

ANALYST OUTLOOK & STOCK PICKS DECEMBER 2025

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LISTED INVESTMENT COMPANIES

Kion Sapountzis
ETF/LIC Specialist

The LIC sector remains out of favour, with discounts widening and investor interest waning despite strong equity markets and attractive returns amongst underlying portfolios. This has occurred during a period of meteoric growth within the Exchange Traded Fund (ETF) sector, which has seen funds under management grow at a CAGR of 35% since 2013 to over \$300 billion, representing a sizable share of total trading volume and value. Current yields across LICs within our coverage are attractive on a like for like basis to the broader index, offering a yield uplift of over 2%, the widest spread since 2015. This comes at a time where equity markets have seen yield compression coinciding with multiple expansion, with yields across key sectors including financials and materials, which dominate the local bourse, sitting at cyclical lows.



Mirrabooka Investments (MIR)

Mirrabooka Investments aims to provide attractive investment returns over the medium to long term through holding core investments in a portfolio of 50-70 small and medium sized companies and to provide attractive dividend returns. MIR focuses on companies with attractive valuations, prospects for strong growth and the potential to benefit from takeover activity. These companies typically exhibit 'quality' characteristics by targeting businesses that can demonstrate sustainable competitive advantages, have strong management, have competitive moats and demonstrate balance sheet strength. The strategy is led by Portfolio Manager Kieran Kennedy who has run the strategy for nearly 20 years and has developed a strong track record of uncovering businesses with the ability to compound earnings over time. MIR leverages the size and scale of AFIC, allowing the company to offer its product at an MER of 0.54% with no performance fee. Like other strategies in the AFIC stable, the strategy has low turnover, aiming to build positions in companies over time as the manager builds conviction as well as allowing for better alignment between the long-term goals of its investors.



MFF Capital Investments (MFF)

MFF's primary focus of the portfolio is to invest in large listed international companies that have attractive business characteristics at a discount to their assessed intrinsic values. Stylistically the manager blends characteristics of quality and value, designed to target companies with self-reinforcing growth, culminating in a portfolio of ~25 global companies. MFF's capital structure can be reviewed and timely changed in the event market conditions present more attractive investment opportunities, with the potential shift in focus away from predominately large cap securities if deemed necessary. MFF is led by Portfolio Manager Chris Mackay who has led the strategy since 2013. From his appointment onwards, the company has grown its net assets from \$412 million to over \$2.4 billion, whilst growing its dividend reserve to over \$1.7 billion. This has allowed MFF to pay a steady stream of fully franked dividends to shareholders which has grown over time.



Whitefield Income (WHI)

Whitefield Income utilises a quantitative strategy designed to deliver enhanced income compared to the broader market through a series of dividend capture strategies surrounding dividend payment periods. The strategy targets three mechanisms of enhancing income returns, being (1) dividend run-up, (2) dividend drop-off and (3) profitability. The portfolio comprises of between 70 to 110 ASX listed equities, dynamically holding these positions based on their distribution recognition and payment periods, actively adjusting its holdings. Unlike other quantitative funds, the manager blends fundamental insights into their process, leveraging Whitefield Capital Managements deep management experience and long tenure across key personnel. Recently, the company reported a gross income (inclusive of franking credits) of \$7.8 million for the September quarter and guided to the payment of 0.583 cash per share in October, November and December. This corresponds to a net dividend yield of c.5.2% (c.7.4% gross) with the company guiding to the commencement of half year "top-up" dividends as an additional mechanism of returns to shareholders, based on reported net profit, dividend reserve and franking credit balance.

AGRICULTURAL & FMCG

Jonathan Snape

Industrials Analyst

Investments in the Agricultural & FMCG sector should be considered high risk and come with volatility from both commodity prices and seasonal factors. For this reason we tend not to so much focus on a directional share price move in the coming months but rather where we are seeing a value in the current share price relative to a stocks through the cycle earnings. As such the three stocks we identify should not so much be considered key picks on a directional 6 monthly share price direction, but rather valuation dislocations where we see a buying opportunity.



Bega Cheese (BGA)

Bega Cheese is engaged in: (1) the processing, manufacturing and distribution of dairy and associated products to both Australian and international markets; and (2) the processing and manufacturing of spreads and condiments for consumer markets.

Following recent restructuring announcements, with regard to the closure of Strathmerton and winding down of the PCA operations, there appears a clear pathway towards a \$250-270m EBITDA target. If successful in generating this return and having consideration for the cash costs to achieve this target (c\$85-100m), it would imply a share price of \$8.00-9.00ps (at BGA's historical ~12x EBITDA multiple). In effect, BGA now has a clearly articulated strategy to generating >20% p.a. EPS growth to FY28e. Trading on a FY25-28e PEG ratio of ~1x, BGA is one of the more compelling growth exposures in the sector.

Buy, Price Target \$7.00



Rural Funds Group (RFF)

Rural Funds Group is a listed agricultural REIT with a portfolio focused on almond orchards, vineyards, cattle, cotton and macadamias. Assets in the portfolio are some of the most productive in the industry and leased to high quality tenants including Treasury Wine Estates, Olam, JBS, AACo and Select Harvests.

The ~35% discount to market NAV is well above the historical average 5% premium since listing. Counterparty profitability indicators have been improving and farm asset values have been resilient, which would suggest that the underearning on unleased assets is the largest performance drain. Exiting or leasing these assets (combined value ~\$387m) would result in reasonable AFFO accretion (14-18% on FY26e PF AFFO) with the scope to also reduce gearing, with this likely to be the greatest share price catalyst. We would expect execution against asset sales to emerge in CY26e.

