Selector High Conviction Equity Fund Quarterly Newsletter No.87
March 2025

In this quarterly, we provide a collection of portfolio company commentaries following the latest reporting season.

In our article “Shapers”, we explore three holdings where management are reshaping the organisation or entire industry and highlight some companies questioning the status quo in “Idiot Index”.

We round out the quarterly with a deep dive into FINEOS Corporation Holdings, a provider of mission-critical software solutions for the Life Accident & Health (LA&H) industry and examine how patience rewards duration investors in “The Long Game”.

Photo: *Putting a Cat (Trump) Among the Pigeons, Shutterstock*

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Selector is a Sydney based fund manager. Our team combines deep experience in financial markets with diversity of background and thought. We believe in long-term wealth creation and building lasting relationships with our investors.

We focus on stock selection, the funds are high conviction, concentrated and index unaware. As a result, the portfolios have low turnover and produce tax effective returns. Our ongoing focus on culture and financial sustainability lends itself to strong ESG outcomes.

Selector has a 20-year track record of outperformance and we continue to seek businesses with leadership qualities, run by competent management teams, underpinned by strong balance sheets and with a focus on capital management.

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In Brief – March Quarter

Dear Investor,

When all is said and done, growth does matter. For so long, central banks have worried about taming inflation, and, in turn, investors have worried about central banks. Interest rates have been the big stick but in New Zealand and Europe investors can now turn their attention to something more concerning, no growth.

In March, the U.S. Federal Reserve cut U.S. GDP for 2025 from 2.1% to 1.7%. That represents a rather sizeable 19% reduction. The Fed also maintained its outlook for interest rates, with expectations of 50 basis point cuts for each of the remainder of calendar 2025 and for 2026. The Fed fund rate currently sits at 4.25% - 4.50%.

In Australia, the latest OECD report cuts GDP growth projections from 2.5% to 1.8% in 2026. Its forecast for 2025 was unchanged at 1.9%. Our Federal Government went further, cutting economic growth in the March Budget from 1.75% to 1.5% for 2025.

A new U.S. President has upended protocol and set about making new rules. Not everyone is happy, least of which are those in the direct firing line, that is, almost everyone.

The new U.S. Secretary of the Treasury and 35-year former hedge fund manager Scott Kenneth Homer Bessent provided some rationale for such action, *"The market and the economy have just become hooked, and we have become addicted to government spending, and there is going to be a detox period."*

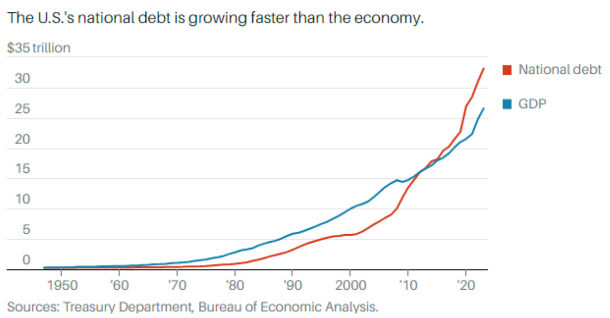
Any government that continually runs fiscal deficits will at some point run into trouble. Funding those deficits with borrowings will only compound the problem. The U.S. Government ran a budget deficit of US$1.8 trillion in fiscal year 2024, which is 6.4% of the Gross Domestic Product (GDP) and this is projected to each US$1.9 trillion in FY2025.

The U.S. National debt now stands at US$36 trillion or 124% of U.S GDP. In 2020, this figure stood at US$27 trillion. This trend is unsustainable and the current administration, with President Trump at the helm, assisted by Bessent as Secretary of Treasury, are looking to reset the debt trajectory.

Chart 1 is an illustration of U.S. GDP compared to U.S. national debt. We produced this Chart in our September 2023 quarterly newsletter and today the gap between debt and GDP continues to widen.

In simple terms debt is growing faster than the economy. Before the 2000's the economy, measured by GDP was growing at the same pace as the debt. This meant tax revenues kept pace with cost of servicing borrowings. This is no longer the case. Something must give at some point.

Chart 1: U.S. National debt compared to GDP September 2023



Source: Treasury Department, Bureau of Economic Analysis

The current Trump administration believes that the introduction of tariffs, alongside the lowering of 10-year interest rates, reduction of government spending and renewed in-country reinvestment will stem the budget deficits. Any success would allow for the implementation of lower tax rates and aiding the less advantaged.

Outside the U.S., the April 2 tariff reset announcements are upending long held relationships and forcing uncomfortable decisions to be made. Canada and Mexico have emerged less damaged than originally envisaged, while Europe and the U.K. have been forced into action, with a deliberate poke in the eye. China and several smaller nations have received two pokes while Australia has received no pardon.

Does this all matter?

When you upend long standing arrangements that result in punitive penalties, called tariffs, it does. Witness the financial market's sharp reaction. A somewhat natural expectation when compared to previous big global shocks before it too fades into history.

COVID-19, inflation, interest rates, Ukraine-Russia war, Middle East conflict, China, energy transition, work from home, Artificial Intelligence, Avian Flu and Diversity, Equity, and Inclusion (DEI). Now we can add Trump, with an array of policy actions.

Writing in the Australian Financial Review (AFR) on 12 March, 'Foreign policy expert' John Lee contributes some worthy comments on today's hot topic. Lee notes, *"Many are falling into the trap of assuming that there is no reason or method to Trump's trade policies, which they dismissed as quixotic, self-defeating, popularist and absurd."*

Whether team Trump is successful or not, Lee's view adds perspective, *"The re-industrialisation of America and the revival of innovation is the driving force behind Trump's love of tariffs. Tariffs are designed to give domestic producers an advantage in the US market over foreign firms. The administration concedes that its tariff strategy will fail if it doesn't lower costs and increase efficiency in other areas.*

This explains energy, deregulation, industrial relations, taxation, and financial policies being rolled out to assist and incentivise American-based firms on the supply side. As far as they are concerned, economists railing against tariffs are those overly wedded to blindly maximising consumerism in the immediate term and have lost sight of the national and social importance of making things."

Only time will tell if the points raised are valid or not. However, on some key foundational items around energy prices and innovation, it is hard to oppose the logic. As Lee explains on building 'industrial resilience', *"This is because energy is the lifeblood of almost all economic activity, while making things (not just providing services) is the foundation for industrial resilience. It is also essential for innovation. For example, in the case of Taiwan, it was not the invisible hand but a deliberate policy decision that enabled the country to lead the world in semiconductor fabrication. Doing so leads to other supposedly "natural" advantages. It is difficult for a country to create clusters of innovation if it is not producing real goods."*

In periods of such dislocation, financial markets respond in the only way possible, with extreme volatility. Just look at the way investing has changed over the years. The explosive growth in Exchange Traded Funds (ETF) and the move to passive investing when combined with leverage exacerbates the situation during periods of turbulence.

The Australian ETF market recently surpassed $255b in funds under management, a growth rate of 35% over the year. The popularity of such funds, allowing ordinary investors to trade in and out, can lead to heightened activity during periods of exuberance and fear.

This quarterly period coincides with company reporting season, the majority of which were half-time financial report cards to shareholders. As a backdrop to the financial difficulties facing our leading businesses, The Australian reported in March that, *"Australian businesses have suffered the sharpest annual fall in gross operating margins in a quarter of a century due to inflation driven costs, including a staggering 51% spike in gas prices."*

Simultaneously, the Federal Government is becoming increasingly reliant on income tax. The average full-time wage of $106,000 (source: Australian Bureau of Statistics), which currently sits within the 30% tax bracket, is expected to hit 37% halfway through the coming decade due to bracket creep.

Furthermore, government spending, according to Chris Richardson writing in the AFR, is showing little restraint; it is set to hit 27.2% of national income, up from 24.4%, following recent decisions forgiving student debt loans, bailing out Whyalla steelworks and bulk bill health incentives.

At the portfolio level, the collective outputs we seek are much clearer. Our focus here is on identifying and owning businesses possessing positive financial trends. Namely, growth in operating profit, earnings per share growth, and balance sheet strength, with a clear preference for net cash and appropriate long-term capital management policies, captured by conservative dividend payout ratios and disciplined long-duration share buyback programs.

Across these four indicators, the portfolio season scorecard shows, that on a portfolio weighted basis, operating profits rose circa 80%, earnings per share a similar 80%, while dividends lifted around 70%. Share buybacks also featured, with circa 30% of the portfolio recording reductions in issued capital.

Combined, these metrics indicate businesses executing well on behalf of owners. What is often overlooked by investors, however, is how these revenues and profits are derived. To that, we would call out two important attributes

The first is the commitment to research and development (R&D) spend. It remains one of the most important differentiating factors when considering business duration and maintaining competitive edge.

Importantly, R&D is a well-considered, conservative and forward-thinking decision, taking a portion of today's profits with the aim to deliver future revenue streams.

The second considers the ranking of revenue quality. Are the revenues cyclical, typically earned as one-off sales, or do they represent highly recurring income streams that are often seen as mission critical to customer needs and thereby annuity-like in nature.

Our preference is certainly the latter, for several reasons, least not the high operating margins generated and the positive network effects that invariably follow. The list of businesses held in the portfolio and reported in the performance overview section of the quarterly reflect many of these desirable attributes.

It should not surprise readers that popular companies like BHP and the banks do not appear on our list. The rationale for holding BHP we think is less about the attributes of the business and more about not straying too far from popular index weightings. For to stray too far from the ASX index is to risk relative underperformance and the ire of investors and financial gatekeepers. A risk that too many are not prepared to take.

In this quarterly, we comment on company reporting season and take a closer look at several portfolio holdings.

We follow this up with our article titled “Idiot Index”, which explores individuals who are prepared to challenge the status quo in business. Then, in our piece “Shapers” we delve into three business holdings where the CEO and management teams are reshaping their organisation or entire industries.

For the March 2025 quarter, the Fund delivered a gross negative return of **10.15%** compared to the All-Ordinaries Accumulation Index, which posted a fall of **3.29%**.

For the financial year to date, the Fund delivered a gross negative return of **0.03%** compared to the All-Ordinaries Accumulation Index which recorded a gain of **3.40%**.

We trust you find the quarterly informative.

Regards,

Selector Investment Team

"There is a natural predisposition towards extrapolating the present situation far into the future."

