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Coronado Global Resources (CRN)

CY23 result: Productivity gains in sight

Recommendation

Buy (unchanged)

Price

\$1.40

Target (12 months)

\$1.85 (previously \$1.95)

GICS Sector

Materials

Expected Return

Capital growth	32%
Dividend yield	4%
Total expected return	36%

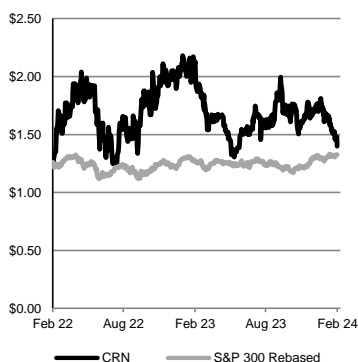
Company Data & Ratios

Enterprise value	\$2,328m
Market cap	\$2,347m
Issued capital	1,676m
Free float	50%
Avg. daily val. (52wk)	\$5.5m
12 month price range	\$1.29-2.18

Price Performance

	(1m)	(3m)	(12m)
Price (A\$)	1.71	1.60	2.16
Absolute (%)	-17.9	-12.5	-35.2
Rel market (%)	-21.5	-20.3	-39.2

Absolute Price



SOURCE: IRESS

CY23 result in line; CY24 production guidance falls short

CRN reported NPAT of US\$156m (BP est. US\$152m) and underlying EBITDA of US\$382m. A net cash position of US\$97m and available liquidity of US\$489m were reported at last month's December 2023 quarterly release. A final dividend of US\$0.005/sh was declared, in line with its biannual fixed dividend policy.

Initial CY24 guidance issued: CRN is guiding to saleable production of 16.4-17.2Mt (CY23 15.8Mt); mining costs of US\$95-99/t (CY23 US\$108/t); and capital expenditure of US\$220-250m (CY23 US\$228m). We had expected stronger production guidance (~18Mt) given significant investment in Curragh's waste movement over CY22-23; and the commencement of mining at Buchanan's Southern District, which is believed to host more favourable geological conditions compared with the North.

20.5Mtpa production target on track for mid-2025

From late 2024, the Curragh Underground Project is expected to provide an additional 1.5-2.0Mtpa saleable production at a capital cost of US\$105m. At Buchanan, supplementary hoisting and storage capacity is on schedule for completion in mid-2025. CRN remain on target for 20.5Mtpa saleable production from mid-2025, which should support more consistent free cash generation and shareholder returns. We forecast dividend yields of 4%, 8% and 6% in years CY24-26, respectively.

EPS changes as in this update include: CY24 -44%; CY25 -32%; and CY26 -3%. We have marginally lowered our production estimates and increased our unit cost assumptions in CY24 and CY25, consistent with the broader industry landscape.

Investment view - Buy, Target Price \$1.85/sh (prev. \$1.95/sh)

Our Buy recommendation reflects our positive met coal price outlook (supply constrained). Throughout 2024, CRN should realise production and cost benefits from its self-funded organic growth investment across its Australian and US operations, supporting consistent free cash generation and shareholder returns. We still see the potential for CRN to participate in industry consolidation.

Earnings Forecast

Year ending 31 December	2023a	2024e	2025e	2026e
Sales (US\$m)	2,891	2,764	2,519	2,602
EBITDA (US\$m)	333	449	419	486
NPAT (underlying) (US\$m)	146	219	177	221
NPAT (reported) (US\$m)	156	219	177	221
EPS (adjusted) (A¢ps)	13.6	18.7	15.1	18.8
EPS growth (%)	-79%	37%	-19%	25%
PER (x)	10.3	7.5	9.3	7.5
FCF Yield (%)	2%	7%	10%	11%
EV/EBITDA (x)	4.6	3.4	3.6	3.1
Dividend (A¢ps)	1.5	5.7	11.4	8.6
Yield (%)	1%	4%	8%	6%
Franking (%)	0%	60%	60%	60%
ROE (%)	13%	17%	12%	14%