Buy, Price Target \$2.45



Elders (ELD)

Elders is a leading supplier of fertiliser, agricultural chemicals and animal health products to rural and regional Australia, with strong agency positions in livestock, wool and real estate.

We see encouraging signs for FY26e, with livestock turnoff values up ~35% YOY through 1Q26TD, stable to rising crop protection active ingredient values and modestly higher fertiliser price indicators. A more normal selling pattern in FY26e, delivery on SYSMOD and backward integration initiatives, sector activity tailwinds and consolidation of Delta are expected to drive high double-digit EPS growth in FY26-27e. This view does not look reflected in the current share price, with ELD trading at ~11x FY26e EPS.

Buy, Price Target \$9.45

TECHNOLOGY

Chris Savage & Michael Ardrey
Industrials Analysts

The outlook for the technology sector has changed in recent months with the easing interest rate cycle now potentially over in Australia. As a result there has been a general correction in the sector along with other "high growth" sectors like biotech and healthcare. Focus has now shifted back towards quality and valuation which suggests or implies growth at a reasonable price or GARP is now back in vogue. We therefore choose our key picks for the tech sector based on GARP as well as favouring companies which are both cash flow and earnings positive and also have a reasonable or high level of recurring revenue.



Life360 (360)

Life360 has had a large pullback in its share price like many other stocks in the technology sector (peak of ~\$55 in early October down to ~\$35 in mid November). Outside of the general correction in the sector there was one factor specific to the company which also drove down the share price – slowing monthly active user or MAU growth in 3Q2025. Q3 is traditionally the strongest quarter for MAU growth so the relatively slow growth was a big surprise and was also not well explained by the company. Outside of this number, however, everything was as expected or better and importantly paying subscriber growth was still strong. Our view is the outlook remains very positive for the company and the one quarter of relatively soft MAU growth was an aberration. We therefore expect a return to reasonable or even strong MAU growth in 4Q2025, and this could also serve as a potential catalyst for the share price.

Buy, Price Target \$52.50



WiseTech Global (WTC)

WiseTech has also had a large pullback in its share price but this has been more driven by company specific issues like slowing growth in the core business, management and board upheaval and insider trading allegations against CEO and founder Richard White. These issues, however, are starting to subside and focus is returning to the outlook for the core business which is improving with the launch of new products, a new commercial model and the integration of a large acquisition (e2open). These initiatives are all expected to help drive a much stronger 2HFY26 result relative to 1HFY26 and then the first full year of benefits will be evident in FY27. All of these changes/initiatives are not without risk and there is still some risk of a soft downgrade to revenue guidance in FY26 at the half year result but the 12-month outlook is positive in our view.

Buy, Price Target \$100.00



CAR Group (CAR)

Similarly to both 360 and WTC, CAR has seen a drawdown in recent months, though lacks a company specific driver which in our view provides an entry opportunity. CAR is diversified throughout verticals (automotive and non-automotive) and geographies (Australia, North America, South Korea, Brazil, and Chile), with revenues supported by a dealer subscription model which can provide for a level of safety against volatility in listing volumes.

CAR is trading around two-year lows at a P/E of ~28x, despite a defined product rollout map to drive value from its market-leading networks in its large, addressable markets, which includes C2C payments, pay-per-lead model, regional expansion and scope to develop market-based legacy advertising practices, underpinning a steady growth profile in our forecast EPS through FY26e-FY28e.

Buy, Price Target \$42.20

DIVERSIFIED FINANCIALS

Hayden Nicholson & Marcus Barnard
Industrials Analysts

The diversified financials sector provides an alternative home for investors looking for allocations outside the mainstream sectors of banks, which offer full valuations for limited earnings growth and insurers, which face uncertainty over premium rate increases and claims inflation. The sector is diverse covering companies involved in faster growing and higher margin niches, including alternative lending, asset management, payment systems and investment administration. We highlight the following companies with attractive growth profiles and valuations, operating in payment systems (CCL), alternative asset management (RPL) or investment solutions/benefit administration (GDG).

Cuscal

Cuscal (CCL)

Cuscal provides payment infrastructure connectivity services to +90 clients across all channels and transaction types. The company is the only independent organisation in Australia, outside of the four major banks, to possess relevant capabilities and credentials within a single entity.

Cuscal delivered a solid maiden FY25 result with pro-forma NPAT ahead of Prospectus forecasts as flagged. The company grew transaction volumes +8% on the pcp and announced the 100% acquisition of Indue for \$75m cash, equating to 3.7x FY25 PE incorporating the cost synergy guidance. This completed ahead of schedule with regulatory approvals secured.

Against this backdrop Cuscal trades on 12x FY26 PE and we view positive catalysts from: (1) promising long-term incentives with a specific performance tranche related to the delivery of synergies at a minimum +30% overachievement; and (2) an acceleration in mutual bank M&A activity driving transaction volumes higher.

Buy, Price Target \$4.60



Generation Development Group (GDG)

Generation Development Group principally provides investment bonds and investment-linked lifetime annuities which offer tax-efficient solutions for wealth accumulation, estate planning and regular retirement income. Following the acquisition of Lonsec and Evidentia Group, the company has further established itself as the market leader in managed accounts.

FY28 managed account targets provided at the investor day were ahead of consensus forecasts, incorporating +\$28-33bn net inflows and implying +33% compound FUM growth at the mid-point. Expectations for +50% EBITDA margins were also reiterated. Trading on 32x FY28 PE we view the risk-reward as positively asymmetric with: (1) run-rate net inflows of +\$8bn likening to +\$24bn before new mandates and partnerships; (2) adviser install base utilisation of 35%; and (3) a request for proposal with large superannuation funds flagged to complete within 6-12 months.

