Analyst
Sam Brandwood 612 8224 2850

Authorisation
Chris Savage 612 8224 2835

IPD Goup (IPG)

Lightning in a bottle

Recommendation	
Buy (unchanged)	
Price	$4.64
Target (12 months)	$5.75 (previously $5.50)

GICS Sector

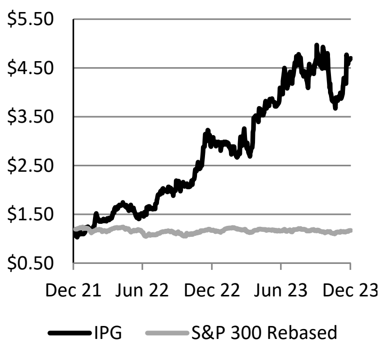
Commercial Services and Suppliers

Expected Return	
Capital growth	23.9%
Dividend yield	2.3%
Total expected return	26.2%
Company Data & Ratios	
Enterprise value	$514.0m
Market cap	$478.3m
Issued capital	103.1m
Free float	94%
Avg. daily val. (52wk)	$650,000
12 month price range	$2.47 - $5.07

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	3.83	4.38	3.00
Absolute (%)	22.62	7.29	56.84
Rel market (%)	19.36	8.79	58.23

Absolute Price



SOURCE: IRESS

CMI acquisition and successful $65m equity raising

IPD has announced the acquisition of CMI Operations – one of Australia's leading electrical cables and industrial plugs suppliers – for an upfront $92.1m and contingent consideration of up to $8.9m. To fund the acquisition IPD undertook a fully underwritten $65m equity raising (at a 5% discount to TERP) and received strong support for the institutional component of the raising finalised on 30 Nov'24. IPD has also secured new debt financing arrangements totalling $40m. We have the CMI deal at ~24% accretive to FY25e and IPD's gearing at a comfortable ~0.8x EBITDA at FY24e (incl. earn-outs). CMI is owned by ASX LIC Excelsior (ECL) and the group's directors (~50.4% of issued capital) have confirmed their intent to vote in favour of the transaction which, subject to approval, is expected to complete by Feb'24.

As part of the announcement IPD provided a strong trading update with 1H24e underlying EBITDA expected to be the region of $16.0-16.5m (vs. BPe prev. $15.9m). Management also expects "a number of significant projects" to commence in 2H24e.

Investment view: Maintain Buy recommendation

Overall, we view CMI as a strong addition to IPD's existing product suite (e.g. high internal IP, same customers, improves IPD's supplier diversity). In addition, the transaction price (trailing EV/EBITDA of 5.9x excl. synergies) would also appear to be reasonable for what we see as an established category leader in hazardous area and electrical safety verticals (e.g. mining and infrastructure). Further rationale for the deal as cited by IPD included: (1) synergy expectations from cross-selling and internalising cables revenue slippage (unquantified at this stage); (2) CMI's recurring revenue profile and strong cash generation (e.g. plugs sales are driven by a regulatory replacement cycle); and (3) CMI's attractive growth potential in new markets following the recent launch of the CMI's 'Minto 2' product.

Following the CMI acquisition our EPS changes are -3%, +23% and +22% across FY24-26e. At this stage we assume four months of CMI contribution in FY24e. Our revised PT is $5.75 (prev. $5.50) with our Buy recommendation remaining unchanged.

Earnings Forecast

Year end 30 June	FY23	FY24e	FY25e	FY26e
Sales ($m)	227.1	297.0	397.4	433.4
EBITDA Total ($m)	27.7	38.6	53.7	58.3
NPAT (underlying) ($m)	16.1	21.6	30.2	33.2
NPAT (reported) ($m)	16.1	21.6	30.2	33.2
EPS (adjusted) (cps)	18.6	21.0	29.3	32.2
EPS growth (%)	27.5%	12.7%	39.6%	9.9%
Price/NTA (x)	6.4	7.8	6.0	4.7
PE (x)	24.9	22.1	15.8	14.4
EV/EBITDA (x)	18.5	13.3	9.6	8.8
FCF Yield (%)	0.6%	0.3%	5.4%	5.1%
Dividend (¢ps)	9.3	10.6	14.0	15.0
Franking (%)	100%	100%	100%	100%
ROE (%)	22.0%	14.6%	18.5%	18.3%