SOURCE: BELL POTTER SECURITIES ESTIMATES

CY23 result: Productivity gains in sight

Table 1 – CY23 result summary

Period ending FY / HY	Jun-22 HY (actual)	Dec-22 HY (actual)	Dec-22 FY (actual)	Jun-23 HY (actual)	Dec-23 HY (actual)	Dec-23 FY (actual)	Actual vs PCP %	Dec-23 FY (BP est)	Actual vs BP est. %
Profit & loss									
Revenue US\$m	1,980	1,592	3,572	1,493	1397	2891	-19%	2,891	0%
EBITDA (underlying) US\$m	848	368	1,216	349	33	382	-69%	374	2%
EBIT (underlying) US\$m	759	287	1,046	271	-50	221	-79%	213	4%
NPAT (reported) US\$m	562	210	772	199	-43	156	-80%	152	3%
EPS US cps	33.5	12.5	46.0	11.9	-3	9.3	-80%	9.1	3%
DPS US cps	19.4	13.5	32.9	0.5	0.50	1.00	-97%	0.5	100%
Physicals									
Tonnes sold Mt	8.3	8.0	16.3	7.7	8.1	15.8	-3%		
HCC index price US\$/t (FastMarkets)	468	265	367	291	299	295	-19%		
Average realised price US\$/t (calculated)	239	199	219	194	173	216	-2%		
Price realisation % (calculated)	51%	75%	60%	67%	58%	73%			
Mining cost (excl. royalties) US\$/t	85	90	88	95	120	108	22%		
Balance sheet									
Cash US\$m	486	-	335	434		339			
Drawn debt (excl. leases) US\$m	310	-	241	242		242			
Net debt (excl. leases) US\$m	-176	-	-94	-192		-97			

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Initial CY24 guidance: Production softer than expected

Saleable production: 16.4-17.2Mt, softer than we had forecast (~18Mt).

- We had expected CY24 production to be around 18Mt, following the significant investment in waste movement at Curragh, and the commencement of mining in the more geologically favourable Southern District at Buchanan. For CY24, we now forecast incrementally higher production at Curragh (BP est. 11Mt) and marginally higher at CRN's US operations (BP est. 6Mt).

By CY25, CRN expects saleable coal production of 13.5Mtpa at Curragh and 7Mtpa across its US operations to support Group production of 20.5Mtpa

Mining costs: Expected to benefit from higher production and fleet rationalisation.

- Expected costs of US\$95-99/t, a 10% decrease (midpoint) on CY23 driven by fleet rationalisation at Curragh and higher group production.

Capital expenditure: Broadly in line with CY23 on continued organic growth works.

- Curragh Underground: Phase 1 is expected to produce 1.5-2.0Mtpa saleable production via the Bord and Pillar method, at a capex estimate of ~US\$105m. First coal is targeted from late 2024, subject to regulatory approvals.
- Buchanan Expansion: Expanding stockpile storage remains on track for early 2025. The installation of a second set of skips should improve hoisting capacity from mid-2025.

Table 2 - CY24 guidance

	CY22 (actual)	CY23 (actual)	CY24 (guidance)	CY24 (guidance) vs CY23 (actual)	BP est. (previous)	BP est. (new)	Change %
Saleable production Mt	16.0	15.8	16.4 - 17.2	4% - 9%	18.0	16.9	-6%
Mining cost US\$/t	88.4	107.6	95.0 - 99.0	-12% - -8%	86	96.9	13%
Capex US\$m	185	228	220 - 250	-4% - 10%	265	247	-7%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Other observations from the result:

- **Curragh stamp-duty dispute:** CRN advised of a dispute with the Queensland Revenue Office (QRO) regarding stamp duty payable in relation to the Curragh acquisition. The QRO have assessed stamp duty payable of US\$56.2m plus unpaid interest of US\$14.5m (total US\$70.7m). CRN maintain its stamp duty payable estimate of US\$29.4m, and to date have made a partial payment of US\$17.6m. The QRO have disallowed CRN's objection of its assessed stamp-duty, and regulations state CRN must pay the total amount prior to lodging an appeal. Subsequently, CRN have recognised the additional accrual of US\$41.3m within its financial statements.
- **Stanwell rebate:** CRN expect to realise a ~US\$7/t (~US\$120m p.a.) cost benefit at the group level, once the existing Stanwell Coal Supply Arrangement (CSA) expires by early 2027. Additionally, from 2027, the new CSA requires 2Mtpa to be supplied to the power station (down from 3Mtpa), allowing the company an additional 1Mtpa met coal sales.

Changes to earnings estimates

Earnings changes in this report are the net result of:

- Incorporating the CY23 result;
- Adjusting our model for the initial CY24 guidance; and
- Other minor adjustments.

Table 3 - Changes to earnings estimates

Year ending 31 December	Previous			New			Change		
	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Benchmark coal prices									
Hard coking coal (US\$/t FOB)	269	200	180	269	200	180	0%	0%	0%
Thermal coal (US\$/t FOB)	143	125	80	143	125	80	0%	0%	0%
US\$/A\$	0.70	0.70	0.70	0.70	0.70	0.70	0%	0%	0%
Volumes									
Equity sales (Mt)	18.0	20.0	21.5	16.9	19.4	21.5	-6%	-3%	0%
Financials									
Sales (US\$m)	2,983	2,596	2,602	2,764	2,519	2,602	-7%	-3%	0%
EBITDA (US\$m)	711	544	486	449	419	486	-37%	-23%	0%
NPAT (underlying) US\$m	393	260	227	219	177	221	-44%	-32%	-3%
NPAT (reported) (US\$m)	393	260	227	219	177	221	-44%	-32%	-3%
EPS (adjusted) (Aeps)	33.5	22.1	19.4	18.7	15.1	18.8	-44%	-32%	-3%
Dividend (Aeps)	17.1	14.3	8.6	5.7	11.4	8.6	-67%	-20%	0%
Valuation	1.92	1.95	1.95	1.74	1.84	1.94	-9%	-6%	0%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Earnings & valuation sensitivities

Coal price scenarios: Sensitivity & spot leverage

CRN sells several grades of met and thermal coal from its operations in Australia and the US to multiple domestic and seaborne end-markets. As such, the following sensitivity and break-even analysis can only provide a rough guide to earnings outcomes. The analysis references benchmark hard coking coal prices (FOB Queensland) from which we calculate the majority of CRN's realised prices.

Note: Under each scenario (including spot), coal price and currency estimates are flexed over the forecast period before returning to our long run estimates in 2027.

Table 4 - Met coal price sensitivity & spot price leverage

	HCC			EBITDA A\$m			EPS Acps			FCF A\$m			Val'n
	CY23	CY24	CY25	CY23	CY24	CY25	CY23	CY24	CY25	CY23	CY24	CY25	A\$/sh
+15%	309	230	207	768	720	805	38.0	33.6	38.4	317	390	401	2.33
+10%	296	220	198	662	620	700	31.6	27.4	32.0	250	314	329	2.16
+5%	282	210	189	556	519	593	25.2	21.2	25.4	183	238	256	1.99
Base case	269	200	180	449	419	486	18.7	15.1	18.8	115	163	183	1.84
-5%	255	190	171	341	316	379	12.1	8.7	12.2	47	86	110	1.66
-10%	242	180	162	232	213	272	5.5	2.3	5.5	-22	7	36	1.49
-15%	228	170	153	124	109	164	-1.1	-4.1	-1.3	-91	-71	-39	1.33
Spot	314	314	314	816	1,554	2,027	43.9	90.4	121.3	332	959	1,208	3.62