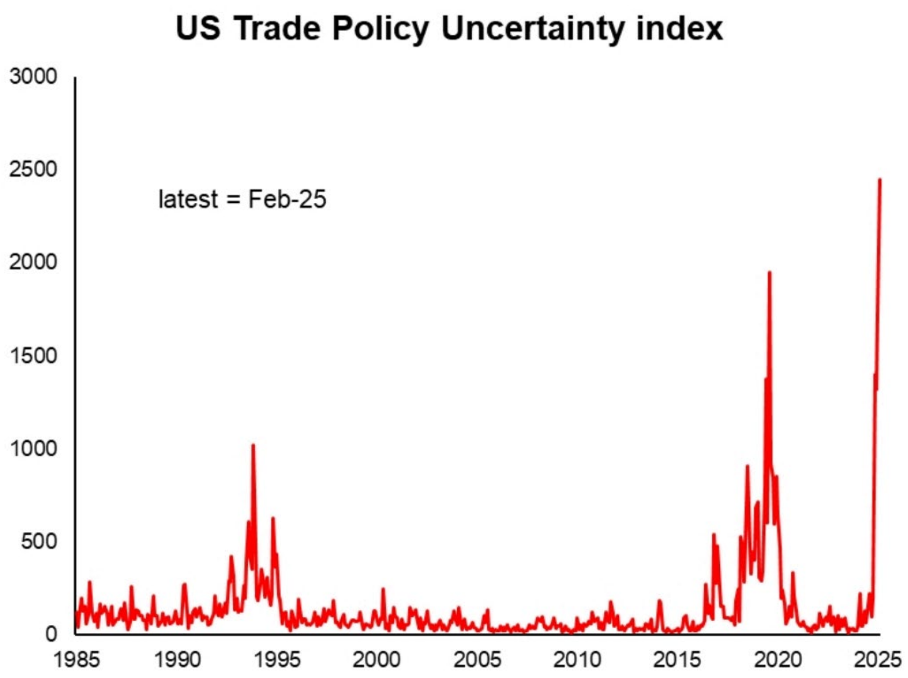
Investors are prone to place greater weight on current events at the expense of a more balanced historical assessment. Under such a setting the loudest and most recent information clouds our judgement, which is only reconciled with the passing of time.

If history is any guide, it pays not to over emphasise the present.

Figure 1 and Figure 2 sourced from Macquarie reflects how recent developments in the U.S., regarding trade policy and U.S. economic policy compared to previous eras.

This is borne out in Figure 1, with current U.S. trade policy uncertainty exceeding all past events, including Covid-19. Hard to reconcile how anything today could surpass Covid-19.

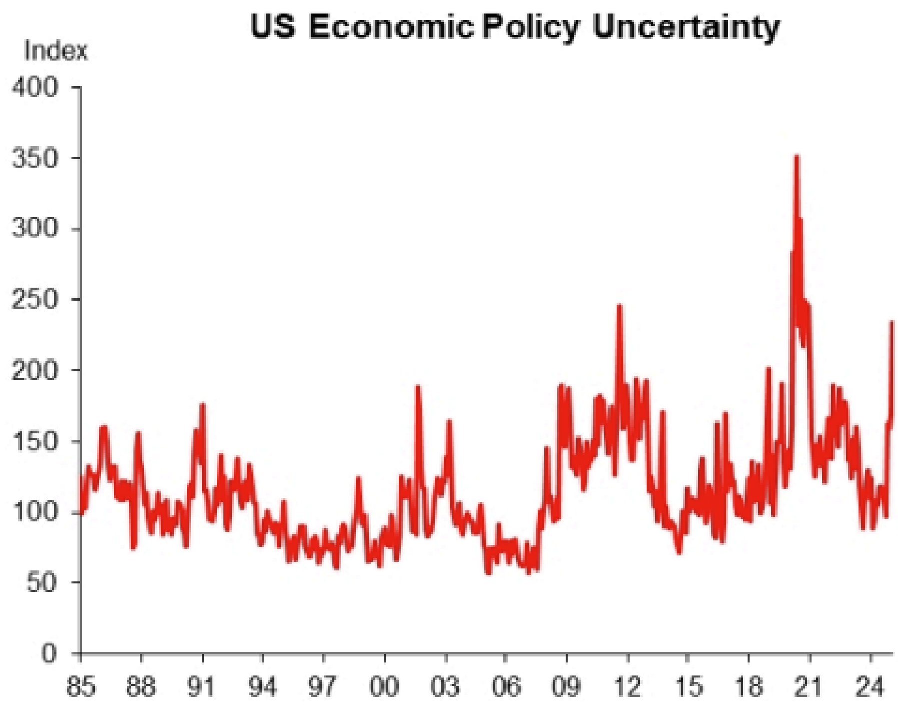
Figure 1: U.S. Trade Policy Uncertainty Index



Source: Macrobond, Macquarie Macro Strategy

In Figure 2**,** the U.S policy uncertainty index ranks ahead of all economic crisis, except Covid-19 and equal to the global financial crisis (GFC) period.

Figure 2: U.S. Economic Policy Uncertainty Index



Source: Macrobond, Macquarie Macro Strategy

Portfolio Overview

Table 1: Performance as at 31 March 2025[1]

	3 Month	6 Month	1 Year	3 Year[2]	5 Year[2]	10 Year[2]	15 Year[2]	20 Year[2]	Since Inception[2]
Fund (net of fees)	(10.49)	(10.64)	(1.98)	4.96	10.78	9.45	10.57	9.43	9.86
Fund (gross of fees)	(10.15)	(9.97)	(0.51)	6.57	12.56	11.35	12.54	11.40	11.87
All Ords. Acc. Index	(3.29)	(4.13)	2.20	5.15	13.64	7.39	7.67	7.76	8.11
Difference (gross of fees)	(6.86)	(5.84)	(2.71)	1.42	(1.08)	3.96	4.87	3.64	3.76

Inception Date: 30/10/2004

[1]Performance figures are historical percentages. [2]Returns greater than 1 year are annualised and assume the reinvestment of distributions. Past performance should not be taken as an indicator of future performance.

Graph 1: Gross value of $100,000 invested since inception

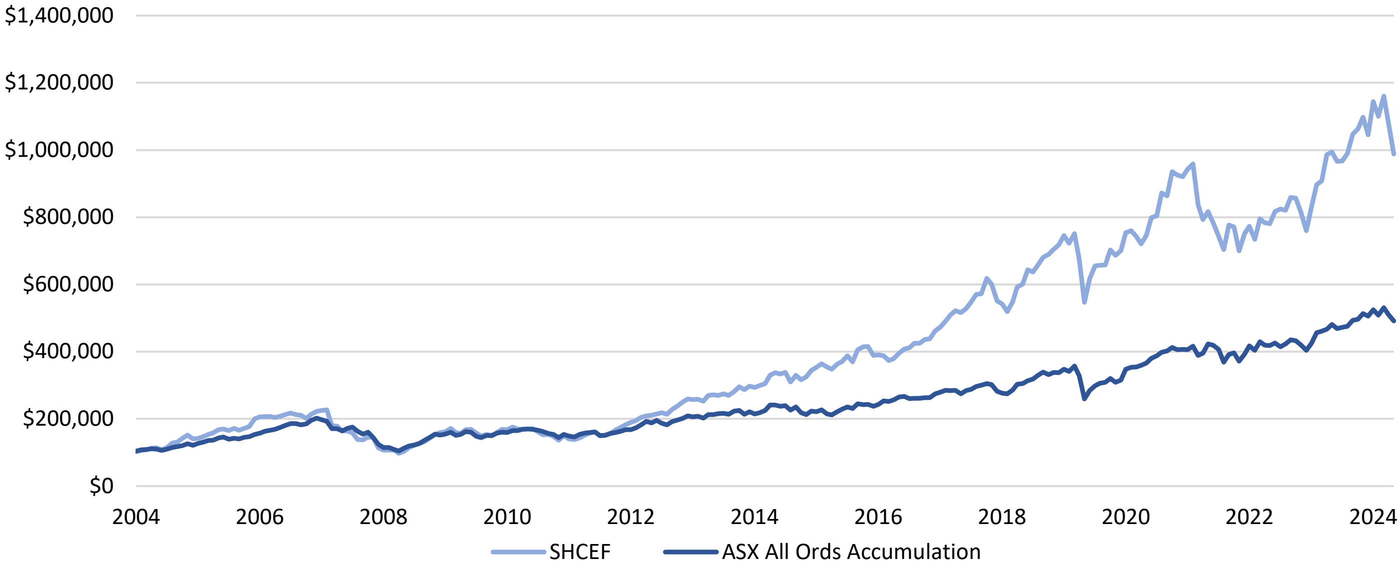


Table 2: Portfolio's Top 10 Holdings

Top 10 March 2025	%	Top 10 December 2024	%
TechnologyOne	8.29	TechnologyOne	8.73
Nanosonics	6.74	CAR Group	6.58
Aristocrat Leisure	6.64	Aristocrat Leisure	6.50
CAR Group	6.44	Resmed	6.01
Resmed	6.43	Cochlear	5.42
Cochlear	5.64	WiseTech Global	5.28
James Hardie Industries	4.71	James Hardie Industries	4.95
Pro Medicus	4.42	Pro Medicus	4.92
CSL	4.13	Reece	4.23
WiseTech Global	4.09	CSL	4.14
Total	**57.54**	**Total**	**56.75**

Table 3: Unit prices as at 31 March 2025**

Unit Prices	Entry Price	Mid Price	Exit Price
	$3.3060	$3.2978	$3.2896

Selector employs a high conviction, index unaware, stock selection investment strategy. The Fund's top 10 positions usually represent a high percentage of its equity exposure. Current and past portfolio composition has historically been very unlike that of your average "*run-of-the-mill index hugging*" fund manager. Our goal remains focused on truly differentiated broad-cap businesses rather than the closet index hugging portfolios offered by most large fund managers.

Table 4: ASX sector performance – March 2025 quarter

S&P ASX Industry Sectors	Quarter Performance (%)
Industrials	1.48
Utilities	0.29
Telecommunications	(0.20)
Consumer Staples	(0.93)
Materials	(0.93)
Financials	(3.37)
Consumer Discretionary	(3.64)
A-REITS	(7.30)
Energy	(7.92)
Healthcare	(9.71)
Information Technology	(17.55)

Table 5: Fund's industry weightings

Industry group	March 2025 (%)	December 2024 (%)
Health Care Equipment & Services	27.79	25.54
Software & Services	18.03	20.38
Media & Entertainment	13.14	13.02
Consumer Services	11.58	11.97
Pharmaceuticals, Biotech & Life Sciences	7.75	6.44
Capital Goods	5.09	6.18
Materials	4.71	4.95
Automobiles & Components	3.48	3.17
Commercial & Professional Services	3.29	2.71
Consumer Durables & Apparel	3.13	3.04
Financial Services	1.56	1.74
Cash & Other	0.45	0.86

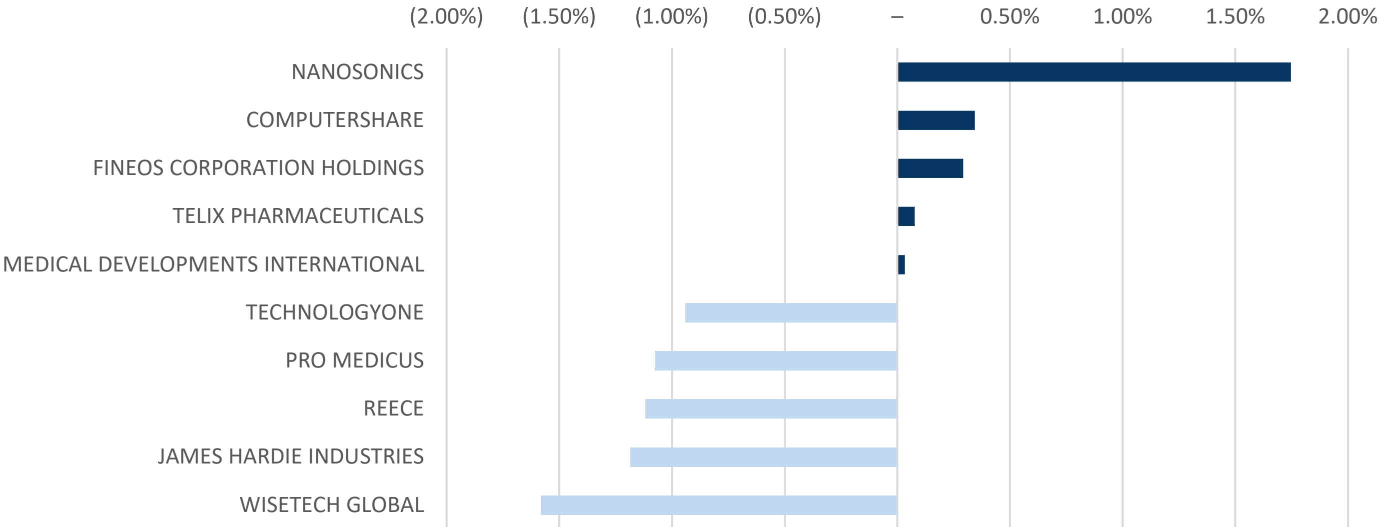
Table 6: Portfolio turnover as at 31 March 2025