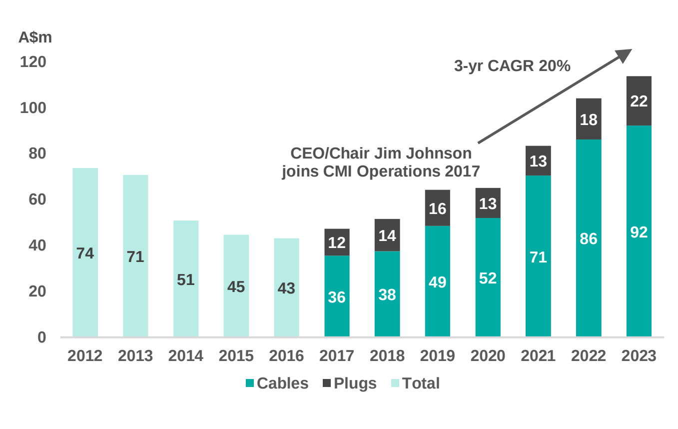
SOURCE: BELL POTTER SECURITIES ESTIMATES

CMI Operations acquisition

A bit about CMI Operations

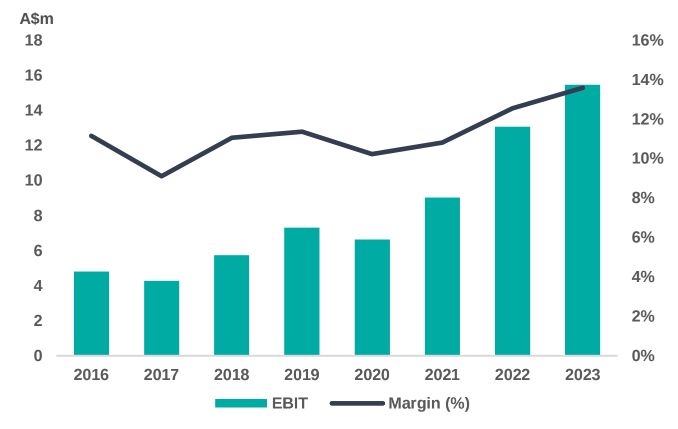
CMI is a distributor of electrical cables and manufacturer and distributor of the “Minto” electrical plug brand. The company first began operating in 1991 and has since grown organically to generate $104.3m of net revenue in FY23 and $17.1m of EBITDA. CMI operates out of six warehouses (four states), employs ~60 staff and services ~500 customers Australia wide.

Figure 1 - CMI Operations revenue history (gross revenue)



SOURCE: COMPANY DATA

Figure 2 – CMI Operations EBIT and margins



SOURCE: COMPANY DATA

CABLES – 80% OF SALES

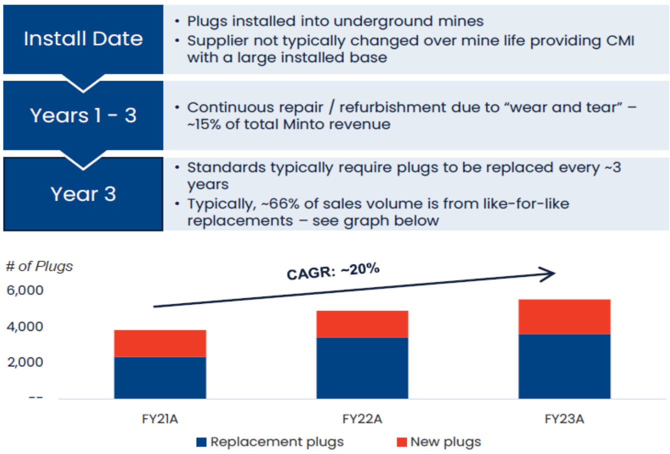
CMI’s cable division supplies electrical cable to construction, infrastructure, and renewables customers considered to be in the ‘middle market’ (i.e. in the order region of $250k to $10m). The cables segment has grown at a CAGR of 21% since FY20 and has benefitted, we believe, from similar electrification tailwinds to IPD over this timeframe (~85% of CMI’s top 40 customers already deal with IPD). CMI’s key cabling suppliers include XLPE (81% of revenue) and Aflex (17%). IPD considers CMI’s cables division has a strong cross-sell opportunity with the IPD’s core ‘low voltage’ product range.