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

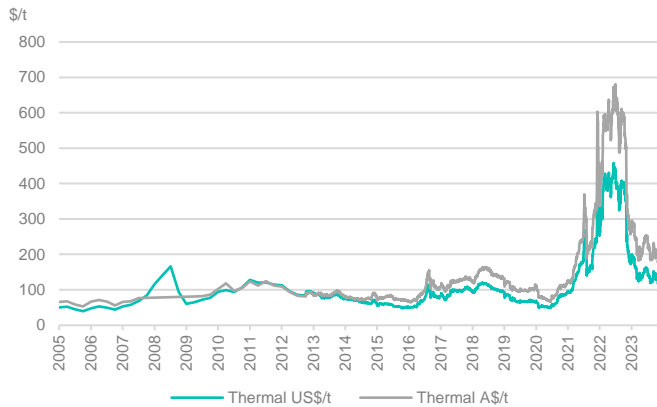
Table 5 - Met coal price sensitivity & spot price leverage

	HCC			EV/EBITDA x			PE x			FCF yield %			Val'n vs share
	CY23	CY24	CY25	CY23	CY24	CY25	CY23	CY24	CY25	CY23	CY24	CY25	%
+15%	309	230	207	2.0	2.1	1.9	3.7	4.2	3.6	21%	25%	26%	66%
+10%	296	220	198	2.3	2.5	2.2	4.4	5.1	4.4	16%	20%	22%	54%
+5%	282	210	189	2.7	2.9	2.6	5.6	6.6	5.5	12%	16%	17%	42%
Base case	269	200	180	3.4	3.6	3.1	7.5	9.3	7.5	8%	11%	12%	31%
-5%	255	190	171	4.5	4.8	4.0	11.6	16.0	11.5	3%	6%	7%	19%
-10%	242	180	162	6.5	7.1	5.6	25.4	59.7	25.6	-1%	0%	2%	6%
-15%	228	170	153	12.3	13.9	9.3	-127.1	-34.6	-111.1	-6%	-5%	-3%	-5%
Spot	314	314	314	1.9	1.0	0.7	3.2	1.5	1.2	22%	63%	79%	158%

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

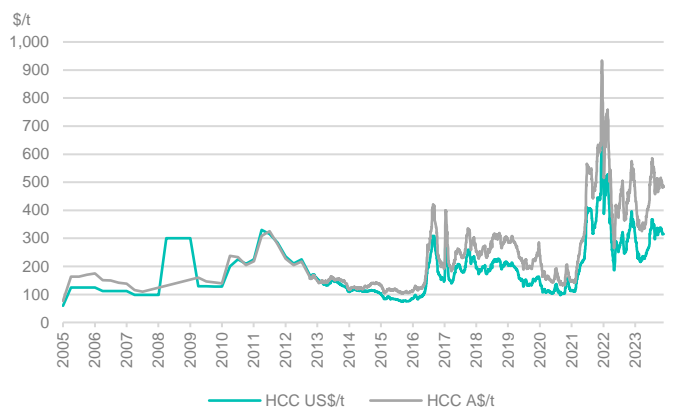
Coal & steel price charts

Figure 1 - Thermal coal (FOB Newcastle, US\$/t & A\$/t)



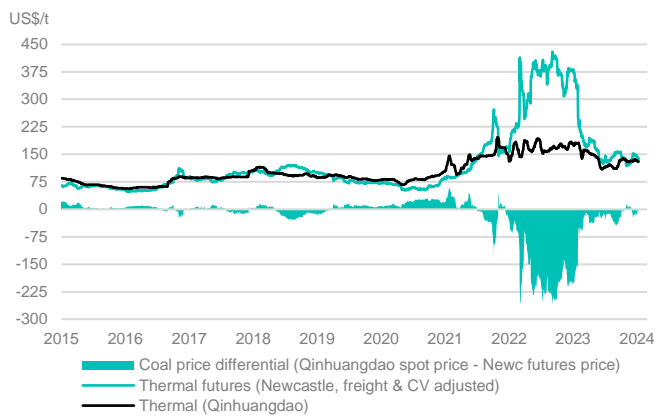
SOURCE: SOURCE: BLOOMBERG (COASNE60 INDEX) & IRESS

