(44.9)
<b>Operating cash flow</b>	<b>538.8</b>	<b>290.0</b>	<b>304.5</b>	<b>389.4</b>
Capex	(93.5)	(93.6)	(97.8)	(80.6)
Other	(308.2)	151.4	-	-
<b>Investing cash flow</b>	<b>(401.7)</b>	<b>57.8</b>	<b>(97.8)</b>	<b>(80.6)</b>
Debt issued / (repaid)	345.6	25.0	-	-
Equity issued / (repaid)	(161.5)	(8.9)	-	-
Dividends	(98.1)	(34.3)	(30.2)	(44.1)
Lease payments	(214.5)	(210.1)	(216.4)	(222.8)
Other	-	-	-	-
<b>Financing cash flow</b>	<b>(128.5)</b>	<b>(228.3)</b>	<b>(246.5)</b>	<b>(267.0)</b>
+ / (-) in Cash & equivalents	<b>8.6</b>	<b>119.5</b>	<b>(39.8)</b>	<b>41.8</b>

Segments (A\$m)	FY22	FY23	FY24	FY25
<b>Revenue</b>				
Pathology BAU (ex-COVID)	1,181.3	1,232.7	1,297.2	1,362.1
Agelix	26.0	31.0	36.0	41.7
Pathology BAU (incl Agelix)	1,207.3	1,263.7	1,333.2	1,403.8
COVID	683.1	90.8	30.0	30.0
Imaging	393.9	432.4	462.6	490.4
Other / Corporate	6.5	5.1	5.1	5.1
Intersegment	-	1.8	-	-
<b>Total Revenue</b>	<b>2,338</b>	<b>1,792</b>	<b>1,831</b>	<b>1,929</b>
Discontinued operatoin		37.9	0.0	0.0
<b>Growth rates</b>				
Pathology BAU (ex-COVID)	(1.4%)	4.4%	5.2%	5.0%
Agelix		19.2%	16.0%	16.0%
Pathology BAU (incl Agelix)	0.0%	4.7%	5.5%	5.3%
COVID	168.5%	(86.7%)	(67.0%)	-
Imaging	(3.2%)	9.8%	7.0%	6.0%
Other / Corporate	(4.4%)	(21.5%)	-	-
<b>Total Revenue</b>	<b>21.6%</b>	<b>(23.3%)</b>	<b>2.2%</b>	<b>5.4%</b>
<b>EBITDA</b>				
Pathology (incl. Agelix)	698.4	297.1	334.6	381.9
Imaging	79.7	98.5	119.1	130.0
Other	(19.9)	(17.2)	(17.6)	(18.0)
<b>Total EBITDA</b>	<b>770.8</b>	<b>378.4</b>	<b>436.2</b>	<b>493.9</b>
Discontinued operations	-	8.0	-	-
<b>EBITDA margins</b>				
Pathology (incl. Agelix)	36.9%	21.9%	24.5%	26.6%
Imaging	20.2%	22.8%	25.8%	26.5%
<b>Total EBITDA</b>	<b>33.0%</b>	<b>21.1%</b>	<b>23.8%</b>	<b>25.6%</b>
<b>Capex</b>	93.5	93.6	97.8	79.4
<b>D&amp;A</b>	58.8	59.5	64.5	65.8
Capex / D&A	1.6x	1.6x	1.5x	1.2x
Key metrics	FY22	FY23	FY24	FY25
<b>Valuation metrics (spot price)</b>				
PE		51.2x	28.1x	17.7x
EV/EBITDA		9.0x	7.8x	6.9x
EV/EBIT		30.7x	21.8x	16.1x
Dividend yield		1.1%	1.6%	3.4%
<b>Returns</b>				
ROIC		3.4%	4.6%	6.2%
ROE		1.9%	3.5%	5.3%
<b>Leverage</b>				
Net debt (incl. leases)		1,589	1,628	1,585
Net debt (ex leases)		434.8	474.6	432.8
Net debt / EBITDA (Pre-AASB-16)		3.2x	2.6x	1.8x
Bank interest coverage		5.1x	5.8x	7.5x