PLUGS – 20% OF SALES

CMI’s industrial plug division “Minto” is a category leading solution in hazardous environments and other safety-focused applications. These are highly engineered and specialised products developed internally and manufactured by CMI. The plugs segment has grown at a CAGR of 18% since FY20.

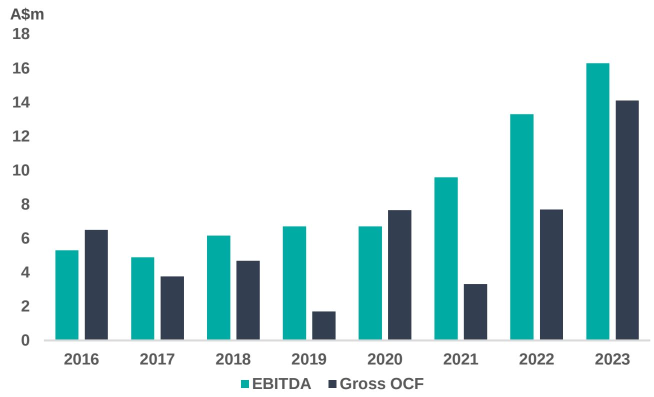
Management has estimated CMI’s ‘Minto 1’ industrial plug holds a leading market share of 15-20% within Australian underground mining and tunnel boring applications. In Mar’23 CMI launched the ‘Minto 2’ plug which is a more ‘broad-based’ product for infrastructure and above ground mining applications. IPD and CMI expect this to be a material near-term growth opportunity post-acquisition. In addition, IPD cited potential synergies with the recent EX Engineering acquisition (Jul’23) and expects CMI’s engineering and R&D capabilities to provide scope to further develop its own customised solutions across the core product range.

Figure 3 – CMI's 'Minto 1' plug product lifecycle



SOURCE: COMPANY DATA

Figure 4 - ECL cash flow and conversion



SOURCE: COMPANY DATA – INCLUDES CMI OPERATIONS AND ECL'S INVESTMENTS

CMI Operations trading update

At ECL's recent AGM the group made the following commentary regarding CMI's trading performance in 1H24e YTD: (1) as at Oct'23 trading performance has "remained steady" and CMI "maintains the solid performance from FY23"; (2) cables sales continue on the same trajectory as FY23 (+10%); (3) Minto plug sales "robust"; and (4) the new 'Minto 2' launch is expected to "significantly grow" following launch in Mar'23.

Deal overview and successful $65m equity raising

On 28 Nov'23 IPD announced the acquisition of CMI Operations – one of Australia's leading electrical cables and industrial plugs suppliers – for an upfront $92.1m and contingent consideration of up to $8.9m.

To fund the acquisition IPD undertook a fully underwritten $65m equity raising (at $3.93ps and a 5% discount to TERP) and received strong support for the institutional component of the raising which was finalised on 30 Nov'24. The retail component of the raising (entitlement offer) opened on 5 Dec'23 and will close on 14 Dec'23. IPD has also secured new debt financing arrangements totalling $40m. Other key information includes:

- CMI is currently owned by ASX LIC Excelsior (ECL) and, subject to shareholder approval, is expected to complete by Feb'24.
- CMI's directors (~50.4% of issued capital) have confirmed their intent to vote in favour of the transaction. A majority vote in favour of the deal will be required to reach resolution (>50%).
- On a pro-forma FY23 basis CMI Operations is ~30% EPS accretive to IPD. We have the deal at ~24% accretive by FY25e with IPD's gearing at a comfortable ~0.8x EBITDA at FY24e (~0.35x FY25e).
- The contingent consideration of up to $8.9m is payable by IPD in FY25e. IPD will pay CMI vendors $6 for every $1 of FY24e EBIT that exceeds CMI's FY23e EBIT ($15.5m). This means that the maximum earn-out will be paid if CMI achieves ~$17.0m EBIT in FY24e.

CMI Operations management team

The CMI Operations management team is well known to IPD and lead by Jim Johnson (Chairman) and Zac Zaharia (CEO). Further details are below:

- **Jim Johnson (Chairman):** Joined CMI as General Manager in 2017. He has over 20 years of experience in the electrical industry, mainly in general management roles.
- **Zac Zaharia (CEO):** Joined CMI as COO in Mar'23 and recently succeeded Jim Johnson as CEO. He has worked in the electrical industry for the last two decades, predominately in commercial and general management roles.
- **Michael Page (Chief Engineering Officer):** Joined CMI as Manager of Engineering and Flameproof Equipment in 2003. He has over 35 years of experience in the electrical industry. Michael is active on the board of the Mine Electrical Safety Association.
- **Greg Lewis (CFO):** Joined CMI as Financial Controller in 2021. He has over 20 years of experience in the electrical and construction industry as a finance manager.
- **Brett Wearne (National Sales Manager):** Joined CMI in 2005 and is now the National Sales Manager. He has over 35 years of experience in the electrical industry.