Period	**Turnover %**
1 Year	9.58
2 Years	7.56
3 Years	6.94
5 Years	8.10
10 Years	7.11
15 Years	6.70
20 Years	6.26
Since inception	6.17

- Turnover shown as annualised percentages
- Turnover = Lesser of purchases or sales divided by average funds under management for the period
- Turnover calculation excludes cash flows greater than 1% of FUM over any given period

Portfolio Contributors

Graph 2: Contributors and Detractors – March 2025 quarter



Environmental, Social and Corporate Governance (ESG)

ESG 2.0 Roadmap

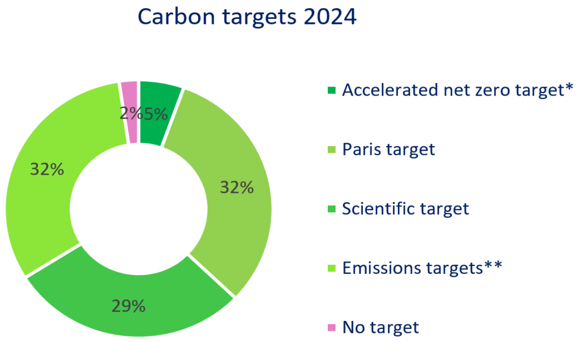
Consideration			
Social	Human Capital Management	Community (including MS*)	Best Interests
Governance	Board effectiveness	Shareholder interests	Risk, Litigation & Cyber
Environment	Climate Targets	Renewable targets	Progress against target

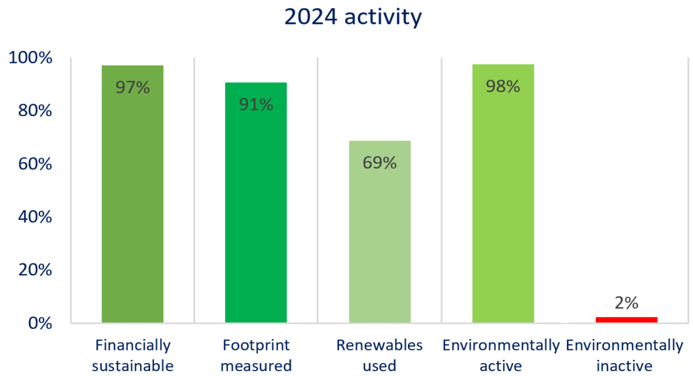
Roadmap scorecard
9 filters applied to each portfolio business
*Modern Slavery (MS)

The ESG Roadmap is reviewed quarterly with data updated annually by reporting companies. Further detail on our ESG Roadmap and how ESG is integrated into the investment process can be found in the SFML ESG & Voting Policy, available at https://selectorfund.com.au/esg.

- Carbon Risk Analysis

Figure 3: Portfolio Reporting 2024



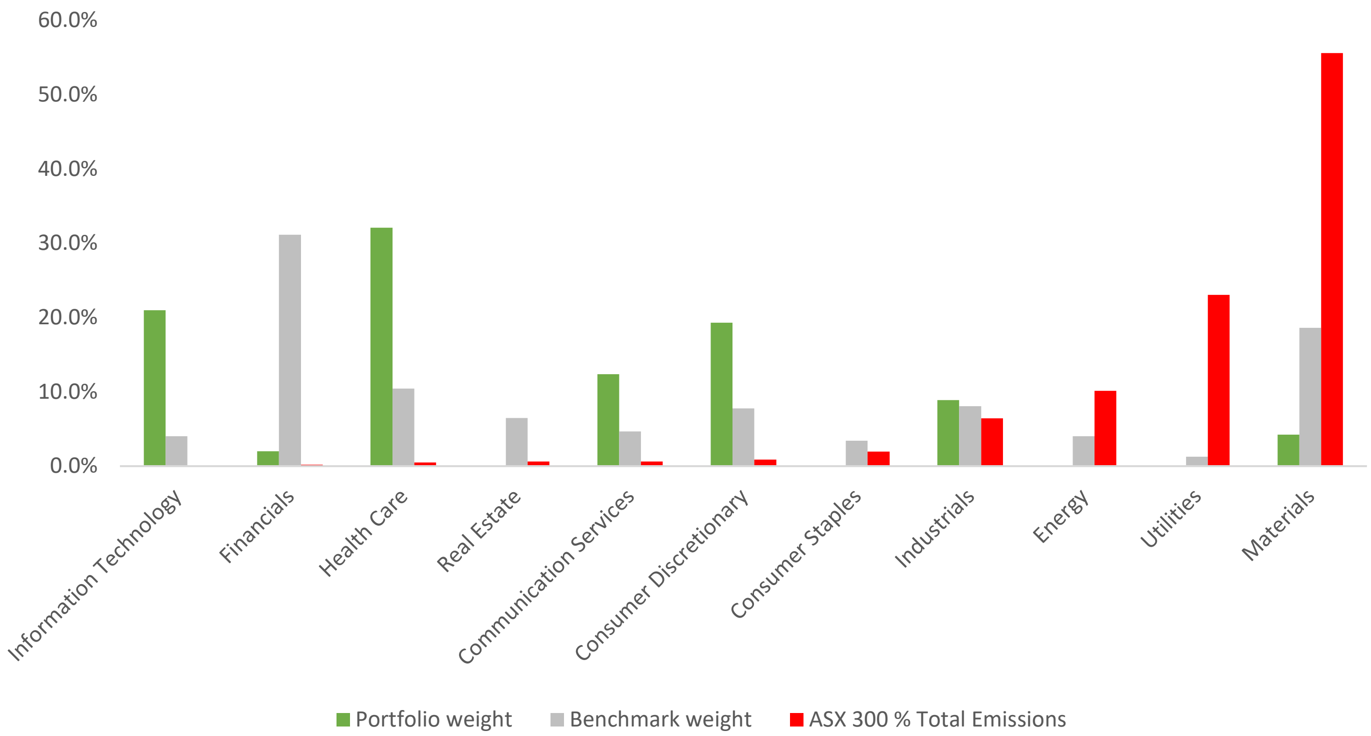


What we are seeking
- Paris targets
- Science based targets
- Emissions targets
- Renewable energy targets

What we are monitoring
- Financial sustainability
- No efforts
- No accountability

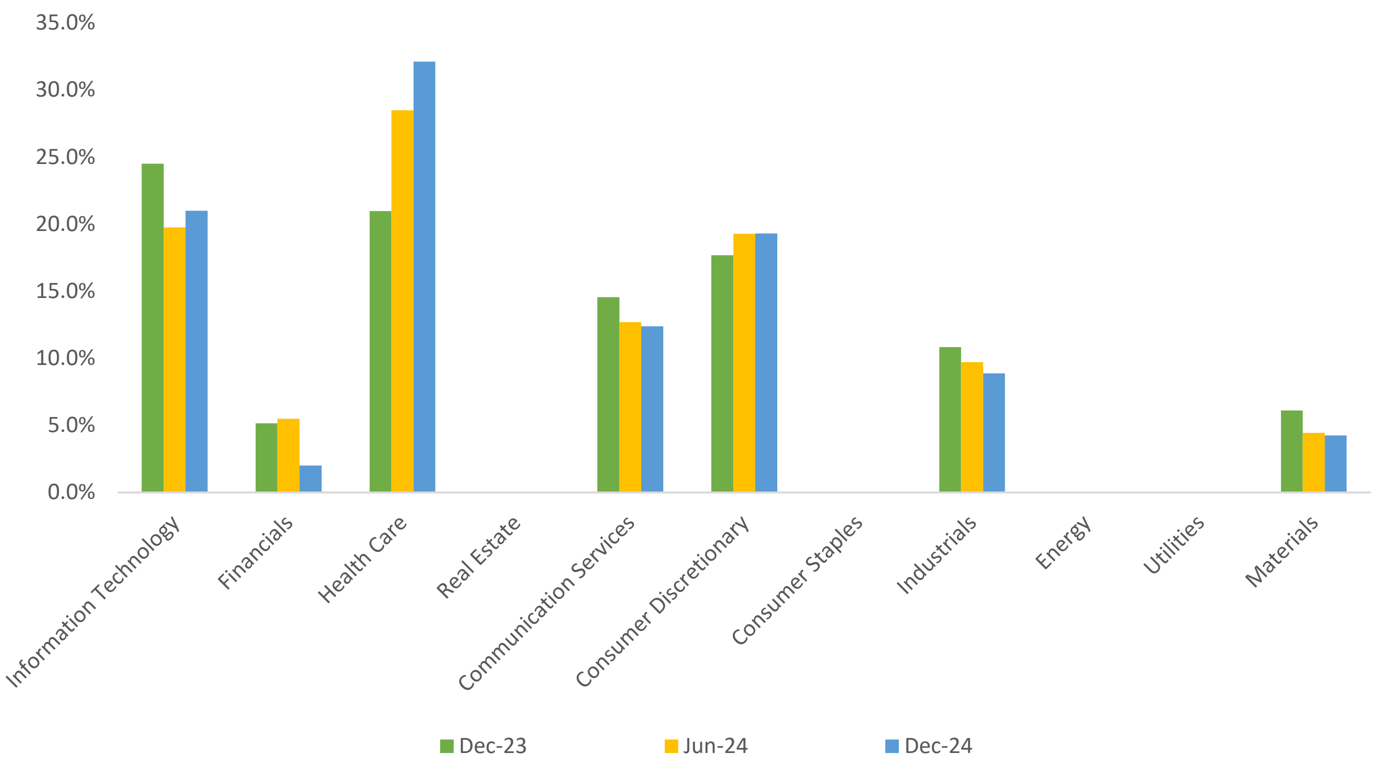
**Net zero across all scopes by 2030*
**Has at least measured emissions or energy use or set a target*
Source: SFML Research

Graph 3: SHCEF vs ASX 300 Carbon Exposure 31 December 2024



Source: SFML & LSEG

Graph 4: Portfolio Carbon Exposure Periodic Change



Source: SFML & LSEG

Table 7: SFML Portfolio carbon intensity

Carbon intensity method[1]	SFML[2]	ASX 300[2]
Carbon to value invested	3.03	29.74
Carbon to revenue	14.76	109.49
Weighted Average Carbon Intensity (WACI)	9.76	96.64

Source: SFML & LSEG

[1]Last reported financial year revenue as at 31 December 2024
[2]Scope 1 and 2 emissions (estimated if not reported).