Source: Company data, Jarden estimates



Figure 9: Jarden SHL forecasts

P&L (\$Am)	FY22	FY23	FY24	FY25
<b>Revenue</b>	<b>9,338.2</b>	<b>7,960.3</b>	<b>8,210.8</b>	<b>8,556.9</b>
Growth	6.7%	(14.8%)	3.1%	4.2%
<b>EBITDA</b>	<b>2,830.4</b>	<b>1,779.2</b>	<b>1,849.8</b>	<b>1,962.6</b>
Margin	30.3%	22.4%	22.5%	22.9%
Growth	10.6%	(37.1%)	4.0%	6.1%
Depreciation	(607.4)	(621.1)	(646.6)	(651.4)
Amortisation	(68.0)	(72.9)	(83.0)	(85.6)
<b>EBIT</b>	<b>2,155.0</b>	<b>1,085.2</b>	<b>1,120.2</b>	<b>1,225.7</b>
Margin	23.1%	13.6%	13.6%	14.3%
Growth	12.3%	(49.6%)	3.2%	9.4%
NIE	(77.8)	(70.7)	(81.6)	(74.9)
Tax	(561.7)	(268.8)	(269.8)	(298.2)
NPAT (pre MI)	1,515.5	745.7	768.7	852.6
<b>NPAT (post MI)</b>	<b>1,460.6</b>	<b>724.8</b>	<b>743.7</b>	<b>826.4</b>
<b>Diluted EPS</b>	<b>302.5</b>	<b>152.8</b>	<b>157.7</b>	<b>175.2</b>
EPS growth	10.8%	(49.5%)	3.2%	11.1%
DPS	100.0	92.0	100.0	97.5
Balance Sheet (\$Am)	FY22	FY23	FY24	FY25
Cash & equivalents	780.0	645.4	568.8	849.4
Debtors and inventory	1,433.7	1,181.6	1,286.0	1,344.2
Fixed and intangibles	8,682.6	1,873.2	1,888.2	1,932.7
ROU assets	1,303.7	1,295.1	1,325.7	1,358.9
Other	352.0	7,524.8	7,801.8	7,801.8
<b>Total assets</b>	<b>12,552.0</b>	<b>12,520.1</b>	<b>12,870.4</b>	<b>13,287.0</b>
Creditors	1,018.6	918.0	856.5	892.1
Debt	1,576.9	1,519.6	1,626.6	1,626.6
Leases	1,435.8	1,419.3	1,397.6	1,377.0
Other	1,092.6	1,024.6	1,024.6	1,024.6
<b>Total liabilities</b>	<b>5,123.8</b>	<b>4,881.5</b>	<b>4,905.4</b>	<b>4,920.3</b>
<b>Net Assets</b>	<b>7,428.2</b>	<b>7,638.6</b>	<b>7,965.1</b>	<b>8,366.7</b>
<b>Total Equity</b>	<b>7,428.2</b>	<b>7,638.6</b>	<b>7,965.1</b>	<b>8,366.7</b>
Cash flow (\$Am)	FY22	FY23	FY24	FY25
Gross Operating Cash Flow	2,807.5	1,926.8	1,849.8	1,962.6
Net interest paid	(75.0)	(69.0)	(81.6)	(74.9)
Change in WC / Other	(128.5)	151.5	(165.8)	(22.6)
Other	(378.2)	(517.1)	(269.8)	(298.2)
<b>Operating cash flow</b>	<b>2,225.8</b>	<b>1,492.2</b>	<b>1,332.5</b>	<b>1,566.9</b>
Capex	(378.6)	(434.7)	(427.0)	(487.7)
Other	(610.6)	(96.8)	(307.8)	-
<b>Investing cash flow</b>	<b>(989.2)</b>	<b>(531.5)</b>	<b>(734.8)</b>	<b>(487.7)</b>
Debt issued / (repaid)	(280.2)	(100.0)	107.0	-
Equity issued / (repaid)	(253.7)	(187.4)	-	-
Dividends	(470.9)	(485.2)	(442.3)	(451.0)
Lease payments / Other	(344.5)	(330.8)	(339.1)	(347.6)
<b>Financing cash flow</b>	<b>(1,349.3)</b>	<b>(1,103.4)</b>	<b>(674.4)</b>	<b>(798.5)</b>
+ / (-) in Cash & equivalents	<b>(112.7)</b>	<b>(142.7)</b>	<b>(76.6)</b>	<b>280.6</b>