IPD Group trading update

As part of the announcement IPD provided a strong trading update with 1H24e underlying EBITDA expected to be the region of $16.0-16.5m (vs. BPe prev. $15.9m). Management commented that the market outlook remains "buoyant" and that "a number of significant projects" are expected to commence in 2H24e.

Following the CMI acquisition our EPS changes are -3%, +23% and +22% across FY24-26e. At this stage we assume four months of CMI contribution in FY24e. Our revised PT is $5.75 (prev. $5.50) with our Buy recommendation remaining unchanged.

IPD Group (IPG)

Company Description

IPD Group (IPG) is a leading Australian distributor of electrical equipment and industrial digital technologies operating nine distribution centres and servicing over 4,200+ customers nationally. The company supplies products used in buildings, infrastructure and process sectors which help to reduce energy use and/or reliance on the transmission network.

Investment View and Thesis

We have derived a target price of $5.75ps for IPG through blended methodologies of ROIC (WACC 9.5% and TGR 3.5%) and a 15% FY24e EV/EBITDA premium to IPD's competitive set. Our favourable investment view is based on:

Long life cycle demand: IPD is primarily a distributor of low voltage 'power' products which are driven mainly by refurbishment and upgrade of existing infrastructure. We see forward volumes for IPD as being relatively low demand risk by virtue of being driven by new technology adoption, supportive policy measures and changing consumer tastes.

EV charging opportunity: We believe IPD has several advantages in EV charging installation, including: (1) strong integration potential with IPD's existing power distribution and building management system products; (2) existing relationships with transition leaders; and (3) the ability for IPD to provide an offering to the existing charging base by leveraging its national service network.

Robust inflation play: Inflation largely acts as a tailwind for distributors with strong value propositions and efficient cost controls as these companies should have pricing power to pass on input costs. IPD has a high touch service proposition focused on stock availability close to customers, operates in segments with few direct competitors and supplies category leading electrical brands – often on an exclusive basis within Australia.

Turnaround opportunity: IPD has recently secured +$35m in product categories with the leading electrical manufacturer ABB. ABB's market share in Australia (5-10%) is far lower than Europe (20-30%) due to customer service deficiencies of IPD's predecessor and in our view presents IPD with a large turnaround opportunity.

Key Risks

Supplier risk: Although in our view unlikely given the IPD's 30 year tenure with ABB, IPD's distribution agreement with its largest supplier (c.30% of revenue) can be terminated by ABB unilaterally without cause and without any significant penalty with 180 days' notice.

Inventory risk: IPD's agile value proposition involves taking a large, directional view on its stock position. The company's relatively low stock turn of ~3x accentuates realised gains or losses on inventory.

Operating leverage: IPD is a relatively high operating leverage distribution business operating in industries experiencing high input and labour cost pressures. At present, a +/- 1ppt change in GM has a +/- $2.1m impact on EBIT, which equates to c.9% of FY23e.

Acquisition and integration risk: IPD's growth strategy involves acquisitions that have inherent due diligence, capital allocation and business integration risk.