Buy, Price Target \$8.40



Regal Partners (RPL)

Regal Partners continues to grow its FUM through inflows, acquisitions, and strong fund performance. The recent quarter was the strongest on record, with FUM reaching \$20.0bn, up 13.1% over the quarter, with inflows of 4.1% and investment performance of 9.9%. Revenue is underpinned as 85% of funds (\$13.7bn) were at or close to generating performance fees in FY25. The funds continue to see strong performance from: PM Capital funds, Tactical Opportunities and Resources Royalties. Despite record results, the shares have been de-rated since the start of the year. We do not believe the improvement in operational performance is reflected in the current share price.

Buy, Price Target \$4.40

REAL ESTATE

Andy MacFarlane & Connor Eldridge
Real Estate Analysts

Looking ahead to the 1H26 reporting season and remainder of FY26 we remain constructive on the REIT sector despite recent macro-based headwinds around 'have rate cuts stopped, and the next move up?' with inflation surprising the market to the upside. Notwithstanding, we see a number of reasons to be positive and expect that macro-driven weakness could be met with valuation support given: (1) strong capital transaction market evidence pointing towards cap rate compression, which should underpin NTA upside particularly for Retail and Industrial sub-sectors; (2) return of earnings growth for the sector with hedging reaching peak and variable cost of debt stable, supported by top line rental growth overall; (3) potential for debt-funded earnings-accretive acquisitions; (4) stable underlying property fundamentals – occupancy strong across most sub-sectors (ex-office) given lack of supply in recent years; and (5) increase in sector M&A highlights strategic capitals long term view and runway for real estate.



Aspen Group (APZ)

Aspen Group is a leading provider of quality, affordable accommodation to the 40% of Australian households with income <\$100k p.a. APZ owns, develops and operates residential, land lease and holiday park communities across Australia. The Group has a 'living' sector agnostic, high ROE focus on sub-sectors that are non-fungible and repeatable over time. APZ's target tenant/owner sits within a very defensive segment of this market – affordable living. The national undersupply equation means that this will remain a crucial pillar of the housing market and will be upheld by robust demand and government subsidy for the foreseeable future. We see strong runway ahead for APZ in FY26, upgrading earnings outlook at its 1Q update with further risk to the upside in FY26 (BPe 20.7c vs. 20.1c guidance) driven by scope for expanding development margins and net rental income upside with longer stay rentals "essentially full". APZ is a recent ASX300 inclusion but remains under-owned across the market, and recent inclusion into EPRA NAREIT should underpin additional index/ passive buying.

Buy, Price Target \$5.95

Centuria

Centuria Industrial REIT (CIP)

CIP is Australia's largest domestic pure-play industrial REIT, with \$3.9bn of total assets. CIP is an externally managed REIT, supported by parent Centuria Capital Group, a c.\$20bn Australian real estate fund manager. CIP's portfolio is c.85% metro infill, and 88% weighted towards Australia's eastern seaboard states. CIP's portfolio is diversified by 87 total assets with an average NLA of c.15k sqm or what are considered medium sized industrial warehouses. The capital transaction market for industrial has improved significantly across CY25, and indeed, we see strong runway for the sector and in turn valuations into CY26 with material levels of dry powder capital already raised awaiting deployment. Coming into 1H26 and FY26 result periods, we anticipate revaluation uplift driven by cap rate compression as well as net effective rental growth given +5.8% trailing LFL NOI growth that we think is cycling trough levels. CIP provides access to a best in class, scaled, east coast portfolio of industrial property yet trades at a c. -14% discount to NTA.

Buy, Price Target \$3.65



Region Group (RGN)

Region Group is Australia's largest landlord of neighbourhood shopping centres, owning and managing a portfolio of 100 assets. RGN's income streams are highly resilient, with approximately 90% of gross rent derived from non-discretionary tenants. As a result RGN has historically (and likely will continue to) outperformed the market during volatile equity markets – a characteristic we find particularly attractive in the current climate. At current levels (trading in-line with NTA) we believe the market is not ascribing any value to the likelihood of cap rate compression (and hence valuation growth) across RGN's portfolio. This is despite several positive signals in the direct market: robust population growth, strong non-discretionary tenant sales, undersupply of retail floorspace and increased capital appetite (particularly from foreign capital) for neighbourhood retail assets. Whilst the immediate catalyst is valuation uplift, we also see a strong case for medium-term rental growth (c.15% under rented vs. benchmark; 9.7% specialty occupancy cost ratio is low vs historical levels/peers), adding to our longer-term conviction in the stock.

Buy, Price Target \$2.70

RETAIL

Chami Ratnapala & Leo Armati
Industrials Analyst

The recent sector trends have been choppy as we've seen varying performance between discretionary categories with technology/electronics, wellness & sports and services such as cafes & recreation leading the suite while others such as mass apparel & lifestyle footwear and furniture & household goods lagging.

Looking ahead, while the pause in interest rate cuts in Australia limits catalysts for the Consumer Discretionary sector, we continue to prefer key beneficiaries from the rate cuts seen so far and category outperformers. We continue to look for retailers with differentiating customer value propositions & balance sheet strength and support names who may grow via market share expansion with more diverse customer demographics and category exposures.

Universal Store

Universal Store Holdings (UNI)

Universal is a leading youth focused streetwear retailer in Australia and has 100 stores under its flagship 'Universal Store' brand and stand-alone private label brands, 'Perfect Stranger' and 'Thrills'.