Figure 2 - Premium Hard Coking Coal (FOB Qld, US\$/t & A\$/t)



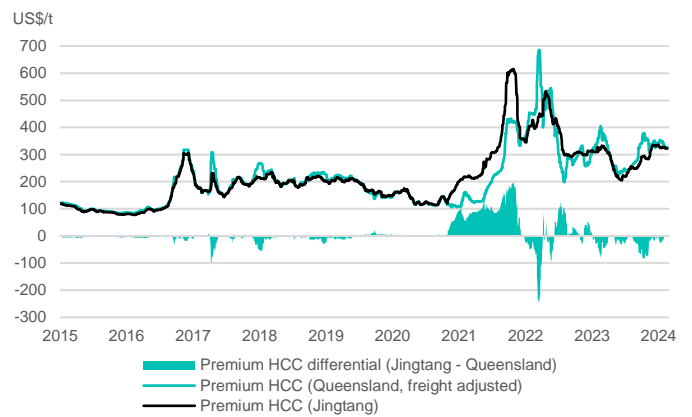
SOURCE: SOURCE: FASTMARKETS (MB-COA-0003) & IRESS

Figure 3 - Thermal coal – China domestic vs imports



SOURCE: BLOOMBERG - COASNE60 INDEX (NEWC THERMAL), COASQI55 INDEX (QINH THERMAL) & BELL POTTER SECURITIES ESTIMATES

Figure 4 - Met coal– China domestic vs imports



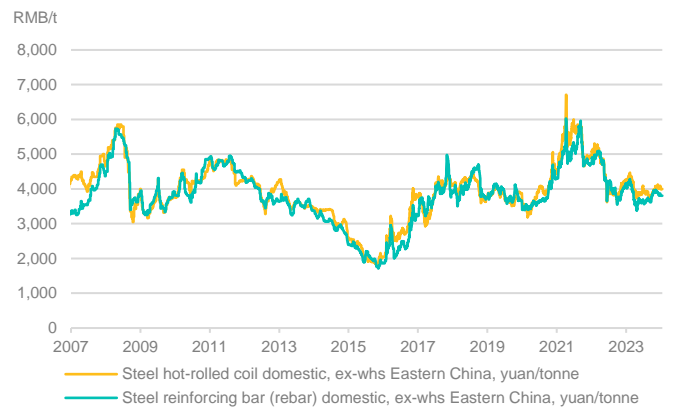
SOURCE: METAL BULLETIN, IRESS & BELL POTTER SECURITIES ESTIMATES

Figure 5 - Steel: China export HRC & rebar US\$/t



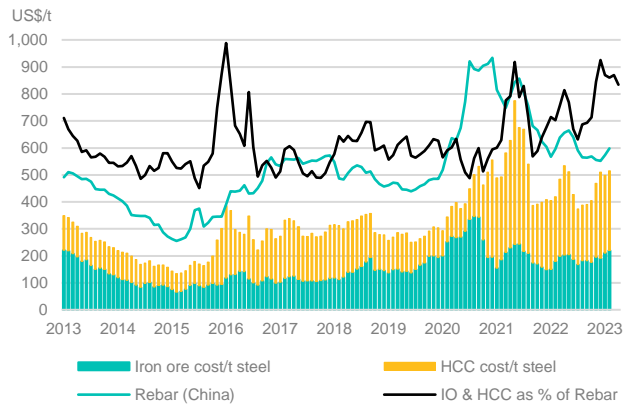
SOURCE: FASTMARKETS (MB-STE-0147 & MB-STE-0144), & BELL POTTER SECURITIES