- ***Carbon to value invested*** – this calculation is the aggregation of estimated owned constituent greenhouse gas emissions per $1m market capitalisation as at 31 December 2024. It allocates the emissions investors are responsible for based on their level of ownership, enabling them to measure their contribution to climate change.
- ***Carbon to revenue*** – this calculation reflects the aggregation of estimated owned constituent greenhouse gas emissions per $1m generated in apportioned revenues. It allocates the emissions investors are responsible for based on their ownership of company revenues.
- ***Weighted Average Carbon Intensity (WACI)*** is the weighted average of individual company's estimated carbon intensities (emissions over revenues), weighted by the investment proportion of the constituents.

Table 8: SFML Top 10 emitters and total Portfolio Revenue impact of AUD$90 Carbon tax

Portfolio	Revenue ($m)[1]	CO2 Emissions[2] (Tonnes)	$90 Carbon Tax ($m)	Impact on Revenue (%)
SFML Top 10 Emitters	60,210.04	1,249,503	112.46	(0.19%)
SFML Portfolio – Total	76,459.50	1,273,047	114.57	(0.15%)
ASX 300 Top 30 Emitters	633,615.37	212,451,279	19,120.62	(3.02%)
ASX 300 Index – Total	1,315,165.27	228,634,780	20,577.13	(1.56%)

Source: SFML & LSEG CO2 Emission data

[1]Last reported financial year revenue as at 31 December 2024
[2]Scope 1 and 2 emissions (estimated if not reported).

*Note: ASX 300 index revenue impact from a carbon tax is **10x** larger than SFML portfolio*

Table 9: Fundamentals behind comparing SFML Top 10 Emitters and ASX 300 Top 30 Emitters

Portfolio	Percentage of Total Portfolio	Percentage of Total Portfolio's Emissions
SFML Top 10 Emitters	37.80%	98.15%
ASX 300 Top 30 Emitters	24.94%	92.92%

Source: SFML & LSEG CO2 Emission data

Note: ASX 300 Top 30 Emitters revenue impact from a $90 carbon tax is 16x larger than SFML Top 10 Emitters

Reporting Season Snapshot

Cochlear (ASX: COH)

Cochlear is the global leader in implantable hearing solutions, helping over 700,000 people to hear across 180+ countries. The company was founded in 1981 and has more than 5,000 employees spanning 50 countries. Cochlear delivers lifelong hearing outcomes to its patients through implant systems and sound processor upgrades. These upgrades are recurring in nature and represent 30% of sales revenue.

	HY25 ($m)	HY24 ($m)	Change
Revenue	**1,170**	**1,113**	**5%**
Gross Profit margin	***75%***	***74%***	
Research & development expense	(144)	(127)	
% revenue	*12%*	*11%*	
Underlying Operating Profit (EBIT)	**275**	**255**	**8%**
margin	*24%*	*23%*	
Underlying Profit after Tax	**206**	**192**	**7%**
margin	*18%*	*17%*	
Net Cash	**383**	**485**	
Operating Cash Flow	**110**	**157**	
Capital Expenditure (CAPEX)	*(44)*	*(43)*	

In February, Cochlear delivered its half year 2025 result. The business reported “mixed results” with revenue in the Implants and Acoustics segments up 13% and 22% to $724m and $140m respectively, while Services declined 12% to $305m. In Cochlear Implants, the company observed unit growth of 10% in adults and seniors across developed markets, supported by strong referral rates and initiatives to improve awareness and access for implant candidates.

In Acoustics, the Osia implant continued to take share across existing markets with U.S. unit sales growing over 50% and expansion into new countries, including France and Italy.

In Services, the uptake of the Nucleus 8 sound processor, which launched in FY23, slowed, partly due to the continued high satisfaction of its predecessor, Nucleus 7 and cost of living pressures in the U.S.

Growing the market

The company is noticing positive trends in adult referral rates across its key developed markets, with long-term initiatives focused on increasing awareness and access showing signs of success. The strategy has been built on growing referral pathways through clinical studies and direct-to-consumer (DTC) efforts.

On the clinical side, the company is investing in clinical studies to raise awareness of the connection between hearing loss and cognitive decline, while also broadening its global reach through new product indications.

On DTC, Cochlear is focused on building referrals from hearing aid channels to ensure a natural pathway exists for customers with profound hearing loss to receive improved outcomes.

The opportunity for cochlear implants remains significant. Cochlear is the global leader, commanding over 60% of the market share. However, the company only accounts for a 4% share of the hearing devices market for the severe or higher hearing loss segment.

Product development

Cochlear invested $144m (12% of revenue) in research and development (R&D) during the half, providing a strong pipeline of products to drive future growth. In a break from tradition, the company announced it expects to launch two new products in mid-2025, a next-generation implant and a new off-the-ear Nucleus Kanso 3 processor.

Business investment

In 2021, management announced plans to upgrade its software and technology stack to ensure the business can operate and scale as a bigger company. Four years on, Cochlear has successfully transitioned its customer relationship and human capital management systems to the cloud, marking an important milestone. The final phase of the project, the upgrade of its core Enterprise Resource Planning (ERP), has since expanded to include its underlying data and manufacturing systems.

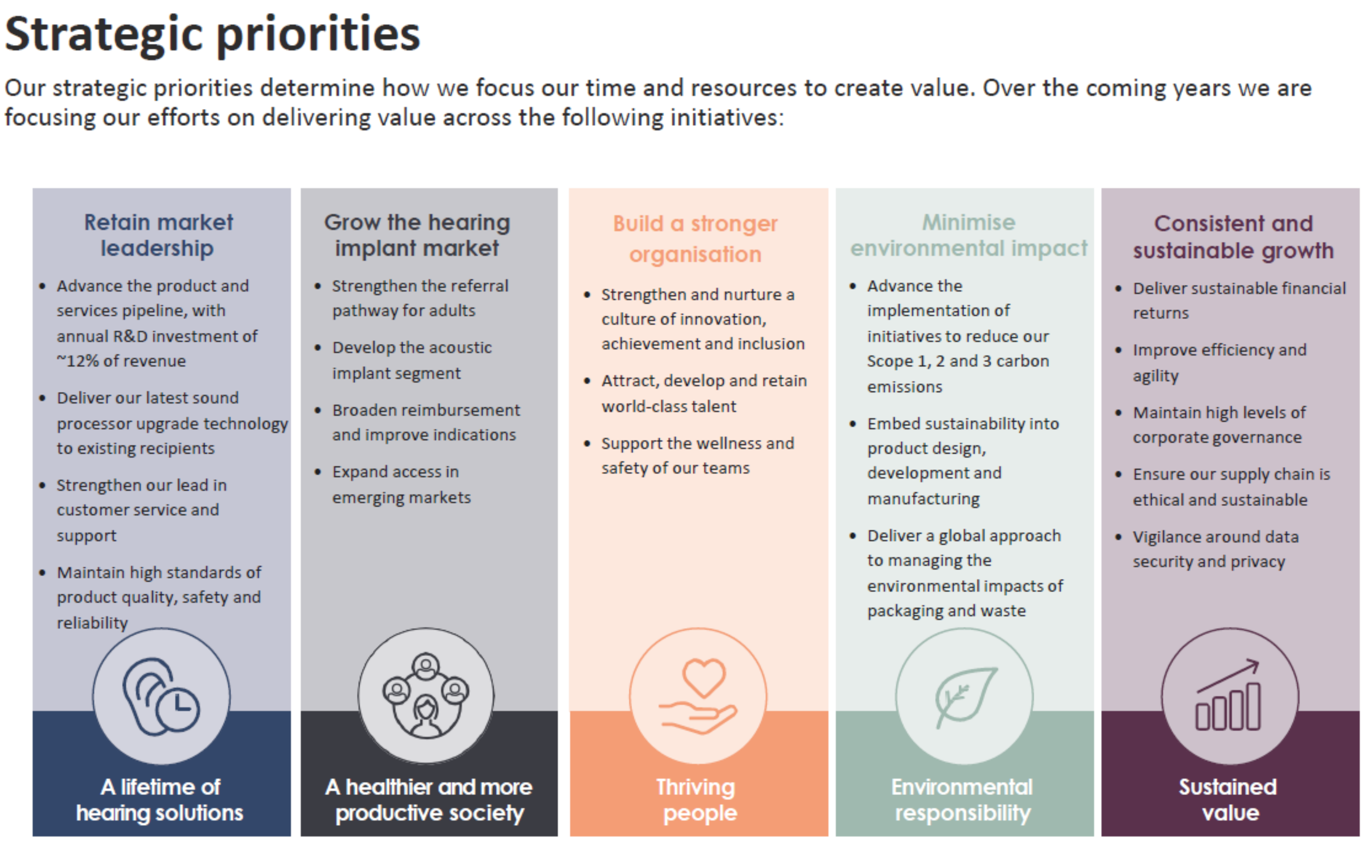
So far, $130m has been invested, with management now guiding to a total cost of $250m, having expanded the scope of the program by $100m. Such investment reflects the company's ongoing commitment to driving operational efficiencies, scale capabilities, product development and market awareness initiatives to support its long-term growth ambitions, as highlighted in **Figure 4**.

Outlook

For FY25, Cochlear expects underlying net profit to be at the lower end of the $410m-$430m guidance range provided in August, reflecting lower than expected Services revenue and increased cloud-related investment.

Cochlear has a market capitalisation of $17.5b.

Figure 4: Long-term priorities



Source: Cochlear HY25 Results Presentation

Nanosonics (ASX:NAN)

Nanosonics is an infection prevention company and the global leader in ultrasound probe disinfection, protecting over 27m patients a year. The business was founded in 2001 and employs 466 people across Australia, North America, Europe, the U.K. and Japan. Its lead product, trophon2, is sold across 30 countries.

	HY25 ($m)	HY24 ($m)	Change
Global trophon install base (units)	35,840	33,550	7%
Revenue	**93.6**	**79.6**	**18%**
Capital	*24.4*	*21.9*	*11%*
Consumables/Service (recurring)	*69.2*	*57.7*	*20%*
Gross Profit margin	***78%***	***80%***	
R&D	**16.4**	**16.2**	
% of revenue	*18%*	*20%*	
Operating Profit (EBIT)	**8.7**	**3.0**	
margin	*9%*	*4%*	
Net Profit after Tax	**9.8**	**6.2**	**58%**
margin	*11%*	*8%*	
Net Cash	**144.5**	**129.6**	**12%**
Operating Cash Flow	**21.2**	**9.0**	
Capital Expenditure (CAPEX)	*(6.0)*	*(1.1)*	

Nanosonics delivered a solid half year 2025 result, driven by continued performance in the North American business and a 20% increase in the Group's Consumable and Service annuity revenue to $69.2m.

The U.S. region remains the core market for Nanosonics, generating 90% of group sales. For the half, revenue increased 17.2% to $84.7m supported by capital revenue sales of $22.7m, an increase of 11.3% and Consumables/Services revenue of $62.0m, up 19.8%.

The company continues to consolidate its position as the standard of care in ultrasound probe disinfection, with over 50% market share and a total install base of 31,330, up 3%.