At ~18x FY26e P/E (BPe), we see UNI trading at a discount to the ASX300 peer group and see the multiple justified by the distinctive growth traits supporting consistent outperformance in a challenging broader category, longer term opportunity with three brands, organic gross margin expansion via private label product penetration (currently ~55%) and management execution. We continue to see the youth customer prioritising on-trend streetwear and expect UNI to benefit with their leading position.

Buy, Price Target \$10.50

Harvey Norman®

Harvey Norman (HVN)

We see Harvey Norman as the most diversified retailer in terms of category exposure and regional presence within our coverage, while benefitting from both as a quasi-retailer/landlord and channel mix via company operated stores and franchising.

Despite the strong re-rate in the name, HVN trades at ~2.0x market capitalisation to freehold property value as Australia's single largest owner in large format retail with a global portfolio surpassing \$4.5b and collectively owning ~40% of their stores (franchised in Australia and company operated offshore). This sees our view that of the 1-year forward ~19x P/E multiple as justified considering the multiple catalysts near/mid-term.

Buy, Price Target \$8.30

ADOREBEAUTY

Adore Beauty (ABY)

Adore Beauty is an omni-channel beauty retailer that sells over 15,000 third party products from more than 360 brands as well as its own private label brands, sold online and through a network of 13 stores.

Key drivers for business growth are its continued store-rollout targeting a network of 25+ stores, along with its private label brands and high-margin retail media arm contributing to margin expansion and thus a strong earnings trajectory. We view ABY as well positioned to take advantage of the high performing beauty category within the Australian market.

Buy, Price Target \$1.25

HEALTHCARE

John Hester, Thomas Wakim &

Martyn Jacobs

Healthcare Analysts

We are constructive on the Healthcare outlook for 2026 as the all-important US market appears to be in a more stable policy environment (apart from vaccines) compared to earlier in the year when the threats of tariffs and drug price controls bottomed sentiment.

Best performers on the ASX over the last six months made major advances in the US across regulatory and commercial milestones (4DX, AYA, MSB, CGS, LDX), and we see this trend continuing into 2026. Our key picks reflect companies with clear catalysts over the next six months, including US approvals (TLX) and commercial execution (PME), as well as supportive domestic regulatory changes (IDX).

For drug developers, despite the high turnover in FDA leadership, global M&A has remained strong and 2025 is on track to see the most M&A transactions since 2019. We expect this pace will remain high in 2026 as looming patent expirations for many blockbuster drugs forces big pharma to source external revenue drivers.



Integral Diagnostics (IDX)

Integral Diagnostics is a leading provider of medical imaging services across Australia and New Zealand. IDX operates 145 clinics, which includes 42 fully licensed MRI machines and a further 22 unlicensed MRI.

The integration of Capitol Health (CAJ) has gone well with integration synergies guidance upgraded by 40% to \$14m p.a. The full impact of MRI de-regulation, the lung cancer screening programme and GP bulk billing initiatives should flow through in 2H26, with subsequent EBITDA margin improvement to c.21% by the end of FY26.

The IDX share price has been relatively flat over the past 6 months and compares favourably with the XHJ that has declined c.14% over the same period. IDX is trading on an EV/EBITDA multiple of c.9x and a PEG ratio of c.0.6x, attractive valuation metrics going into CY26.

Buy, Price Target \$4.00



Telix Pharmaceuticals (TLX)

Telix Pharmaceuticals had an indifferent year in 2025 having failed to gain approvals in the US for both Pixclara (brain cancer imaging) and Zircaix (renal cancer imaging). These expected approvals had driven the share to approximately double its current value in February 2025 i.e. \$31.98.

We are confident regarding the approval in CY 2026 of Zircaix following resubmission of the Biological License Application (BLA). The FDA rejected the original BLA due to CMC (chemistry manufacturing & control) matters at Telix's manufacturing partner. There were no matters related to safety or efficacy. We expect the market for Zircaix once approved will be in excess of US\$500m. The product has been included in guidelines for disease management in the US and Europe and continues to be available in the US under the expanded access program. Elsewhere, sales of Iluuccix/Gozellix in the PSMA franchise continue to grow and were recently boosted by the refresh on the pass through pricing.

Buy, Price Target \$23.00

Pro Medicus (PME)

Pro Medicus is among the highest quality companies on the ASX. CY25 was yet another banner year with 10 major contract announcements, totalling minimum revenues of \$445m. We expect EPS growth of 36% in FY26 followed by 30% in FY27. The company continues to announce new contract wins on a regular basis as the drivers of interest in its product offering remain firmly in place. The entire radiology industry is headed to cloud based (off premises) archiving. Put simply, the Visage 7 viewer, Workflow and Archive are the fastest and most advanced tools for the retrieval and viewing of large radiology files. The platform is immensely scalable and relatively easily installed, providing it with a sustainable competitive advantage over the likes of peers Intelerad, Sectra, Phillips and GE Healthcare. The company is conservatively managed and well owned by large institutional investors while the two founders continue to have a controlling stake.

Buy, Price Target \$320.00

UTILITIES & RENEWABLE ENERGY

Marcus Barnard & Ritesh Varma
Industrials Analysts

We cover two emerging growth stocks in the utilities sector, both seeking to capitalise on alternative and renewable energy generation, as Australia moves away from hydrocarbon dependency.

Both can be considered as small, in a sector dominated by established and large players. As such both have attractive growth opportunities, as they increase market share in a large market. While there are risks from being small and operating in regulated markets, there are few listed renewable energy companies in Australia. Established businesses with deep pockets are seeking this type of exposure and opportunities, and we note the take-over activity in the sector (Infigen, Tilt, Spark and Genex Power).