Figure 6 - Steel: China domestic HRC & rebar RMB/t



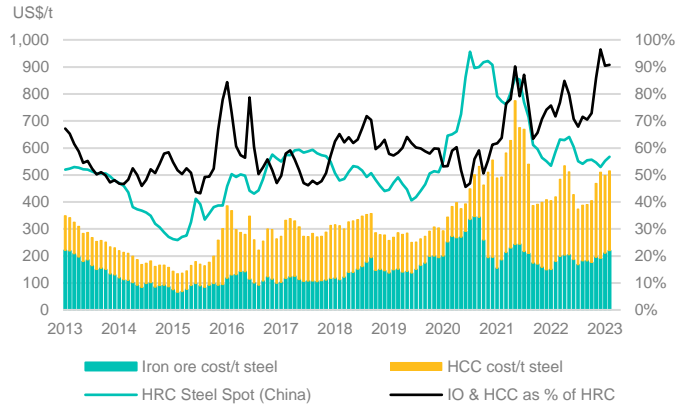
SOURCE: FASTMARKETS (MB-STE-0152 & MB-STE-0154), & BELL POTTER SECURITIES

Figure 7 - Steel: Rebar (China) vs Inputs US\$/t (monthly)



SOURCE: BLOOMBERG - CDSPDRAV INDEX (CHINA REBAR), METAL BULLETIN & BELL POTTER SECURITIES ESTIMATES

Figure 8 - Steel: HRC (China) vs Inputs US\$/t (monthly)



SOURCE: BLOOMBERG - CSPWHRSE INDEX (CHINA HRC), METAL BULLETIN & BELL POTTER SECURITIES ESTIMATES

Coronado Global Resources (CRN)

Company description

CRN is the largest pure-play met coal producer delivering into global export markets, with total sales of 15.6Mt in 2023 (76% met coal). The company is based in Brisbane, and first listed CDIs on the ASX in October 2018. Its assets are diversified by geography, with key production centres being Curragh (Queensland, Australia) and Buchanan (Virginia, United States). CRN supplies coal to steelmaking customers located in the Americas, Europe and Asia.

Investment view - Buy, Target Price \$1.85/sh (prev. \$1.95/sh)

Our Buy recommendation reflects our positive met coal price outlook (supply constrained). Throughout 2024, CRN should realise production and cost benefits from its self-funded organic growth investment across its Australian and US operations, supporting consistent free cash generation and shareholder returns. We still see the potential for CRN to participate in industry consolidation.

Valuation

Our valuation is based on discounted cash flow models of CRN's key operating assets: Curragh; Buchanan; and Logan. The US operations are modelled to their current reserve life. Curragh is modelled to 2038, with the expectation that a large proportion of the 318Mt SRA Resource will convert to Reserves. We assume mine parameters consistent with historical production, CRN prospectus guidance, Bell Potter Securities' estimated production outlooks and peer asset benchmarks.

Risks

Risks to resources sector equities include, but are not limited to:

- **Commodity price and exchange rate fluctuations.** The future earnings and valuations of exploration, development and operating resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Infrastructure access.** Bulk commodity producers are particularly reliant upon access to transport infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour markets.
- **Resource growth and mine life extensions.** Future earnings forecasts and valuations may rely upon Resource and reserve growth to extend mine lives.
- **Sovereign risks.** Mining companies' assets can be located in countries other than Australia and are subject to the sovereign risks of that country.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Environmental risks.** Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and mining processes. Fossil fuel producers (coal) may be particularly exposed to the environmental risks of end markets including the electricity generation and steel production industries.
- **Operating and development risks.** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety risks.** Mining companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **COVID-19 risks:** Mining companies' rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures being put in place to combat the COVID-19 pandemic are posing risks to these conditions.