IPD Goup
as at 11 December 2023

Recommendation	Buy
Price	$4.64
Target (12 months)	$5.75

Table 1 - Financial summary

Post-AASB 16							
June year end	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Profit & Loss (A$m)							
Sales revenue	**141.4**	**142.6**	**180.5**	**227.1**	**297.0**	**397.4**	**433.4**
... Growth (%)	*4.7%*	*0.8%*	*26.6%*	*25.8%*	*30.7%*	*33.8%*	*9.1%*
Gross Profit	**52.3**	**54.7**	**68.6**	**86.8**	**111.1**	**141.0**	**153.8**
... Margin %	*37.0%*	*38.4%*	*38.0%*	*38.2%*	*37.4%*	*35.5%*	*35.5%*
EBITDA (normalised)	**14.8**	**16.0**	**22.1**	**27.7**	**38.6**	**53.7**	**58.3**
... Margin %	*10.5%*	*11.2%*	*12.2%*	*12.2%*	*13.0%*	*13.5%*	*13.5%*
Depreciation & amortisation	(4.2)	(4.0)	(3.6)	(4.4)	(6.1)	(7.6)	(7.9)
EBIT	10.6	12.0	18.5	23.4	32.5	46.1	50.5
Net interest	(0.6)	(0.6)	(0.5)	(0.2)	(1.6)	(2.9)	(3.0)
Pre tax profit	10.0	11.4	18.0	23.2	30.9	43.2	47.4
Tax expense	(2.9)	(3.5)	(5.4)	(7.1)	(9.3)	(12.9)	(14.2)
Normalised NPAT	**7.1**	**7.9**	**12.6**	**16.1**	**21.6**	**30.2**	**33.2**
Abs. & extras.	-	-	(1.5)	-	-	-	-
Reported Profit	**7.1**	**7.9**	**11.1**	**16.1**	**21.6**	**30.2**	**33.2**
Pre-AASB16 operating results:							
EBITDAL	**11.2**	**12.6**	**19.2**	**24.4**	**33.9**	**47.9**	**52.1**
Cashflow (A$m)							
Operating EBITDA	14.1	15.4	21.3	27.7	38.6	53.7	58.3
Change in Working Capital	0.0	0.2	-8.1	-16.3	-16.9	-6.7	-9.5
Net Interest	-0.6	0.0	-0.6	-0.4	-0.9	-2.3	-3.0
Tax Paid	-1.6	-4.1	-5.1	-6.5	-8.2	-11.1	-13.6
Other Residual Items	4.1	0.3	3.7	2.9	0.0	0.0	0.0
Operating cashflow	**16.0**	**11.8**	**11.2**	**7.4**	**12.6**	**33.6**	**32.3**
AASB 16 Leases	-2.1	-3.0	-2.4	-2.9	-4.1	-5.1	-5.4
Lease adjusted OCF	**13.9**	**8.8**	**8.8**	**4.6**	**8.5**	**28.5**	**26.9**
Capital Expenditure	-0.9	-0.7	-2.0	-2.2	-7.2	-2.5	-2.5
Free cashflow	**13.0**	**8.1**	**6.8**	**2.4**	**1.4**	**26.0**	**24.4**
Dividends Paid	-2.0	-4.6	-9.3	-7.2	-9.5	-12.7	-14.9
Asset Sales	0.1	0.0	0.2	0.0	0.0	0.0	0.0
Aquisitions	0.0	0.0	-2.3	0.0	-101.3	-10.1	0.0
Other	-11.1	9.5	-0.1	0.1	1.8	0.0	0.0
Equity Issues(Reduction)	0.0	0.0	17.5	0.0	65.0	0.0	0.0
Change in Cash Position	**0.0**	**13.0**	**12.8**	**-4.6**	**-42.6**	**3.3**	**9.5**
Balance Sheet (A$m)							
Cash	-	12.6	25.4	20.8	18.1	21.4	30.9
Receivables	-	27.1	37.6	45.0	81.2	91.4	99.7
Inventory	-	23.2	32.9	42.3	78.7	84.4	92.1
Property, Plant & Equipment	-	2.7	3.4	4.0	12.2	12.2	12.2
Right of use assets	-	13.2	11.1	12.3	12.3	12.3	12.3
Intangibles (excl. goodwill)	-	-	-	-	-	-	-
Goodwill	-	5.2	10.5	10.5	96.6	96.6	96.6
Other assets	-	8.4	4.0	4.8	4.8	4.8	4.8
Total Assets	**0.0**	**92.4**	**124.9**	**139.6**	**303.9**	**323.1**	**348.5**
Trade payables	-	28.3	40.4	40.8	62.2	71.5	78.0
Debt	-	-	-	-	-	-	-
Lease liabilities	-	14.6	11.8	13.8	13.8	13.8	13.8
Other	-	4.5	9.2	12.0	40.1	34.2	35.4
Total Liabilities	**0.0**	**47.4**	**61.4**	**66.7**	**156.1**	**159.6**	**167.3**
Net Assets	**0.0**	**45.0**	**63.4**	**72.9**	**147.7**	**163.5**	**181.2**
Share capital	0.0	31.1	31.5	31.6	96.6	96.6	96.6
Reserves	0.0	-4.9	-0.1	0.4	0.4	0.4	0.4
Retained earnings	0.0	18.8	32.0	41.0	50.8	66.6	84.3
Shareholders Equity	**0.0**	**45.0**	**63.4**	**72.9**	**147.7**	**163.5**	**181.2**
Net Debt (Cash)	-	**(12.6)**	**(25.4)**	**(20.8)**	**21.9**	**18.6**	**9.1**
AASB 16 leases	-	14.6	11.8	13.8	13.8	13.8	13.8
Group indebtedness	-	**2.0**	**(13.6)**	**(6.9)**	**35.7**	**32.4**	**23.0**