Segments (\$Am)	FY22	FY23	FY24	FY25
<b>Revenue</b>				
Pathology - Australia	2,459.0	1,915.1	1,904.5	1,988.3
Pathology - USA	2,169.0	2,146.0	2,240.5	2,295.9
Pathology - Europe	3,539.0	2,708.5	2,812.4	2,961.0
Pathology - NZ	32.0	26.1	27.5	28.8
Other				
<b>Total Pathology</b>	<b>8,199.2</b>	<b>6,795.7</b>	<b>6,985.0</b>	<b>7,273.9</b>
Imaging	706.3	769.4	814.8	855.5
SCS & Other	437.7	395.2	411.0	427.4
Unallocated	(5.0)	-	-	-
<b>Total Revenue</b>	<b>9,338.2</b>	<b>7,960.3</b>	<b>8,210.8</b>	<b>8,556.9</b>
<b>Growth rates</b>				
Pathology - Australia	24.4%	(22.1%)	(0.6%)	4.4%
Pathology - USA	(3.1%)	(1.1%)	4.4%	2.5%
Pathology - Europe	1.8%	(23.5%)	3.8%	5.3%
Pathology - NZ	10.3%	-18.4%	5.1%	5.0%
Total Pathology	6.2%	-17.1%	2.8%	4.1%
Imaging	13.9%	8.9%	5.9%	5.0%
SCS & Other	5.9%	(9.7%)	4.0%	4.0%
Total Revenue	6.7%	(14.8%)	3.1%	4.2%
<b>EBITDA</b>				
Pathology	2,638.4	1,565.1	1,613.2	1,710.3
Imaging	158.4	187.5	203.7	213.9
SCS & Other	33.6	26.6	32.9	38.5
<b>Total EBITDA</b>	<b>2,830.4</b>	<b>1,779.2</b>	<b>1,849.8</b>	<b>1,962.6</b>
<b>EBITDA margins</b>				
Pathology	32.2%	23.0%	23.1%	23.5%
Imaging	22.4%	24.4%	25.0%	25.0%
SCS & Other	7.7%	6.7%	8.0%	9.0%
Total EBITDA	30.3%	22.4%	22.5%	22.9%
Key metrics	FY22	FY23	FY24	FY25
<b>Vaulation metrics (spot price)</b>				
PE	12.0x	23.7x	23.0x	20.7x
EV/EBITDA	7.0x	11.1x	10.7x	10.1x
EV/EBIT	9.2x	18.2x	17.6x	16.1x
Dividend Yield	2.8%	2.5%	2.8%	2.7%
<b>Returns</b>				
ROE	20.4%	9.8%	9.7%	10.2%
ROIC	19.1%	9.4%	9.2%	9.9%
<b>Leverage</b>				
Net debt (incl. leases)	2,232.7	2,293.6	2,455.5	2,154.2
Net debt (ex leases)	796.9	874.2	1,057.8	777.2
Net debt / EBITDA (pre-AASB 16)	0.3x	0.6x	0.7x	0.5x
Interest coverage	27.7x	15.4x	13.7x	16.4x

Source: Company data, Jarden estimates



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**Companies mentioned** (price as of 6 April 2023, \* Not Covered)

Capitol Health Limited (CAJ.AX, AUD0.27, Neutral, TP AUD0.30)

Healius Limited (HLS.AX, AUD3.23, Underweight, TP AUD2.71)

Integral Diagnostics Limited (IDX.AX, AUD3.02, Overweight, TP AUD3.13)

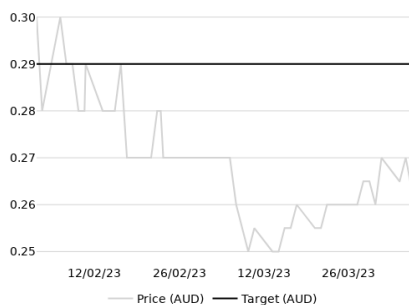
Sonic Healthcare Limited (SHL.AX, AUD36.27, Neutral, TP AUD31.54)

Australian Clinical Labs Ltd (ACL.AX, AUD3.55)\*

## Target price and rating history

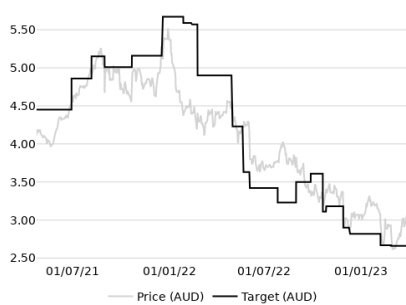
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CAJ.AX | Capitol Health Limited



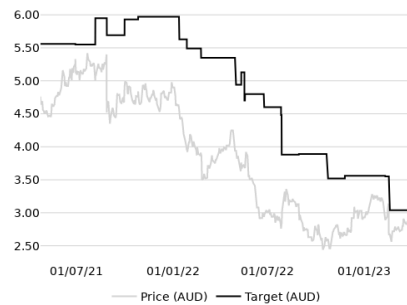
Date (UTC)	Price (AUD)	Target (AUD)	Rating
02/02/23	0.30	0.29	Neutral