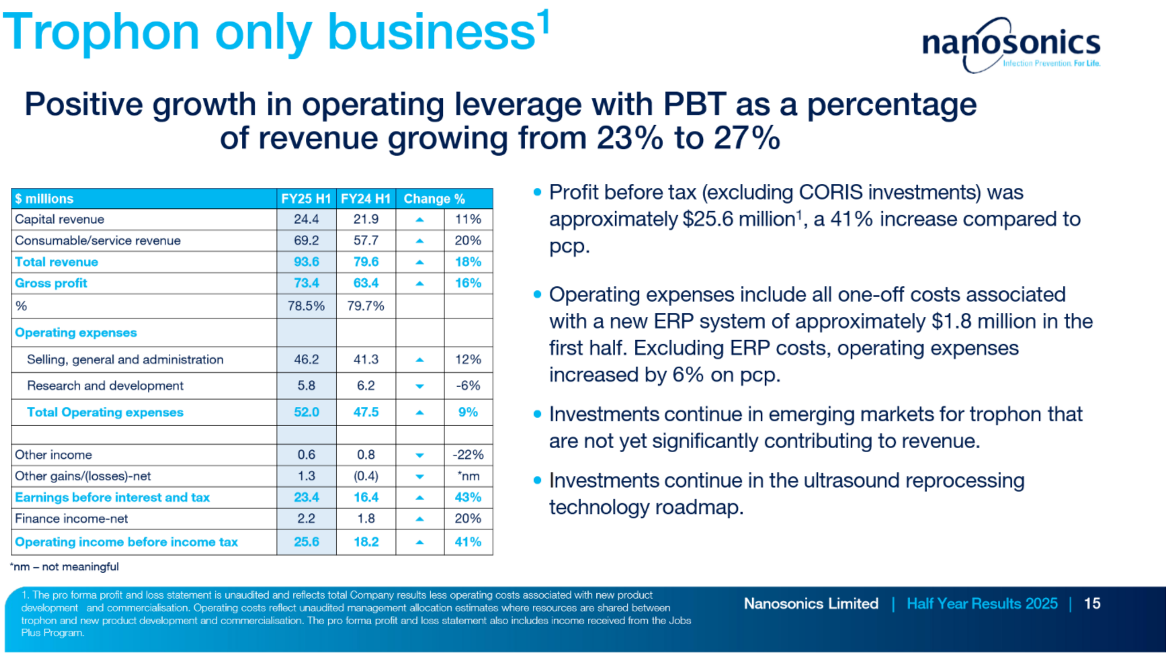
Consumables benefited from ongoing growth in the company's trophon2 install base, higher ultrasound procedure volumes and success in expanding value to existing customers. The company offers dedicated educational services across all relevant ultrasound procedures and has improved the broader consumables offering, including cleaning and drying wipes, and ultrasound probe covers to prevent recontamination. Approximately 30% of existing customers are using Nanosonics' broader consumable range.

Upgrades to capital equipment remain an important driver of new service contract growth, with circa 10,000 units being first generation devices. The majority of these units are maintained by GE Healthcare. For the half, Nanosonics reported 610 upgrades in region.

The business also announced it is establishing a consumables manufacturing site within its existing facility in Indianapolis to support the region. The site is expected to be operational in the second half of FY25.

The global opportunity for trophon remains large, with market penetration EMEA and APAC at circa 5%. The underlying trophon business remains highly profitable, as shown in Figure 5.

Figure 5: Trophon Business – Unaudited Pro forma Profit and Loss



Trophon only business[1]

nanosonics

Infection Prevention. For Life.

Positive growth in operating leverage with PBT as a percentage of revenue growing from 23% to 27%

$ millions	FY25 H1	FY24 H1	Change %	
Capital revenue	24.4	21.9	▲	11%
Consumable/service revenue	69.2	57.7	▲	20%
Total revenue	**93.6**	**79.6**	▲	**18%**
Gross profit	**73.4**	**63.4**	▲	**16%**
%	78.5%	79.7%		
Operating expenses				
Selling, general and administration	46.2	41.3	▲	12%
Research and development	5.8	6.2	▼	-6%
Total Operating expenses	**52.0**	**47.5**	▲	**9%**
Other income	0.6	0.8	▼	-22%
Other gains/(losses)-net	1.3	(0.4)	▼	*nm
Earnings before interest and tax	**23.4**	**16.4**	▲	**43%**
Finance income-net	2.2	1.8	▲	20%
Operating income before income tax	**25.6**	**18.2**	▲	**41%**

*nm – not meaningful

- Profit before tax (excluding CORIS investments) was approximately $25.6 million[1], a 41% increase compared to pcp.
- Operating expenses include all one-off costs associated with a new ERP system of approximately $1.8 million in the first half. Excluding ERP costs, operating expenses increased by 6% on pcp.
- Investments continue in emerging markets for trophon that are not yet significantly contributing to revenue.
- Investments continue in the ultrasound reprocessing technology roadmap.

1. The pro forma profit and loss statement is unaudited and reflects total Company results less operating costs associated with new product development and commercialisation. Operating costs reflect unaudited management allocation estimates where resources are shared between trophon and new product development and commercialisation. The pro forma profit and loss statement also includes income received from the Jobs Plus Program.

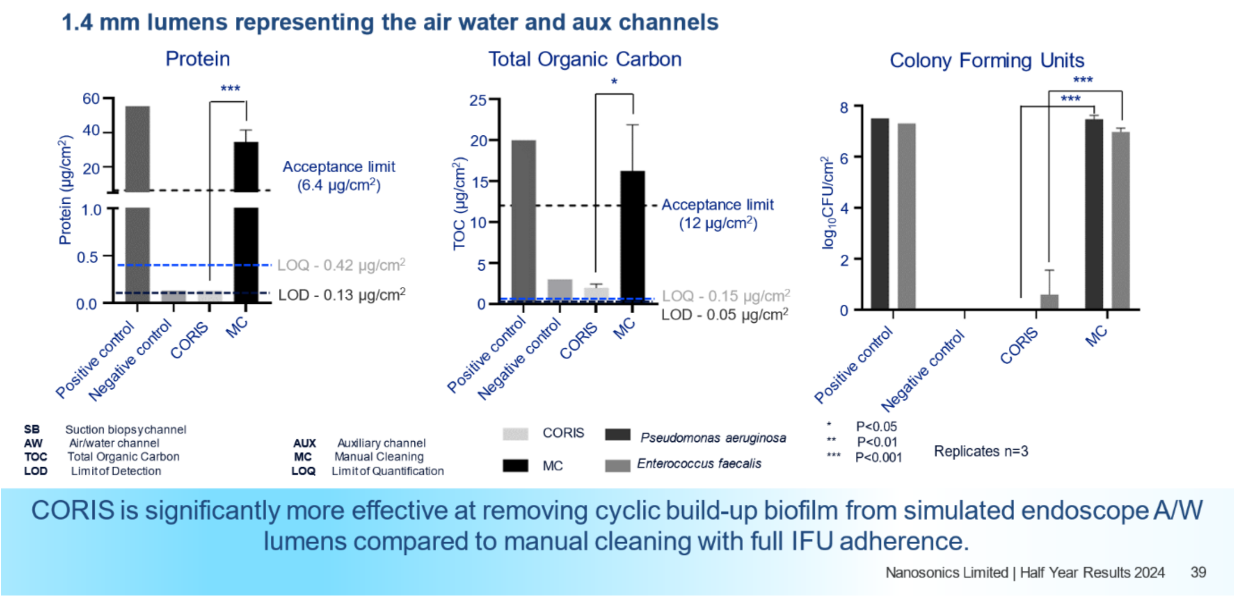
Nanosonics Limited | Half Year Results 2025 | 15

Source: Nanosonics HY25 Results Presentation

CORIS

CORIS, the group's next platform, which is designed to reprocess reusable flexible endoscopes, received FDA De Novo clearance in March. The announcement is a key milestone for the company, marking the approval of its second major product in the U.S. market. The device is a novel technology that aims to address the limitations of manual cleaning through a highly automated process, setting a new benchmark in endoscope cleaning outcomes.

Figure 6: CORIS preliminary results



Source: Nanosonics HY24 Results Presentation

The initial FDA approval is for colonoscopes, with management aiming to have 70% of endoscopes by procedure volume approved in the U.S. over the coming 12 months. Nanosonics expects approval across the UK, Europe and Australia in the first quarter of FY26 and the first phase of U.S. commercialisation, which will focus on raising market awareness and initiating a controlled market release in the U.S.

market. A broader market rollout is planned for the second half of FY26.

The fundamentals behind CORIS adoption are well documented, with clinical guidelines and endoscope reprocessing requirements already established in all major markets. In the U.S. market alone, over 35,000 adverse events related to endoscopes are reported annually, with many of these arising from issues during device reprocessing.

Guidance

Nanosonics upgraded its FY25 guidance range provided in August 2024 and now expects revenue growth of 11%-14%, gross profit margins between 78%-79% and operating expenses growth between 8%-10%. The business continues to target operating leverage and remains debt free.

Nanosonics has a market capitalisation of $1.4b.

Figure 7: Coris Opportunity

Source: Nanosonics FY24 Results Presentation

REA Group (ASX:REA)

REA Group is Australia's number one online property portal, with 6.1m exclusive monthly visitors – four times that of its nearest competitor. Internationally, REA operates India's leading digital advertising business through Housing.com and has a minority shareholding in Move, Inc., the owner of North America's leading platform, realtor.com. REA's online platform and services help users buy, sell, finance and rent properties. REA provides continual innovative digital solutions in property, analytics and transactions and has 3,300 employees across Australia and India.

	HY25 ($m)	HY24 ($m)	Change
Revenue	**873**	**726**	**20%**
Australia	*809*	*682*	*19%*
India	*64*	*44*	*46%*
Gross Profit margin	***96%***	***97%***	
Underlying EBITDA	**535**	**439**	**22%**
Margin	*61%*	*60%*	
Underlying Net Profit after Tax	**310**	**245**	**27%**
Margin	*36%*	*34%*	
Net Debt (Net Cash)	**(338)**	**(2)**	
Operating Cash Flow	**325**	**272**	
Capital Expenditure (CAPEX)	*(69)*	*(60)*	

For HY25, REA reported a 20% increase in revenue to $873m and operating profits (EBITDA) of $5535m, growing 22%. Underlying profit after tax for the period was $310m, a 27% increase on the prior comparative period. REA's core business, Australian residential reported a 21% increase in revenue to $614m, through double-digit yield growth (revenue generated per listing), driven by higher penetration of depth products and price rises, as well as a 5% increase in national listings.

NextGen Listings

During the period, REA completed the first phase of NextGen Listings, an initiative designed to create a more engaging and personalised user experience. The first of the three deliveries focused on improving agency branding and enhancing property images. These optimisations have driven a 91% increase in consumers viewing all images, videos and floor plans within a listing.

Phase two, expected to be delivered mid-CY25, will introduce new functionality allowing users to quickly apply for a property or make online offers. It will also add availability of building, pest and strata reports, and project profiles such as construction status. Phase three, expected later in CY25, will bring more immersive experiences, expanded personalisation and deeper integration with financial services.

The move to a dynamic property experience reflects REA's aspiration to transform how the world engages with properties and in turn, drive better quality leads to its customers.

India

In India, revenue grew by 46% to $64m, with operating losses (EBITDA) improving 27% to ($14m). Management expects EBITDA losses to be marginally lower than the $36m reported in FY24.