Share price ($)	4.64
Target price ($)	5.75
Rating	Buy
Issued capital (m)	103.1
Market cap ($m)	478.3
Enterprise value ($m)	514.0
Free Float	89%

Note: Enterprise value includes operating leases. EBITDAL is pre-AASB 16 lease accounting.

June year end	**2020**	**2021**	**2022**	**2023**	**2024e**	**2025e**	**2026e**
Segmental Information							
Products division (excl. EV)	125.6	127.6	161.5	204.8	225.1	242.9	263.3
EV charging hardware sales	-	-	1.0	3.5	5.0	8.0	12.0
Service division	15.8	15.0	18.1	18.8	20.7	22.8	25.1
Ex Engineering	-	-	-	-	11.4	13.2	14.2
CMI Operations	-	-	-	-	34.8	110.6	118.8
Group revenue	**141.4**	**142.6**	**180.5**	**227.1**	**297.0**	**397.4**	**433.4**
... Growth (%)	*4.7%*	*0.8%*	*26.6%*	*25.8%*	*30.7%*	*33.8%*	*9.1%*
Products division (excl. EV)	-	14.5	19.8	26.0	28.6	30.6	33.0
EV charging hardware	-	-	0.1	0.4	0.6	1.0	1.5
Service division	-	0.9	1.4	1.3	1.4	1.6	1.8
Ex Engineering	-	-	-	-	2.3	2.6	2.8
CMI Operations	-	-	-	-	5.7	17.8	19.2
Segment EBITDA	**14.1**	**15.4**	**21.3**	**27.7**	**38.6**	**53.7**	**58.3**
Other income	0.7	0.6	0.8	0.0	0.0	0.0	0.0
EBITDA (normalised)	**14.8**	**16.0**	**22.1**	**27.7**	**38.6**	**53.7**	**58.3**
Valuation Ratios							
Core EPS (cps)	8.2	9.2	14.6	18.6	21.0	29.3	32.2
Core Diluted EPS (cps)	8.2	9.2	14.6	18.6	21.0	29.3	32.2
EPS growth (%)	*69.0%*	*11.3%*	*59.5%*	*27.5%*	*12.7%*	*39.6%*	*9.9%*
Adjusted PE (x)	56.4	50.7	31.8	24.9	22.1	15.8	14.4
EV/EBITDA (x)	34.7	32.1	23.3	18.5	13.3	9.6	8.8
EV/EBITDAL (x)	46.0	40.9	26.8	21.1	15.2	10.7	9.9
EV/EBIT (x)	48.5	42.8	27.8	22.0	15.8	11.2	10.2
NTA per share ($ps)	nm	0.46	0.61	0.72	0.59	0.78	0.98
P/NTA (x)	nm	10.06	7.56	6.42	7.83	5.99	4.73
DPS (cps)	0.0	0.0	3.7	9.3	10.6	14.0	15.0
Payout on reported EPS	0.0%	0.0%	25.3%	49.9%	50.5%	47.8%	46.6%
Dividend Yield %	0.0%	0.0%	0.8%	2.0%	2.3%	3.0%	3.2%
Franking (%)	100%	100%	100%	100%	100%	100%	100%
FCF per share (cps)	15.1	8.9	7.9	2.8	1.3	25.3	23.7
FCF yield %	3.2%	1.9%	1.7%	0.6%	0.3%	5.4%	5.1%
Performance Ratios							
Group EBITDA margin (%)	10.5%	11.2%	12.2%	12.2%	13.0%	13.5%	13.5%
Group EBIT margin (%)	7.5%	8.4%	10.3%	10.3%	11.0%	11.6%	11.6%
OCF Realisation to EBITDAL (%)	nm	66.8%	45.8%	18.7%	25.2%	59.6%	51.7%
FCF Realisation to NPAT (%)	183.1%	97.5%	53.9%	14.9%	6.4%	86.2%	73.6%
ROE (%)	nm	17.6%	19.9%	22.0%	14.6%	18.5%	18.3%
ROIC (%)	nm	37.0%	52.5%	51.8%	29.4%	26.2%	27.1%
Asset turns (years)	11.2	12.6	18.3	17.0	17.1	19.2	20.9
Capex/Depn excl. leases (x)	0.9	0.7	1.9	1.5	3.6	1.0	1.0
ND/EBITDAL	-	(1.0)	(1.3)	0.9	0.6	0.4	0.2
EBIT interest cover	(17.7)	(20.0)	(37.0)	(136.7)	(20.0)	(15.7)	(16.6)
Net debt to equity (%)	nm	-28.0%	-40.0%	30.0%	14.8%	11.4%	5.0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