Frontier Energy (FHE)

Frontier Energy is a renewable energy developer based in Perth. It aims to build a 120MW solar generation facility with an 81.5MW (6hr) battery to supply electricity into the grid. Although speculative, it enjoys some key strengths: 1) The company owns a site with approvals, access to the grid and expansion opportunity; 2) WA sees a structural shortage of energy at peak demand, as coal is retired; 3) Peak prices have been rising; 4) FHE has secured capacity credits worth \$32m/year, underpinning the project; 5) WA has scope for more grid batteries to meet peak demand. Once operational, we expect Stage 1 will generate \$55m/year of EBITDA from 2027, over a long life with low operating costs.

Buy [Speculative], Valuation \$0.50



LGI (LGI)

LGI is a market leader in the recovery of biogas from landfills, providing renewable energy generation and carbon abatement. The company recently expanded its operating capacity target to 80MW+ within the next three years. The combination of power stations, batteries and its proprietary DACS software allows LGI to leverage volatility in the grid to achieve better-than-average (+70%) pricing. As Australia transitions towards renewables, there will be greater volatility in the grid and LGI is best placed to capitalise. We anticipate a material uplift in earnings from FY26 onwards (FY26 EPS +41%) once new and upgraded projects come online, boosting capacity across the portfolio.

Buy, Price Target \$4.88

MINING & INDUSTRIAL SERVICES

Joseph House & Marcus Barnard
Industrials Analysts

Australian iron ore and gold production is forecast to rise over the next three years as greenfield and brownfield projects are brought online, benefiting services companies leveraged to mining volumes. In exploration markets, the cycle has clearly demonstrated an inflection, with exploration facing companies reporting increased activity and demand for their services. Junior equity raisings have recently trended above the 2021 and 2011 peaks; as a leading indicator, we expect Junior exploration activity to lift meaningfully over CY26. While East Coast Infrastructure activity appears to be patchy, key sub-sectors including energy generation, storage and transmission, and water utilities are anticipated to see construction levels lift in the near-term. The rapidly expanding Data Centre development pipeline implies elevated construction activity over the near-term as well.

DEVELOP

Develop Global (DVP)

Develop Global is expected to declare Commercial Production at its flagship asset, Woodlawn, in the March 2026 quarter, representing a major re-rate catalyst. Commercial Production means steady state production should be achieved, with earnings and cashflow to lift meaningfully over FY26-27. The production ramp-up is coinciding with rising copper and zinc prices, enhancing DVP's leverage to these strategic minerals. Given the recent consolidation of ASX copper companies, DVP should attract greater attention from investors seeking copper exposure. The development of Sulphur Springs and award of additional Mining Services contracts should support earnings growth beyond the Woodlawn ramp-up phase; positive exploration updates at Woodlawn and Sulphur Springs are short-term catalysts.

Buy, Price Target \$5.00

ipd group

IPD Group (IPG)

IPD Group is benefitting from a recovery in Commercial construction activity (a key end-market), which helped deliver a 1H FY26 EBITDA guidance (at its 2025 AGM) ahead of consensus expectations. We anticipate robust demand growth from the Commercial, Data Centre and Infrastructure sectors to continue throughout the remainder of 1H FY26, with the first half exit-rate to imply a stronger second half for EBITDA. IPG's current strong orderbook and pipeline opportunities supports this narrative. IPG screens value at <1.0x next-twelve-months PEG on 13.6% next-twelve-month EPS growth. Strong FCF generation over FY26-27 should support de-leveraging and balance sheet flexibility to target multiple accretive bolt-on acquisitions.

Buy, Price Target \$5.00

DURATEC

Duratec (DUR)

Duratec is a WA based specialist engineering contractor in the asset protection and specialist construction space. Its reputation and quality of completed projects, secures its position with existing customers, giving high levels of repeat business.

Its track record of growth is aided by bringing specialist contractors into the group, adding new customers and markets. The FY25 results saw growth in Energy and Emerging Sectors, with revenue up by 77% to \$82.5m and 175.5% to \$60.6m respectively, nearly all delivered organically. The Defence business will benefit from upgrade work at HMAS Stirling. This AUKUS program is due to begin shortly if the base is to host Rotational Forces (US/UK) scheduled at the end of 2027.

Buy, Price Target \$1.90

GOLD

**David Coates, Regan Burrows,
James Williamson & Todd Lewis**
Resources Analysts

The gold price overheated in October 2025, over-extending and going parabolic, setting an all-time high of US\$4,380/oz (A\$6,760/oz). It has since corrected and shown signs of consolidation, similarly with April 2025. So far, we view this as encouraging and consistent with some gold price tailwinds falling away in 2H25. The US dollar stopped falling, interest rate easing cycles are maturing, volatility in global trade policy has abated and a multitude of geopolitical flashpoints have defused (for now). However, the longest running and most supportive factors, in our view, remain intact: the de-dollarisation and currency debasement trades. If anything, we have seen gold buying broaden from Central Banks to other state-owned bodies and to institutional and private investors. Governments worldwide remain unwilling to rein in unsustainable debt growth, keeping momentum in this trade. The other potential driver is lower real interest rates, historically one of gold's strongest drivers. Persistent inflation in an environment of politically suppressed interest rates could certainly help this – and the gold price – along.



Evolution Mining (EVN)

We continue to prefer Evolution Mining as our first pick gold producer on the basis of its unhedged exposure to the gold price, strengthening balance sheet, increasing free cash flows (has passed its CAPEX peak) and, in our view, is an unlikely potential acquiror. We expect the market to pay more attention to its 80ktpa copper production exposure in a tightening copper market, as well as it supporting an increasing dividend stream. A strong management team and track record of delivery to guidance make EVN one of the go-to gold exposures on the ASX – a position we believe is justified.