The company recorded a 37% growth in app traffic as it continues to focus investment on driving traffic and engagement in the channel.

Group CEO, Owen Wilson has labelled this investment a priority, with management believing apps will be the future of the Indian property experience.

REA launched multiple enhancements during the half, including improved search functions, new map experiences and AI-generated price estimates. Seven Tier 2 cities (smaller, rapidly developing urban areas with emerging real estate markets) were also added to the platform, bringing the total number of cities available in India to 20.

People & outlook

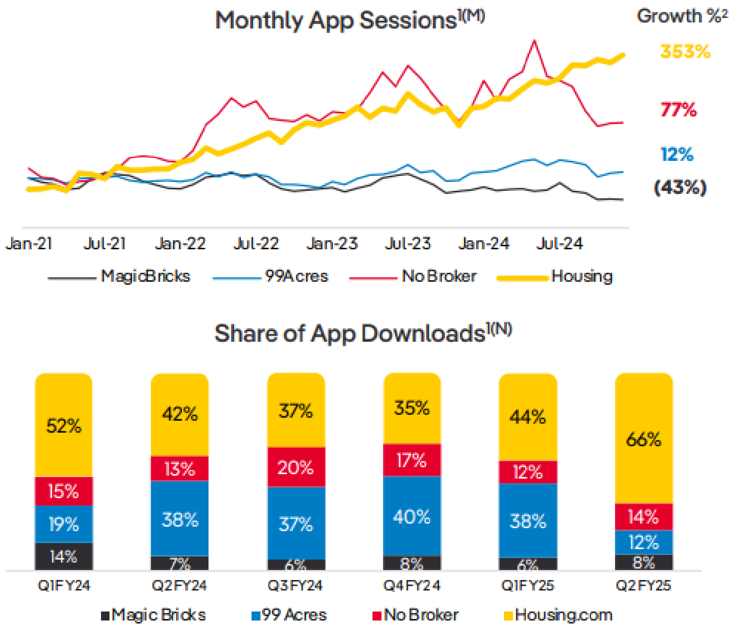
CEO Wilson announced that he would be retiring from his role after ten years with the business, including six as CEO and four as CFO. A global search for a new CEO is underway. Wilson confirmed he will remain with the company to ensure a smooth transition.

While no formal guidance was provided, management is confident the delivery of premium customer products and next-generation consumer experiences will continue to drive double digit residential yield growth for the remainder of the year.

The business continues to target operating leverage and anticipates low double-digit growth in core operating costs.

REA Group has a market capitalisation of $31b.

Figure 8: REA market share in India



Source: REA Investor Presentation HY25

Telix Pharmaceuticals (ASX:TLX)

Background

Telix Pharmaceuticals was founded in 2015 by Andreas Kluge, alongside the company's Managing Director and CEO Christian Behrenbruch. Both remain substantial shareholders, each holding 6.3% of the equity respectively.

The company is focused on targeted radiopharmaceuticals, also referred to as Molecularly Targeted Radiation (MTR).

Headquartered in Melbourne, Australia, the company has operations in the United States, Europe (Belgium and Switzerland) and Japan. The business workforce is approaching 1,000 employees, with the majority based in the U.S.

In 2021, the company's lead prostate imaging agent, Illuccix received U.S. Food and Drug Administration (FDA) approval and saw its first commercial sales in 2022.

The company listed in 2017, raising \$50m, giving the business at the time a market capitalisation of \$128m, based on the 197 million shares on issue and the offer price of \$0.65.

The current market capitalisation is \$9.3b, with 334m shares on issue.

Molecularly-Targeted Therapy

Telix is focused on *"Advancing precision care".* As the company explains, *"Many existing therapies for cancer and rare diseases are non-selective, impacting healthy tissue and vital organs while treating the disease.*

Our radiopharmaceuticals are designed to deliver focused doses of radiation with precision targeting via an injection, regardless of where the cancer or disease is in the body.

We use a radioactive isotope as a payload, attached to a targeting agent – such as a small molecule or antibody – with an affinity for targeted biomarkers on the surface of cancerous or diseased cells.

Depending on the choice of radioisotope payload, either imaging or therapy can be delivered. This specificity of the targeting agent is designed to concentrate radiation at the tumour sites and to limit off-target tissue exposure."

The Team

Led by CEO Christian Behrenbruch, the Telix executive team is highly experienced in the field of radiopharmaceuticals. Many are former executives of Sirtex Medical, a former ASX-listed medical device company specialising in radioactive treatment for inoperable liver cancer.

To deliver on its strategic long-term priorities, the organisation is comprised of four operational business units:

1. Precision Medicines (Diagnostic Imaging)
2. Therapeutics (Precision led oncology therapy)
3. Telix Manufacturing Solutions (global manufacturing units)
4. Lightpoint (Medical technologies focused on next-generation therapies)

The Numbers

The data below records the company's first three years of commercial sales, following initial U.S. FDA approval in December 2021.

The company is positioning for growth as it progresses several significant near-term product milestones.

Calendar Years 2022-2024

A$m	FY 2024	% sales	FY 2023	% sales	FY 2022	% sales
Revenue	783		503		160	
Cost of sales	(274)		(188)		(65)	
Gross Profit	**509**	***65%***	**314**	***63%***	**95**	***59%***
Research & development	(194)	*25%*	(129)	*26%*	(81)	*51%*
Selling & marketing	(85)	*11%*	(50)	*10%*	(38)	*24%*
Manufacturing & distribution	(26)	*3%*	(10)	*2%*	-	-
General & administration	(130)	*17%*	(74)	*15%*	(49)	*31%*
Other	8	*(1%)*	(36)	*7%*	(19)	*12%*
Operating Profit (EBITDA)	82	*10%*	16	*3%*	(92)	-
Adjusted EBITDA	**99**	***13%***	**58**	***12%***	**(68)**	***n/a***
Profit after Tax	**50**	***6%***	**5**	***1%***	**(104)**	***n/a***

Highlights and standouts

There are a few items worth noting from the full year 2024 financial performance.

The ongoing success of prostate imaging agent (PSMA), Illuccix is providing significant financial clout. Illuccix commands a U.S. market share estimated at 35%, having recorded revenue growth of 55% to $771m during 2024. In contrast, the current U.S. market leader, Lantheus reported sales of US$1.1b, up 24%.

The company is confident Telix will continue to grab more share, enhanced by the group's second prostate imaging product Gozellix receiving FDA approval on 21 March. The PSMA imaging agent market is estimated at US$3.3b.

The business is highly profitable, with gross margins lifting to 65%, driving a gross profit of $509m, up 62%.

The significant increase in gross profits is enabling the company to reinvest across all business lines, notably in research and development. For the year, over 25% of revenues or $194m was directed to this channel.

This spend is largely directed across the Precision Medicines unit, comprising both existing and late-stage products, totalling $111m and the Therapeutics unit, largely late-stage drug assets, totalling $83m.

In preparation for multiple regulatory product approvals in 2025, including Pixclara diagnostic (Brain, expected in April) and Zircaix diagnostic (Kidney, expected in August), the company has forward invested over $150m to build out the sales team in order to service the expected expanded product range. This illustrates the operating leverage that resides within the business.

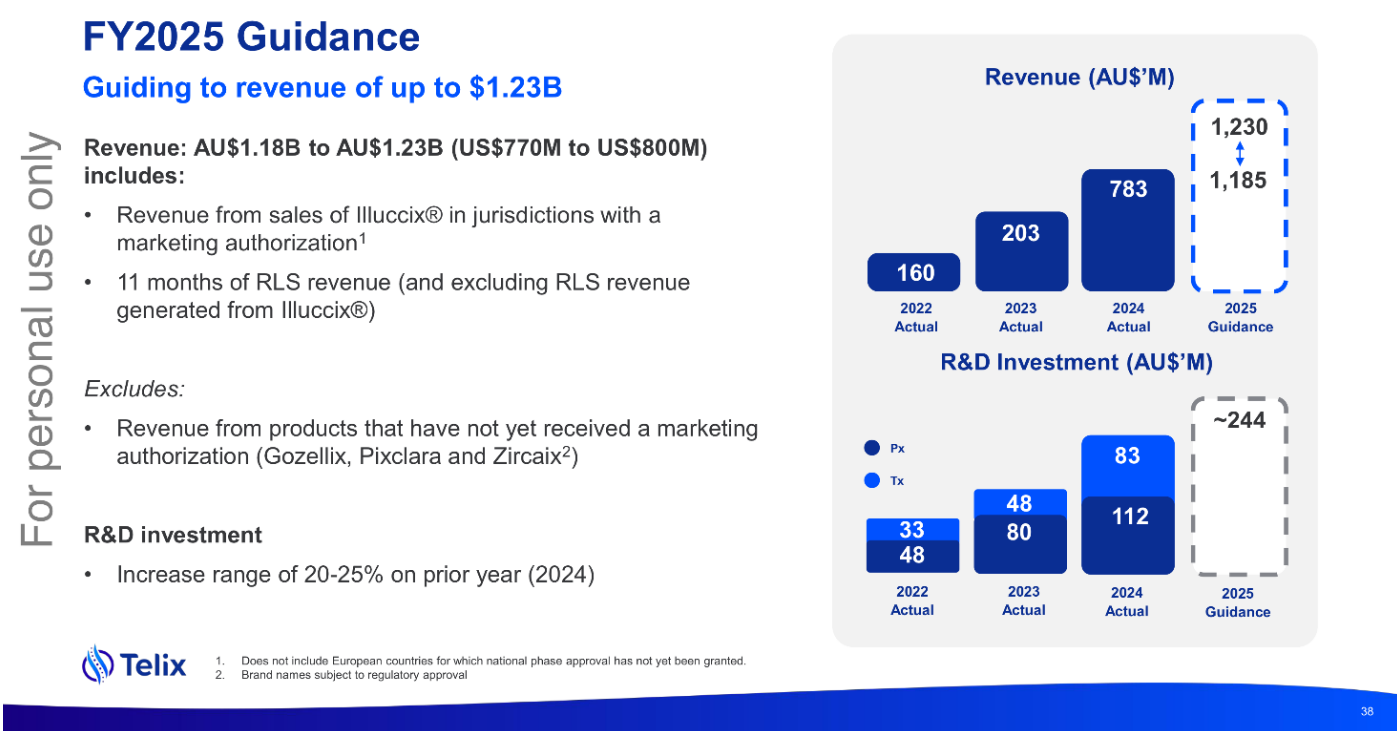
The development and acquisition of multiple manufacturing assets position the company to meet future demand. This is most evident in the U.S., with the company's extensive network covering over 245 distribution points, enabling last mile patient access and product reliability.

Finally, the company's financial position is strong, with net cash of $710m, which includes the issue of convertible bonds due in 2029, totalling net proceeds of $635m.

Guidance 2025

The company has provided forward guidance for calendar year 2025. This is reflected in **Figure 9**.

Figure 9: Telix Pharmaceuticals 2025 guidance



Source: Telix 2025 full year results presentation

Looking beyond 2025, the company's Long Term Variable Remuneration (LTVR) targets, as outlined on page 84 of the 2024 Annual Report, include cumulative three-year metrics out to 2027.