Such investments may carry an exceptionally high level of capital risk and volatility of returns.

Research Team

Staff Member	Title/Sector	Phone	@bellpotter.com.au
Chris Savage	Head of Research/Industrials	612 8224 2835	csavage
Analysts			
John Hester	Healthcare	612 8224 2871	jhester
Thomas Wakim	Healthcare	612 8224 2815	twakim
Michael Ardrey	Industrials	613 9256 8782	mardrey
Marcus Barnard	Industrials	618 9326 7673	mbarnard
Sam Brandwood	Industrials	612 8224 2850	sbrandwood
Olivia Hagglund	Industrials	612 8224 2813	ohagglund
Joseph House	Industrials	613 9325 1624	jhouse
Daniel Laing	Industrials	612 8224 2886	dlaing
Hayden Nicholson	Industrials	613 92351757	hnicholson
Chami Ratnapala	Industrials	612 8224 2845	cratnapala
Jonathan Snape	Industrials	613 9235 1601	jsnape
Andy MacFarlane	Real Estate	612 8224 2843	amacfarlane
Regan Burrows	Resources	618 9236 7677	rburrows
David Coates	Resources	612 8224 2887	dcoates
Stuart Howe	Resources	613 9325 1856	showe
Brad Watson	Resources	618 9326 7672	bwatson
James Williamson	Resources	613 9235 1692	jwilliamson
Associates			
Connor Eldridge	Associate Analyst	612 8224 2893	celdridge
Georgia Etherington	Associate Analyst	612 8224 2846	getherington
Baxter Kirk	Associate Analyst	613 9235 1625	bkirk
Ritesh Varma	Associate Analyst	613 9235 1658	rvarma

Research Coverage & Policies

For Bell Potter Securities' Research Coverage Decision Making Process and Research Independence Policy please refer to our company website: https://bellpotter.com.au/research-independence-policy/.

Authoring Research Analyst's Certification

The Authoring Research Analyst is responsible for the content of this Research Report, and, certifies that with respect to each security that the Analyst covered in this Report (1) all the views expressed accurately reflect the Analyst's personal views about those securities and were prepared in an independent manner and (2) no part of the Analyst's compensation was, is or will be, directly or indirectly, related to specific recommendations or views expressed by that Research Analyst in the Research Report.

Research Analyst's Compensation

Research Analyst's compensation is determined by Bell Potter Securities Research Management and Bell Potter Securities' Senior Management and is based upon activities and services intended to benefit the investor clients of Bell Potter Securities Ltd. Compensation is not linked to specific transactions or recommendations. Like all Company employees Research Analysts receive compensation that is impacted by overall Company profitability.

Prices

The Price appearing in the Recommendation panel on page 1 of the Research Report is the Closing Price on the Date of the Research Report (appearing in the top right hand corner of page 1 of the Research Report), unless a before midday (am) time appears below the Date of the Research Report in which case the Price appearing in the Recommendation panel will be the Closing Price on the business day prior to the Date of the Research Report.

Availability

The completion and first dissemination of a Recommendation made within a Research Report are shortly after the close of the Market on the Date of the Research Report, unless a before midday (am) time appears below the Date of the Research Report in which case the Research Report will be completed and first disseminated shortly after that am time.

Disclosure: Bell Potter Securities acted as underwriter and lead manager to IPD's $65 equity raising in Nov'23 and received fees for that service.