HLS.AX | Healius Limited



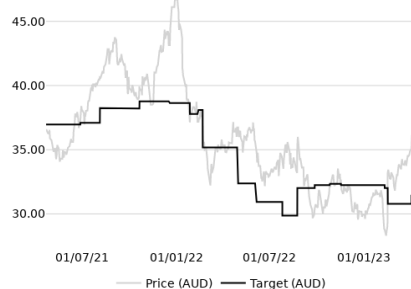
Date (UTC)	Price (AUD)	Target (AUD)	Rating
27/02/23	2.81	2.66	Underweight
07/02/23	2.98	2.67	Underweight
11/12/22	2.88	2.82	Underweight
28/11/22	3.03	2.90	Underweight
26/10/22	3.41	3.18	Neutral
20/10/22	3.26	3.11	Neutral
27/09/22	3.34	3.61	Neutral
30/08/22	3.83	3.50	Neutral
26/07/22	3.78	3.23	Neutral
03/06/22	3.80	3.42	Neutral
22/05/22	4.22	3.63	Neutral
01/05/22	4.52	4.23	Neutral
23/02/22	4.41	4.90	Neutral
13/02/22	4.40	5.57	Neutral
27/01/22	4.37	5.59	Overweight
19/12/21	5.12	5.67	Overweight
21/10/21	4.75	5.16	Overweight
30/08/21	4.67	5.01	Overweight
05/08/21	4.97	5.15	Overweight
28/06/21	4.53	4.86	Overweight
22/04/21	4.11	4.45	Overweight

IDX.AX | Integral Diagnostics Limited



Date (UTC)	Price (AUD)	Target (AUD)	Rating
19/02/23	2.67	3.04	Overweight
10/02/23	2.89	3.55	Overweight
25/11/22	2.67	3.56	Overweight
24/10/22	2.60	3.52	Overweight
29/08/22	2.91	3.89	Overweight
27/07/22	2.84	3.88	Overweight
26/07/22	2.76	4.48	Overweight
24/06/22	2.95	4.60	Overweight
18/05/22	3.68	4.80	Overweight
17/05/22	3.69	4.70	Overweight
11/05/22	3.76	5.13	Overweight
01/05/22	3.94	4.94	Overweight
23/02/22	3.91	5.35	Overweight
27/01/22	4.00	5.49	Overweight
13/01/22	4.55	5.63	Overweight
26/10/21	4.84	5.97	Overweight
30/09/21	4.92	5.93	Overweight
27/08/21	4.58	5.69	Overweight
05/08/21	5.07	5.95	Overweight
28/06/21	5.33	5.55	Overweight
22/04/21	4.76	5.56	Overweight

SHL.AX | Sonic Healthcare Limited



Date (UTC)	Price (AUD)	Target (AUD)	Rating
03/04/23	35.10	31.43	Neutral
16/02/23	33.20	30.78	Neutral
10/02/23	28.78	32.02	Neutral
17/11/22	32.67	32.24	Neutral
26/10/22	32.24	32.35	Neutral
27/09/22	30.43	32.24	Neutral
24/08/22	35.24	32.02	Neutral
26/07/22	33.95	29.87	Neutral
06/06/22	34.78	30.94	Neutral
01/05/22	36.73	32.38	Neutral
21/02/22	36.25	35.17	Neutral
13/02/22	37.18	38.09	Neutral
27/01/22	37.19	37.79	Neutral
19/12/21	43.15	38.64	Neutral
21/10/21	39.92	38.77	Neutral
23/08/21	41.65	38.21	Neutral
05/08/21	40.72	38.24	Neutral
28/06/21	37.27	37.09	Neutral
22/04/21	36.48	36.97	Neutral

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<sup>^</sup> Excludes PEB.NZ; prior to February 10, 2021 for HGH.NZ; prior to July 13, 2021 for NZX.NZ.

\* The expected total return (ETR) calculation includes 12-month rolling dividend yield. An Outperform rating is assigned where an ETR is greater than or equal to 7.5%; Underperform where an ETR is less than or equal to 5%. A Neutral may be assigned where the ETR is between -5% and 15%. The overlapping rating range allows analysts to assign a rating that puts ETR in the context of associated risks. Prior to 18 May 2015, ETR ranges for Outperform and Underperform ratings did not overlap with Neutral thresholds between 15% and 7.5%, which was in operation from 7 July 2011.

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#### Jarden global equity coverage universe

Rating	Distribution	Investment banking relationships
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Hold	27%	15%
Sell	16%	8%
Restricted	1%	

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