Buy, Price Target \$12.35

Minerals 260

Minerals 260 (MI6)

Minerals 260 is a Perth-based exploration and development company which is advancing its 100%-owned Bullabulling Gold Project (BGP), 65km from Kalgoorlie in WA. With a Resource of 4.5Moz at 1.0g/t Au it is one of the largest undeveloped gold deposits in Australia, sits on granted Mining Leases and is positioned at the heart of Australia's gold mining industry. The company is led by a proven team of project developers and operators. The 4.5Moz Resource reinforces the potential for a low cost, open-pit gold mining operation, producing ~200ktpa over a +10-year mine life. There is M&A appeal in a market characterised by well valued gold producers with strong balance sheets and appetites for growth.

Buy (Speculative), Valuation \$0.75

BALLARD MINING

Ballard Mining (BM1)

We summarise Ballard Mining's strategy for driving value as one focused on developing the current Baldock project (930koz at 4.1g/t Au) into a standalone operation, whilst simultaneously growing the Resource and Reserve base via targeted exploration. Baldock is covered by a granted mining lease, allowing for expedited development in a rising gold market. Near-term catalysts include infill drilling and a maiden Ore Reserve estimate to support the first 5-6 years of operations, and a feasibility study (BPe Mid CY26). We believe over time this will lead to a re-rate in value and/or make BM1 an attractive corporate target.

Buy (Speculative), Valuation \$1.05

GOLD

**David Coates, Regan Burrows,
James Williamson & Todd Lewis**
Resources Analysts



Ausgold (AUC)

Ausgold is a Western Australian based company focused on developing its 100% owned Katanning Gold Project in Western Australia. AUC's management team has a demonstrated track record of advancing assets from exploration through development, positioning the company to unlock substantial value as the KGP de-risks. A June 2025 Definitive Feasibility Study outlined an open pit development with average production of 114kozpa (140kozpa years 1-4) at an AISC of A\$2,265/oz over an initial 10 year mine life, underpinned by a 1.3Moz Reserve. AUC's underexplored 3,500km² tenure holds potential for significant Resource growth and mine life upgrades, where drilling success could deliver high grade satellite deposits to feed a central processing hub.

Buy (Speculative), Valuation \$1.60

BASE METALS

David Coates
Resources Analyst

Sentiment on base metals has prevaricated as the market considers the potential impact (or not) of global trade tariffs on economic growth and hence metal consumption. However, in respect to copper, we remain cognisant of a tight supply-demand balance in the copper market and the sector's capacity to provide a supply response in the face of significantly stronger forecast demand. This is predicated on copper's base industrial demand with growth coming from exposure to the renewable energy/electrification theme, Electric Vehicle uptake and new demand sources such as from data centres and AI. In our view, any opportunity to add production exposure amidst weak sentiment is an excellent buying opportunity.



Aeris Resources (AIS)

Aeris Resources represents a copper dominant mining exposure whose primary assets are the Tritton Copper Operations in NSW and the Cracow Gold Mine in QLD. Its near-term outlook is highly leveraged to rising copper grades and production at the Tritton copper mine. This is underpinned by the ramp-up of open pit mining in 2026 which, combined with current underground production, we expect to fill the mill and lower unit costs driving margin expansion into a rising copper price. There is a visible pathway to sustainable production of 27-30ktpa copper from the start of CY2026. The Cracow Gold Mine offers a potential step-change in mine life (and valuation) with the assessment of the historic Golden Plateau deposit.

Buy, Price Target \$0.65



Nickel Industries (NIC)

Nickel Industries operations are located in Indonesia and are long-life, bottom-of-the-cost-curve projects. In 1HCY26 we anticipate the delivery of major positive growth catalysts. These include ore production ramp-up to a 19Mtpa run-rate (pending permits) at the Hengjaya Mine and the commissioning of the ENC HPAL project for ramp-up to full production of +70ktpa in 1HCY26. We expect these developments to increase production, margins and EBITDA. While nickel prices are under pressure, NIC has shown the ability to make money through the cycle, which is a key attribute of attractive long-life assets.

Buy, Price Target \$1.20

STRATEGIC MINERALS & PROCESSING TECHNOLOGIES

Stuart Howe
Resources Analyst

Geopolitical volatility and trade tensions are positive for strategic mineral and processing technology equities. Western governments are increasingly seeking to reshore supply chains and manufacturing capabilities, particularly in high-technology and aerospace/defence sectors. US defence spending as a percentage of GDP is at a cyclical low and is expected to lift over the coming decade. NATO members have recently announced increased spending commitments. The ASX hosts a number of groups leveraged to these themes.



Alpha HPA (A4N)

Alpha HPA's proprietary process produces ultra-high purity aluminium compounds with applications in technology growth sectors including semiconductors, lithium-ion batteries, LED displays/lighting, and direct lithium extraction (DLE). The process is disruptive in terms of low production costs, ultra-high product purity and low carbon emissions. Australian chemicals group Orica (ASX:ORI, not rated) is a substantial A4N shareholder.

The HPA First Project Stage 1 in Gladstone, Queensland, commenced operations in 2022 and has supported technical and commercial validation of the process and products. Construction of a +10ktpa Stage 2 facility is now underway and is expected to ramp up production in 2027.

A4N now has Letters of Intent covering around 65% of Stage 2 capacity. We expect further LOIs, and potentially LOI volume increases, will be announced in early 2026. We also expect ongoing project economic and development updates.