Dissemination

Bell Potter generally disseminates its Research to the Company's Institutional and Private Clients via both proprietary and non-proprietary electronic distribution platforms. Certain Research may be disseminated only via the Company's proprietary distribution platforms; however such Research will not contain changes to earnings forecasts, target price, investment or risk rating or investment thesis or be otherwise inconsistent with the Author's previously published Research. Certain Research is made available only to institutional investors to satisfy regulatory requirements. Individual Bell Potter Research Analysts may also opt to circulate published Research to one or more Clients by email; such email distribution is discretionary and is done only after the Research has been disseminated. The level and types of service provided by Bell Potter Research Analysts to Clients may vary depending on various factors such as the Client's individual preferences as to frequency and manner of receiving communications from Analysts, the Client's risk profile and investment focus and perspective (e.g. market-wide, sector specific long term and short term etc.) the size and scope of the overall Client relationship with the Company and legal and regulatory constraints.

Disclaimers

This Research Report is a private communication to Clients and is not intended for public circulation or for the use of any third party, without the prior written approval of Bell Potter Securities Limited.

The Research Report is for informational purposes only and is not intended as an offer or solicitation for the purpose of sale of a security. Any decision to purchase securities mentioned in the Report must take into account existing public information on such security or any registered prospectus.

This is general investment advice only and does not constitute personal advice to any person. Because this Research Report has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited Broker (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this Research Report.

While this Research Report is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in this document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee expressly or impliedly, that the information contained in this Research Report is complete or accurate.

Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions or recommendations contained in this Research Report or for correcting any error or omission which may have become apparent after the Research Report has been issued.

Bell Potter Securities Research Department has received assistance from the Company referred to in this Research Report including but not limited to discussions with management of the Company. Bell Potter Securities Policy prohibits Research Analysts sending draft Recommendations, Valuations and Price Targets to subject companies. However, it should be presumed that the Author of the Research Report has had discussions with the subject Company to ensure factual accuracy prior to publication.

All opinions, projections and estimates constitute the judgement of the Author as of the Date of the Research Report and these, plus any other information contained in the Research Report, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice.

Notwithstanding other departments within Bell Potter Securities Limited advising the subject Company, information obtained in such role is not used in the preparation of the Research Report.

Although Bell Potter Research does not set a predetermined frequency for publication, if the Research Report is a fundamental equity research report it is the intention of Bell Potter Research to provide research coverage of the covered issuers, including in response to news affecting the issuer. For non-fundamental Research Reports, Bell Potter Research may not provide regular updates to the views, recommendations and facts included in the reports.

Notwithstanding that Bell Potter maintains coverage on, makes recommendations concerning or discusses issuers, Bell Potter Research may be periodically restricted from referencing certain Issuers due to legal or policy reasons. Where the component of a published trade idea is subject to a restriction, the trade idea will be removed from any list of open trade ideas included in the Research Report. Upon lifting of the restriction, the trade idea will either be re-instated in the open trade ideas list if the Analyst continues to support it or it will be officially closed.

Bell Potter Research may provide different research products and services to different classes of clients (for example based upon long-term or short term investment horizons) that may lead to differing conclusions or recommendations that could impact the price of a security contrary to the recommendations in the alternative Research Report, provided each is consistent with the rating system for each respective Research Report.

Except in so far as liability under any statute cannot be excluded, Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in the document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of the document or any other person.

In the USA and the UK this Research Report is only for institutional investors. It is not for release, publication or distribution in whole or in part in the two specified countries. In Hong Kong this Research Report is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. In the United States this Research Report is being distributed by Bell Potter Securities (US) LLC which is a registered broker-dealer and member of FINRA. Any person receiving this Research Report from Bell Potter Securities (US) LLC and wishing to transact in any security described herein should do so with Bell Potter Securities (US) LLC.

Bell Potter Securities Limited
ABN 25 006 390 772
Level 29, 101 Collins Street
Melbourne, Victoria, 3000
Telephone +61 3 9256 8700
www.bellpotter.com.au

Bell Potter Securities (HK) Limited
Room 1601, 16/F
Prosperity Tower, 39 Queens Road Central, Hong Kong, 0000
Telephone +852 3750 8400

Bell Potter Securities (US) LLC
Floor 39
444 Madison Avenue, New York NY 10022, U.S.A
Telephone +1 917 819 1410

Bell Potter Securities (UK) Limited
16 Berkeley Street London, England W1J 8DZ, United Kingdom
Telephone +44 7734 2929