The EBITDAR (Earnings Before Interest, Taxes, Depreciation and Amortisation and Research & Development) range required to meet these targets sits between US$1.06b-US$1.45b.

At the current AUD exchange rate, this would require a minimum of A$1.7b in EBITDAR to be earned over the three-year forward period.

In the 2024 Annual Report address to shareholders, company CEO Behrenbruch outlines the vision, "*I believe that Telix can be the global leader of this rapidly growing field of medicine, setting the standard and charting the course ahead for radiopharmaceuticals to change the way we see and treat cancer.* ***SFM***

Idiot Index

In October 2023, we read the Elon Musk biography published by Walter Isaacson. Biographies provide wonderful insights into people and individual pursuits. In the case of Musk, two achievements stand out: the rollout of electric car manufacturer Tesla and the launch of SpaceX.

To successfully deliver on both required extraordinary talent and a new approach.

An approach that questioned the status quo of current manufacturing practices and emphasised individual accountability.

On 5 November 2024, the U.S. held its presidential elections, subsequently appointing Donald Trump as its new President. As a major backer of Trump, Elon Musk was never too far from the campaign trail.

A week later, on 12 November 2024, the then elected Trump tasked Elon Musk and biotech entrepreneur Vivek Ramaswamy with heading up a new initiative called the "Department of Government Efficiency," otherwise known as DOGE. Its task? To focus on regulating government spending.

On 21 January, Ramaswamy announced his involvement at DOGE had ended, leaving the heavy lifting to Musk.

Whether DOGE is successful will hinge on changing the status quo, which is inevitably Musk's area of forte.

It should also serve as a directive to others that challenging accepted practices can drive profound change.

Musk

The biography homed in on two of Musk's manufacturing and business processing concepts.

1. *The Algorithm*

Bringing to life an electric vehicle or sending an aircraft into space are not everyday pursuits. These were extreme undertakings and the manufacturing challenges around time management, cost containment and successful deployment only highlighted the enormity of the mission.

The production headaches Musk experienced early in the life of both Tesla and SpaceX led to five key operational mantras, or commandments, listed below:

1. *Question every requirement. Each should come with the name of the person who made it. You should never accept that a requirement came from a department, such as from "the legal department" or "the safety department." You need to know the name of the real person who made that requirement. Then you should question it, no matter how smart that person is. Requirements from smart people are the most dangerous, because people are less likely to question them. Always do so, even if the requirement came from me. Then make the requirements less dumb*.

2. *Delete any part or process you can. You may have to add them back later. In fact, if you do not end up adding back at least 10% of them, then you didn't delete enough.*

3. *Simplify and optimize. This should come after step two. A common mistake is to simplify and optimise a part or a process that should not exist.*

4. *Accelerate cycle time. Every process can be sped up. But only do this after you have followed the first three steps. In the Tesla factory, I mistakenly spent a lot of time accelerating processes that I later realized should have been deleted.*

5. *Automate. That comes last. The big mistake in Nevada and at Fremont was that I began by trying to automate every step. We should have waited until all the requirements had been questioned, parts and processes deleted, and the bugs were shaken out.*

The Musk approach pushes the boundaries on conventional thinking and pressures individuals to strive for extraordinary outcomes. Accepting the status quo is unacceptable; driven by a *"maniacal sense of urgency is our operating principle"* and abiding by, *"The only rules are the ones dictated by the laws of physics. Everything else is a recommendation."*

The second manufacturing process was titled,

2. *The 'Idiot Index'*

What Musk set out to achieve with Tesla and SpaceX was unheard of. In a nutshell, he wanted to mass-produce products that would be efficiently manufactured and priced competitively. The one constant in his pursuit was the human resistance that things couldn't be done at the price, speed or scale necessary for long-term success.

This was largely because of ingrained manufacturing constraints and cost practices, a combination of human mindset and acceptance of the status quo. The latter being a phrase not found in Musk's vocabulary. A shining example came in 2002, years prior to the SpaceX project when it became obvious that the cost of acquiring Russian rockets was ludicrously prohibitive. As Walter Isaacson references Musk's reaction to those events, "*I was pretty mad, and when I get mad I try to reframe the problem*."

Musk is a problem solver. To understand the outcome, Musk employed first-principles thinking. A combination of logical persistence and the physics of the situation. The 'Idiot Index' a concept that upended conventional manufacturing thinking and became the backbone of his future business endeavours, is a direct result of this.

At its genesis, the 'Idiot Index' calculates the difference between the cost of the finished product and the cost of the raw materials. As Isaacson wrote, "*If a product had a high idiot index, its cost could be reduced significantly by devising more efficient manufacturing technique*."

Musk illustrated the thinking behind the index in the Raptor engine project of 2021, "*That was the ratio of the total cost of a component to the cost of its raw materials. Something with a high idiot index—say, a component that cost $1,000 when the aluminium that composed it cost only $100—was likely to have a design that was too complex or a manufacturing process that was too inefficient. If the ratio is high, you're an idiot*."

To power the Starship, with the thrust required, and have it manufactured at a reasonable cost, required a total rethink. As Musk explained, "*We should ask each of them to see if they can get the cost of their part down by eighty percent, and if they can't, we should consider asking them to step aside if someone else might be able to do so. By the end of the meeting, they had a roadmap to get the cost of each engine down from $2 million to $200,000 in twelve months*."

The End Product - Tesla

Founded in 2003, not by Musk but by Silicon Valley engineers Martin Eberhard and Marc Tarpenning. Musk, however, became the face of Tesla, taking over as CEO in 2008 and product architect. Today, Tesla is a world leading electric vehicle manufacturer, with Musk maintaining its long-term strategic goal to create affordable mass-market electric vehicles.

Between 2004 and 2008, the company developed its first automobile, the Roadster. In 2012, Tesla released its flagship car, the Model S, priced at US$74,990. At the time, the trade press gave the electric plug-in car a near-perfect score of 99 out of 100 from Consumer Reports in 2013, achieving the highest industry rating.

In calendar year 2024, Tesla delivered 1.79m vehicles, a touch lower than its 2023 record number of 1.81m. Its nearest competitor, China-backed BYD, delivered 1.7m in 2024. To date, Tesla has sold over 7.2m electric vehicles.

In calendar year 2023, Tesla recorded total group revenues of US$96.8b, with automobile sales comprising US$78.5b and operating profits of US$8.9b.

As of 15 April 2025, Tesla had a market capitalisation of US$811 billion and was the ninth most valued global U.S. publicly listed business, behind leaders Apple at US$3.0 trillion, followed by Microsoft at US$2.8 trillion. ***SFM***

Shapers

What transforms a business from good to potentially great? There might not be one definitive answer to that perennial question, but a good starting point is the people. We unashamedly rank people as the most important factor to get right, as difficult a judgement as that may be.

Without being overly prescriptive, we can group business leaders under four headings:

Founders
This is self-explanatory, representing individuals who built the company and continue to drive its direction or remain actively involved.

Shapers
To describe individuals prepared to shape an industry. Thought leaders, accompanied by bold decision making and strategic intent.

Cleaners
Businesses that have lost their way, requiring new input or a total reset. The term ‘Turnarounds’ is often used to describe these situations and the individuals tasked with this role.

Safe
Leaders who do not want to rock the boat, preferring to chart a steady and relatively low risk course, and are often described as a safe pair of hands. Many so called ‘Blue chip’ companies fall into this bucket.

Some of these roles are interchangeable, particularly founders and shapers. Founders are intrinsically entrepreneurial risk takers who can define industries. Shapers act with similar intent, while not wearing the founder mantle.

In the bucket of founders and shapers, we would include the following businesses: ARB, Breville, Reece, Resmed and Telix Pharmaceuticals. They all sit within our portfolio, in good company with others who have similar characteristics.

Without labouring the point, these companies are charting a course measured in years and decades, not months or quarters.

In the following sections, we spotlight three of these companies with clear aspirations to be bold in their respective fields. Such ambition requires grit, determination and self-confidence not to be put off.

Success is never guaranteed, testing the will and stamina of investors who choose to stay the course.

ARB

This is a story 50 years in the making. It has taken 50 years to get to this point, which began in a typical Australian suburban garage, founded by the Brown brothers and has since morphed into this country’s leading off-road four-wheel drive (4WD) accessories business.

From inception, the three Brown founders focused on quality and solving obvious gaps in the off-road vehicle accessories market. Think of roof racks, bull bars and shock absorbers, to list just a few.

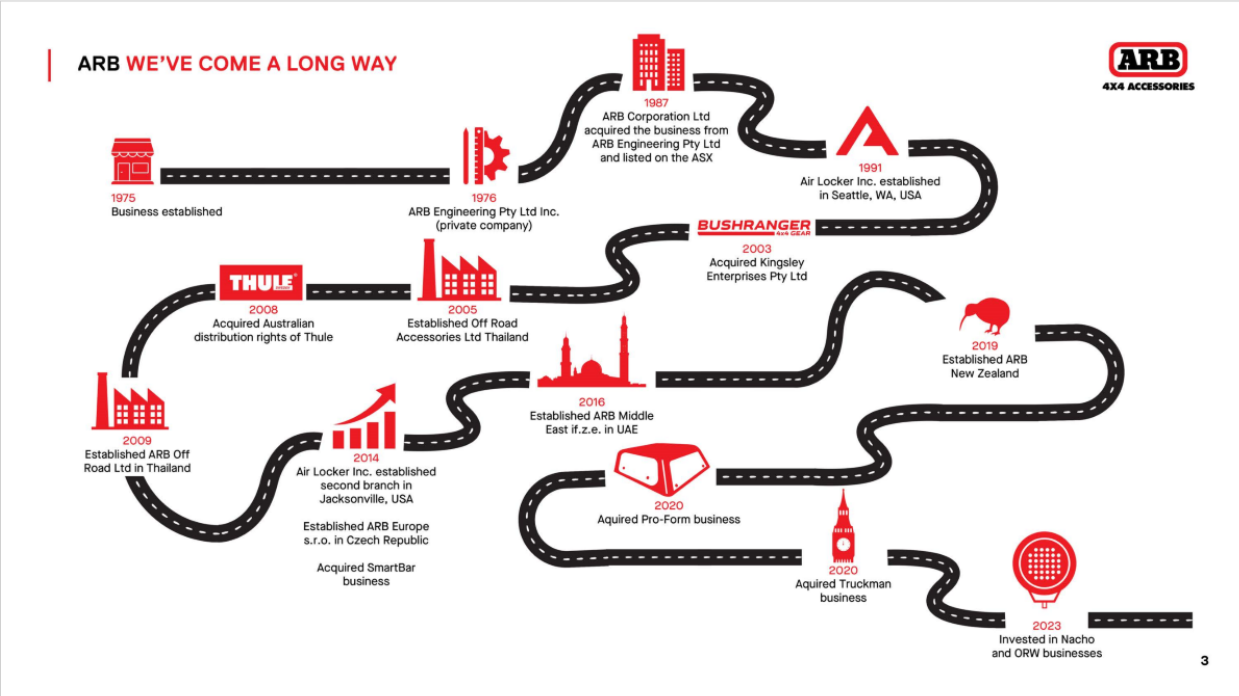
Today, the business encompasses product design and manufacturing, as well as retail shop fronts. The ARB brand resonates in Australia but is less recognised in offshore markets.