Table 6 - Financial summary

Date	20/02/24						Bell Potter Securities						
Price	A\$/sh	1.40					James Williamson (jwilliamson@bellpotter.com.au, +61 3 9235 1692)						
Target price	A\$/sh	1.85					Stuart Howe (showe@bellpotter.com.au, +61 3 9235 1856)						
PROFIT AND LOSS							FINANCIAL RATIOS						
Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e	Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e
Revenue (including other)	US\$m	3,572	2,891	2,764	2,519	2,602	VALUATION						
Expenses	US\$m	(2,358)	(2,558)	(2,315)	(2,100)	(2,116)	EPS	USc/sh	46.0	9.3	13.1	10.5	13.2
EBITDA (operating)	US\$m	1,213	333	449	419	486	EPS growth (UScops)	%	281%	-80%	40%	-19%	25%
Depreciation	US\$m	(167)	(161)	(133)	(167)	(185)	EPS	Ac/sh	65.3	13.6	18.7	15.1	18.8
EBIT	US\$m	1,046	172	315	252	301	EPS growth (Acps)	%	285%	-79%	37%	-19%	25%
Net interest expense	US\$m	(73)	(58)	(7)	(3)	9	PER	x	2.1x	10.3x	7.5x	9.3x	7.5x
PBT	US\$m	973	114	308	249	311	DPS	USc/sh	33.3	1.0	4.0	8.0	6.0
Tax expense	US\$m	(232)	32	(89)	(72)	(90)	DPS	Ac/sh	47.7	1.5	5.7	11.4	8.6
NPAT (underlying)	US\$m	742	146	219	177	221	Franking	%	0%	0%	60%	60%	60%
Abnormal items	US\$m	30	10	-	-	-	Yield	%	34%	1%	4%	8%	6%
NPAT (reported)	US\$m	772	156	219	177	221	FCF/share	USc/sh	42.8	1.8	6.9	9.7	10.9
							FCF/share	Ac/sh	61.3	2.4	9.8	13.9	15.6
							FCF yield	%	44%	2%	7%	10%	11%
							DPS / FCF/share (payout ratio)	%	78%	56%	58%	82%	55%
							EV/EBITDA	x	1.3x	4.6x	3.4x	3.6x	3.1x
CASH FLOW STATEMENT							LIQUIDITY & LEVERAGE						
Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e	Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e
OPERATING CASH FLOW							Net debt / (cash)	US\$m	(94)	(81)	(138)	(200)	(299)
Net income	US\$m	772	156	219	177	221	Net debt / Equity	%	-9%	-7%	-10%	-13%	-18%
Depreciation	US\$m	166	164	133	167	185	Net debt / Net debt + Equity	%	-9%	-7%	-11%	-16%	-23%
Amortisation of below market CSA	US\$m	(37)	(33)	(32)	(32)	(32)	Net debt / EBITDA	x	-0.1x	-0.2x	-0.3x	-0.5x	-0.6x
Changes in working capital	US\$m	(226)	162	42	65	(90)	EBITDA/net interest expense	x	16.6x	5.7x	64.1x	124.6x	-52.0x
Other	US\$m	252	(181)	-	-	-	PROFITABILITY RATIOS						
Operating cash flow	US\$m	927	268	363	376	283	EBITDA margin	%	34%	12%	16%	17%	19%
INVESTING CASH FLOW							EBIT margin	%	29%	6%	11%	10%	12%
Capex	US\$m	(200)	(237)	(247)	(213)	(100)	Return on assets	%	31%	6%	8%	6%	8%
Acquisitions	US\$m	-	-	-	-	-	Return on equity	%	71%	13%	17%	12%	14%
Other	US\$m	(9)	(1)	-	-	-	ASSUMPTIONS - Prices (nominal)						
Investing cash flow	US\$m	(208)	(238)	(247)	(213)	(100)	Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e
FINANCING CASH FLOW							Hard coking coal	US\$/t	367	295	269	200	180
Debt proceeds/(repayments)	US\$m	-	-	-	-	-	LV PCI	US\$/t	331	218	194	151	125
Repayment of borrowings	US\$m	(84)	(4)	(35)	(35)	(169)	Semi-soft coking coal	US\$/t	356	215	185	150	114