Buy (Speculative), Valuation \$2.00



IperionX (IPX)

IperionX has the potential to disrupt the incumbent titanium supply chain through materially lowering production costs and manufacturing waste.

Large-scale titanium production from scrap feedstock commenced this year at the company's Titanium Manufacturing Campus in Virginia, USA. IperionX will now incrementally expand capacity in Virginia and progress commercial relationships with aerospace, automotive, luxury goods and government end users.

Titanium is a highly strategic metal given its applications across the defence and aerospace sectors, with around 95% of current US supply met through imports, predominantly from Japan. Russia and China account for more than 70% of global titanium supply.

IPX's technology has received funding support from US government agencies through schemes including the US Department of War IBAS grants, DPA Title III grants and a US Small Business Innovation Research Phase III contract.

Buy (Speculative), Valuation \$9.25



Titomic (TTT)

Titomic provides leverage to the emerging application of its proprietary cold spray technology in Additive Manufacturing for the defence, aerospace, and natural resources markets.

The technology brings unique manufacturing capabilities around material selection and component properties. Cold spray AM also substantially reduces the long lead-times and the supply chain complexity associated with traditional part casting and forging routes of production.

We expect news flow relating to TTT's participation in US defence programs, new commercial agreements and non-dilutive government-backed funding.

Buy (Speculative), Valuation \$0.50

DEFENCE

Baxter Kirk
Industrials Analyst

Global defence strategy is undergoing a structural pivot, driven by the proliferation of low-cost, high-lethality unmanned systems in recent conflicts. This rise of asymmetric warfare has exposed the economic inefficiency of traditional air defence, creating an urgent mandate for “attritable” drones and cost-effective counter-measures. We view the twin themes of resilient drone connectivity and counter-drone solutions as key drivers of defence procurement for the coming cycle.

el^{sight}

Elsight (ELS)

Elsight is a key supplier of communication modules to drone manufacturers. Its flagship product, Halo, integrates multiple communication pathways (5G, LTE, SATCOM, RF) into a single resilient, encrypted data link, functioning as a mission-critical enabler for Beyond Visual Line of Sight (BVLOS) operations.

CY25e marked a pivotal inflection point for ELS, with the company achieving profitability and delivering estimated revenue growth of 12x YoY (BPe). We enter CY26e viewing Halo as a market-leading enabler of BVLOS connectivity for unmanned systems. Accordingly, we forecast a 41% revenue CAGR over CY25-28e, driven by the rapid proliferation of unmanned systems across both defence and commercial verticals.

Buy, Price Target \$2.00



Electro Optic Systems (EOS)

Electro Optic Systems is a leading provider of counter-drone solutions, remote weapon systems (RWS), and space control technologies. Following the landmark A\$125m award for the world's first export of a 100kw High Energy Laser Weapon (HELW) in August 2025, EOS has secured a first-mover advantage in the high-value HELW counter-drone vertical.

Looking ahead to 2026, we see upgrade potential to our revenue estimates, driven by increasing global capital allocation toward counter-drone capabilities. Specifically, we anticipate the advancement of HELW contracts (>1 unit) through the sales pipeline alongside continued awards for conventional and counter-drone RWS.

Buy, Price Target \$8.10

LITHIUM

Stuart Howe
Resources Analyst

Lithium market supply-demand fundamentals are improving into 2026, supporting higher prices. Demand from Electric Vehicle take-up and Energy Stationary Storage continues to experience high rates of growth. While there is idled capacity on the lithium supply-side, we expect sustained higher prices will be required to support any production restarts.



Liontown (LTR)

Liontown is progressively ramping up production at its flagship Kathleen Valley lithium project, located in Western Australia's northern goldfields region. This asset is highly strategic in terms of scale, long project life, and location in a tier one mining jurisdiction. The project has offtake agreements with top-tier EV and battery Original Equipment Manufacturers.

Over 2026, LTR will further de-risk the ramp-up of production at Kathleen Valley as ore stockpiles support the operation's transition to all-underground mining. LTR has a strong balance sheet and is highly leveraged to lithium markets, which we expect to further improve.

Buy, Price Target \$1.52



Ioneer (INR)

Ioneer's fully permitted, 100%-owned Rhyolite Ridge lithium-boron project in Nevada USA is designed to produce +24ktpa Lithium Carbonate Equivalent and 135ktpa boric acid over its first 25 years. Rhyolite Ridge is strategically important for US-based lithium supply.

In January 2025, Rhyolite Ridge received funding support from the US Department of Energy through a US\$996m, 20-year loan. The company is currently running a project sell-down process, which we expect to materially de-risk the development's remaining funding requirements. Project development should commence in 2026 to enable first production in 2029.

The US Department of Interior, in consultation with the US Geological Survey, recently added boron to the final 2025 List of Critical Minerals; this list also includes lithium.

Buy (Speculative), Valuation \$0.36

ENERGY

Regan Burrows
Resources Analyst

Uranium spot prices remained volatile over 2025, finishing the year at ~US\$76/lb. In direct contrast, the term price (for long-term deliveries +2 years, the benchmark for contracting with Nuclear utilities) has gone from strength to strength, rising from US\$81/lb in January to US\$86/lb in November. This is despite lower contracted volumes over 2025 than previous years and indicates the scarcity in reliable long-term suppliers of uranium. The pipeline of reactor construction remains bullish, with 71 currently under construction with a projected 78 GW in capacity additions, equating to ~40Mlbs in annual U308 consumption.



Paladin Energy (PDN)

Paladin Energy is ramping up mining and production activities at its Langer Heinrich uranium project in Namibia following a challenging 2025 marred by production disruptions and surprises. We are starting to see a stabilising in plant operations with the introduction of fresh rock to the process plant, which will in turn rebuild confidence in the market. The company closed the acquisition of Fission Uranium and its Patterson Lakes project (PLS) in the Athabasca region in Canada. We continue to see a material discount on the valuation for PDN with respect to PLS.

Buy, Price Target \$11.35

RARE EARTHS & NIOBIUM

Regan Burrows
Resources Analyst

Rare earths stood in the spotlight in 2025, driven by geopolitical tensions and US government investment in mining, separation and magnet making capacity. We expect these tailwinds to persist, however note the wave of supply potentially entering the market over the coming years. Our preferred exposure targets those projects which are in the bottom quartile of the cost curve and have relatively low capital and execution risk. As for Niobium, the same tailwinds that have pushed rare earths are applicable. We seek to gain exposure to top tier projects which can disrupt the status quo.



Viridis Mining & Minerals (VMM)

Viridis Mining and Minerals is developing its Colossus Ionic Clay rare earth project in Brazil. The project is progressing through initial permitting, with the Preliminary Licence (LP) awaiting final approval. VMM are constructing a demonstration plant to confirm, at a greater scale, the testwork conducted on the hypothesised flowsheet in the pre-feasibility study (July-2025) and provide samples to potential offtakers. The project has indicative debt support for the project from within Brazil, France and Canada. Once in production, we believe VMM will be one of the lowest operating cost rare earth projects globally, and a meaningful provider of heavy rare earth elements Dysprosium and Terbium (Dy + Tb).

Buy (Speculative), Valuation \$2.65



WA1 Resources (WA1)

WA1's Luni deposit in the West Arunta, Western Australia, is the highest-grade niobium deposit outside of Brazil and bears similarities to the global significance of LYC's Mt Weld deposit in the rare earth sector. Brazil accounts for ~90% of global supply of Niobium, a key micro alloy in steel. We anticipate a Resource update during CY26 and a potential initial study, which builds on process flowsheet work conducted over the last ~1.5 years, and recent infill drilling.

Buy (Speculative), Valuation \$24.80

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Bell Potter Securities acted as Joint Lead Manager to AIS' \$80m Equity Raise of October 2025 and received fees for that service.

Bell Potter Securities acted as Joint Lead Manager to A4N's \$175m equity placement and share purchase plan in May 2024 and received fees for that service.

Bell Potter Securities owns shares in A4N.

Bell Potter Securities acted as Joint Lead Manager to CCL's \$337m IPO in November 2024 and received fees for that service.

Bell Potter Securities acted as Lead Manager and Bookrunner to IPX's \$50m placement in May 2024 & Joint Lead Manager to IPX's \$100m placement in October 2024 and received fees for that service.

Bell Potter Securities acted as Joint Lead Manager to BM1's Jul 2025 IPO and October 2025 \$20.6m placement and received fees for these services.

Bell Potter Securities acted as Joint Lead Manager to LTR's October 2023 & August 2025 equity placements and received fees for that service.

Bell Potter Securities acted as Joint Lead Manager to MI6's \$220m IPO of April 2025 (and holds shares in MI6) and received fees for that service.

Bell Potter Securities acted as Joint Lead Manager to TTT's July 2024 \$50m equity placement and received fees for that service.

Bell Potter acted as Co-Manager to WA1's August 2025 \$100m placement and received fees for that service.

Bell Potter Securities acted as Sole Lead Manager to the A\$60m capital raise in July 2025 and received fees for that service.

Kion Sapountzis, the authoring analyst, holds a long position in MFF.

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The stocks of early stage companies without regular revenue streams from product sales or ongoing service revenue should always be regarded as speculative in character. Stocks with 'Speculative' designation are prone to high volatility in share price movements. Investors are advised to be cognisant of these risks before buying such a stock.

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The stocks of resource companies without revenue streams from product sales should always be regarded as speculative in character. Since most exploration companies fit this description, the speculative designation applies to all exploration stocks. The fact that the intellectual property base of an exploration company lies in science and is generally only accessible to the layman in a limited summary form adds further to the riskiness with which investments in exploration companies ought to be regarded. Stocks with 'Speculative' designation are prone to high volatility in share price movements. Exploration and regulatory risks are inherent in exploration stocks. Exploration companies engage in exploration programs that usually have multiple phases to them where positive results at some stages are not indicative of ultimate exploration success and even after exploration success, there is often insufficient economic justification to warrant development of an extractive operation and there is still significant risk that even a development project with favourable economic parameters and forecast outcomes may fail to achieve those outcomes. Investors are advised to be cognisant of these risks before buying such a stock.

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The stocks of biotechnology companies without strong revenue streams from product sales or ongoing service revenue should always be regarded as speculative in character. Since most biotechnology companies fit this description, the speculative designation also applies to the entire sector. The fact that the intellectual property base of a typical biotechnology company lies in science not generally regarded as accessible to the layman adds further to the riskiness with which biotechnology investments ought to be regarded. Stocks with 'Speculative' designation are prone to high volatility in share price movements. Clinical and regulatory risks are inherent in biotechnology stocks. Biotechnology developers usually seek US FDA approval for their technology which is a long and arduous three phase process to prove the safety, effectiveness and appropriate application or use of the developed drug and even after approval a drug can be the subject of an FDA investigation of subsequently discovered possible links between the drug and other diseases not previously diagnosed. Furthermore, the Australian exchange listed biotechnology sector is subject to influence by the global biotechnology sector, particularly that in the USA. Consequently, Australian exchange listed biotechnology stocks can experience sharp movements, both upwards and downwards, in both valuations and share prices, as a result of a

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