Dividends	US\$m	(700)	(17)	(59)	(101)	(84)	Thermal coal	US\$/t	357	175	143	125	80
Capital return	US\$m	-	-	-	-	-	CURRENCY						
Proceeds from equity issues (net)	US\$m	-	-	-	-	-	AUD/USD	US\$/A\$	0.69	0.66	0.70	0.70	0.70
Other	US\$m	-	(3)	-	-	-	ASSUMPTIONS - Sales (equity)						
Financing cash flow	US\$m	(784)	(25)	(94)	(136)	(253)	Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e
Change in cash	US\$m	(66)	5	22	27	(69)	Saleable production	Mt	15.9	15.8	16.9	19.4	21.5
Free cash flow	US\$m	718	30	115	163	183	Sales by asset						
							Curragh met coal	Mt	6.5	6.8	7.7	9.6	10.8
							Curragh domestic thermal	Mt	3.4	3.1	3.2	3.2	3.2
							Buchanan	Mt	4.2	3.9	4.0	4.2	4.2
							Logan	Mt	2.1	2.1	2.0	2.4	3.3
							Greenbrier	Mt	-	-	-	-	-
							Total	Mt	16.3	15.9	16.9	19.4	21.5
							Mining cost per tonne sold	US\$/t	56	108	97	81	73
							Average revenue	US\$/t	210	174	164	130	121
							Average cost (EBITDA less Revenue)	US\$/t	124	145	136	107	99
							Average EBITDA (after royalties)	US\$/t	86	28	28	23	22
							Met coal proportion	%	75%	77%	78%	80%	81%
BALANCE SHEET							VALUATION						
Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e	Year ending 31 December	Unit	2022a	2023a	2024e	2025e	2026e
ASSETS							Issued capital	Unit					
Cash	\$m	335	339	361	388	319	Shares on issue	m	1,676				
Receivables	\$m	410	264	201	128	219	Options assumed	m	0				
Inventories	\$m	158	192	192	192	192	Diluted shares	m	1,676				
Property, plant and equipment	\$m	1,390	1,506	1,620	1,667	1,582	NPV (Discount rate 12%, real)						
Other assets	\$m	258	376	376	376	376	Current	A\$m	A\$/sh	A\$m	A\$/sh	A\$m	A\$/sh
Total assets	\$m	2,550	2,678	2,751	2,751	2,688	Curragh	1,212	0.72	1,406	0.84	1,546	0.92
LIABILITIES							Buchanan & Logan	1,869	1.11	1,763	1.05	1,698	1.01
Creditors	\$m	62	113	93	84	85	Corporate & other	(293)	(0.18)	(287)	(0.17)	(280)	(0.17)
Borrowings	\$m	241	258	223	188	19	Total	2,787	1.66	2,883	1.72	2,964	1.77
Non-market contract obligations	\$m	338	339	307	275	243	Net debt	(122)	(0.07)	(197)	(0.12)	(286)	(0.17)
Other liabilities	\$m	807	722	722	722	722	Equity value	2,909	1.74	3,079	1.84	3,250	1.94
Total liabilities	\$m	1,447	1,432	1,344	1,269	1,069	RESOURCES & MARKETABLE RESERVES (OPERATING ASSETS ONLY)						
NET ASSETS	\$m	1,103	1,246	1,406	1,483	1,619	Resources	Unit	Equity	Meas & Ind	Total	Reserve	
Shareholder equity	\$m	1,103	1,246	1,406	1,483	1,619	Curragh	Mt	100%		776	936	223
Minorities	\$m	-	-	-	-	-	Buchanan	Mt	100%		203	203	92
SHAREHOLDER EQUITY	\$m	1,103	1,246	1,406	1,483	1,619	Logan	Mt	100%		245	248	71
Weighted average shares	m	1,676	1,676	1,676	1,676	1,676	Greenbrier	Mt	100%		55	55	7
							Total operating (100%)	Mt			1,279	1,442	393
							Total operating (equity)	Mt			1,279	1,442	393
							Other (equity)	Mt			663	673	163
							Total (equity)	Mt			1,942	2,115	556

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.

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