The company is the epitome of a success story, achieved over decades. In full year 2024, the company delivered revenues of $697m and an after-tax profit of $103m, with no debt and a net cash position of $56m.

At its core sits the Australian operations, with 57% of group sales, complemented by manufacturing and 75 stores nationwide.

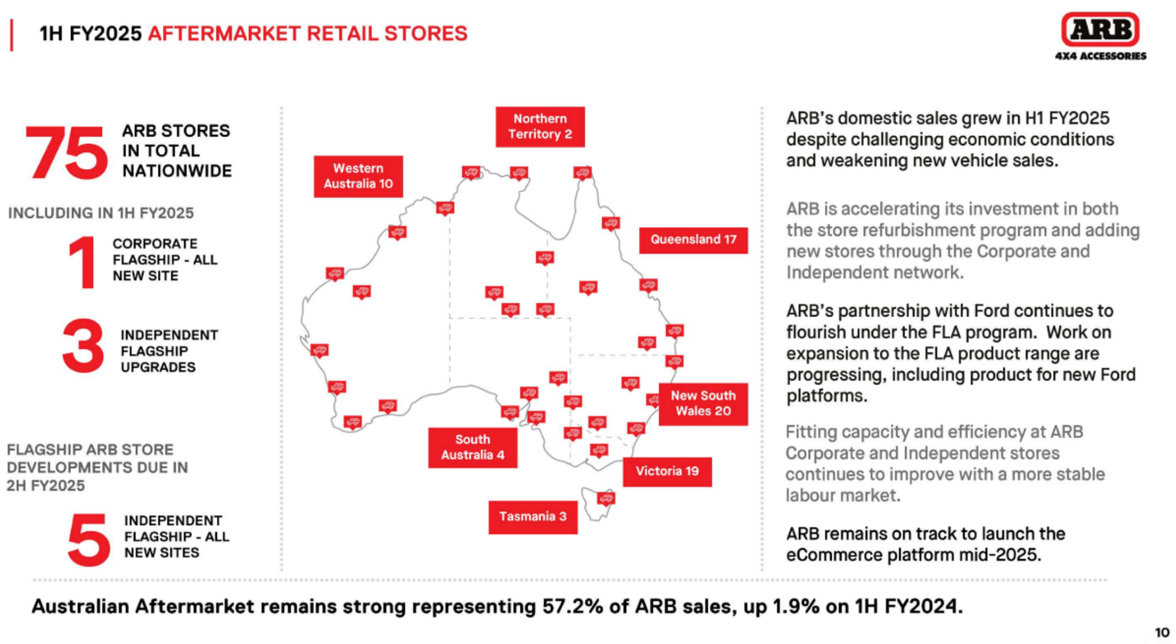
International has been an area of continued expansion. In 2024, export revenues represented 33% of sales, comprising operations in the U.K., New Zealand, the Middle East, Africa, South America and the U.S.

Figure 10: ARB Road Trip 1975-2024



Source: ARB Macquarie conference 2024

Figure 11: ARB Australia Retail Store Network

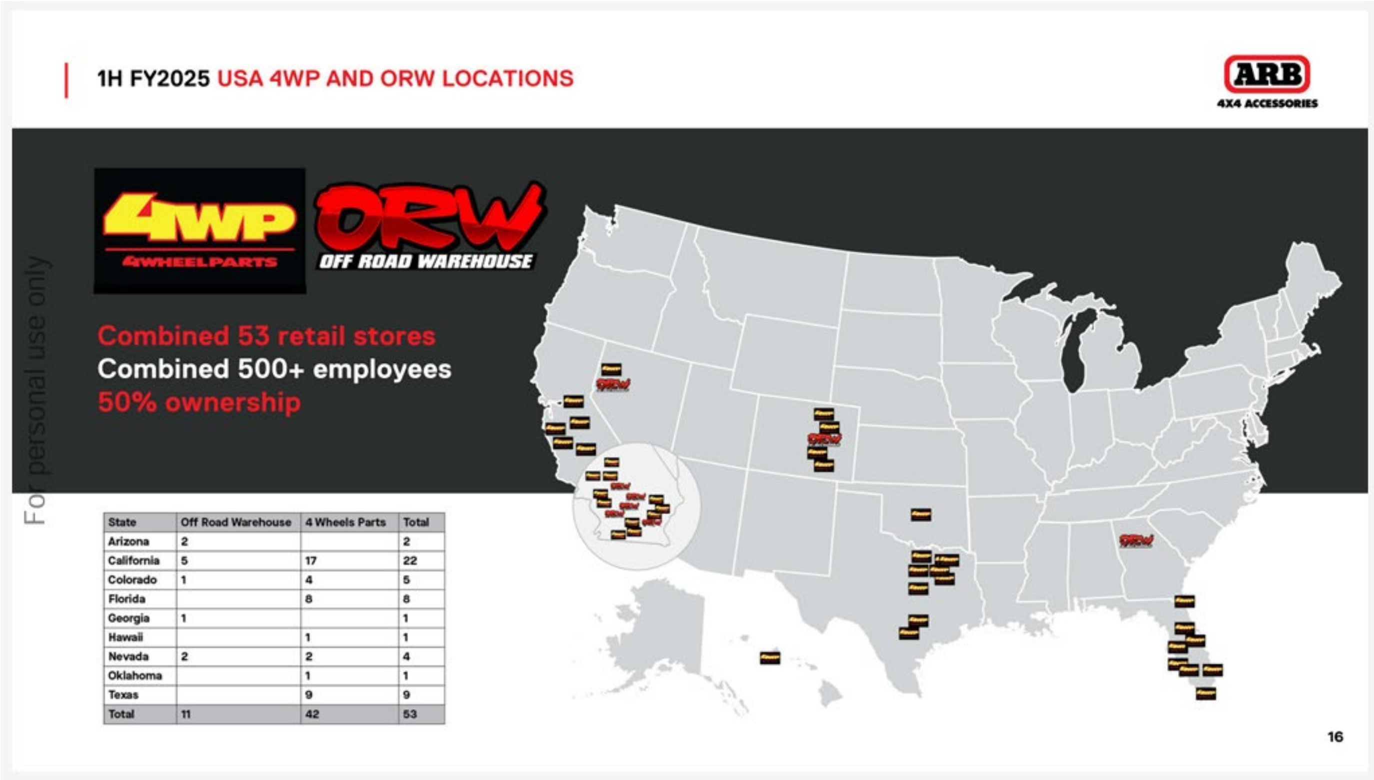


Source: ARB half year 2025 results presentation

The long U.S. march

On 9 September 2024, ARB received conditional approval via its equity holding in Off Road Warehouse (ORW) USA to acquire the U.S. based assets of 4 Wheel Parts (4WP) for US$30m. 4WP currently operates 42 retail stores and associated e-commerce, selling 4x4 accessories across the U.S. When combined with ARB's existing 50% ownership of ORW, the ARB controlled U.S. retail footprint expands to 53, as set out in **Figure 12**.

Figure 12: ARB U.S. Footprint



State	Off Road Warehouse	4 Wheels Parts	Total
Arizona	2		2
California	5	17	22
Colorado	1	4	5
Florida		8	8
Georgia	1		1
Hawaii		1	1
Nevada	2	2	4
Oklahoma		1	1
Texas		9	9
Total	11	42	53

Source: ARB AGM presentation 2024

Figure 13: 4WP U.S. Presence

Source: ARB AGM presentation 2024

ARB’s progress in the U.S. has been stymied over a long period. The use of distributors, the challenges of getting business traction while beholden to third parties have hindered their progress. Previous ARB management were reluctant to rock the boat, allowing distributors to dictate terms. However, this all came to a head when the same distributors’ business model imploded.

ARB CEO Lachlan McCann, having been appointed in 2022 following the retirement of Roger Brown, has been a long-term employee of the company since 2001. The passing of the baton to McCann underscores the significance of this watershed moment in ARB‘s corporate history.

At the group’s 2024 Annual General Meeting, McCann provided some context to the deal.

“*ARB and Off Road Warehouse entered in negotiations with Wheel Pros to acquire the remaining stores around eight months ago. Culminating in the recent signing of an asset purchase agreement to acquire the 42 stores and all intellectual property rights, digital assets, the ecommerce website, and all associated assets associated with the 4 Parts brand.*

Then Wheel Pros entered into bankruptcy on September 8, to support a swift restructure of their debt position. ARB and Off Road Warehouse, and especially the man to my left, Damon Page, worked through a complex bankruptcy process, and we're delighted to announce that as of yesterday, a court in Delaware in the U.S. signed a free and clear sales order that was issued by the courts, and we are now preparing to close the sale tomorrow, Friday, October 18, U.S. time.

So, what are we buying?

We are beyond ecstatic about this one. The U.S. remains a monster truck market for future growth. We've consistently messaged our aspiration to be a true leader in the U.S. 4x4 aftermarket, and this took a huge step with the acquisition of 4 Parts. Having access to the largest U.S. 4x4 specialty retail network, combined with ARB's diverse product engineering, advanced manufacturing, and strong and growing premium brand, we believe, is a recipe for long-term success.

What we have acquired, and most importantly, is an experienced management team that we believe can have complete confidence that will run our U.S. retail business, Greg and a team of largely ex-4 Parts executives who know and understand the business and have a shared emotional and financial interest to make this venture a success.

An important part of this formula is ARB USA's President, Rich Botello, who is also over a 30-year veteran of 4 Parts, and a close colleague of Greg and his team. We will have a combined retail network of 53 stores in excess of 500 employees, including the largest team of specialty 4x4 accessory technicians in the USA. The 4 Parts e-commerce site with over 30 million website views per year, supporting an omni-channel experience, combined with these brick-and-mortar stores, and the oldest and most established direct-to-consumer brand in the USA 4x4 aftermarket.”

Illustrative of the potential, **Figure 11** above displays ARB’s current network retail footprint in its local Australian market, covering a population of 26 million. In contrast, the U.S. market is twelve times larger in population terms, yet it currently occupies a 30% lower retail footprint. By this comparison alone, the opportunity is large.

As ARB’s retail presence in the U.S. gains traction, the company has simultaneously strengthened its relationship with Ford and Toyota. Toyota has collaborated to offer genuine ARB parts directly from the factory on select models.

The Toyota Tacoma Trailhunter, for example, comes equipped with Old Man Emu suspension and the ARB rear bumper and utility bar that were co-developed, with an emphasis on durability, reliability and capability.

Figure 14: Toyota Trailhunter + ARB

Source: ARB website

Figure 15: Toyota Tacoma Trailhunter + ARB

Source: ARB website

All these endeavours underscore the high bar ARB management have set themselves. Stepping into the U.S. in a direct capacity provides a rare long-term opportunity as well as execution risk.

While the present management team are not founders, they certainly fit the shaper's mould and are prepared to extend the ARB brand and its reputation for quality, as far and wide as possible.

As an aside, a recent joint share purchase by Non-Executive Director and former co-founder Roger Brown and current Managing Director Andrew Brown caught our eye during March. Already substantial shareholders with a combined 6.04% holding valued at $164m, the Brown's disclosed the purchase of additional shares valued at $1.0m. This is the first time we can recall where the Brown's have purchased such a large dollar outlay on shares on market.

Breville

Solomon Lew is not the founder or CEO of Breville, but he does represent the company's largest shareholder, with a 30.4% equity stake held by Premier Investments and himself directly.

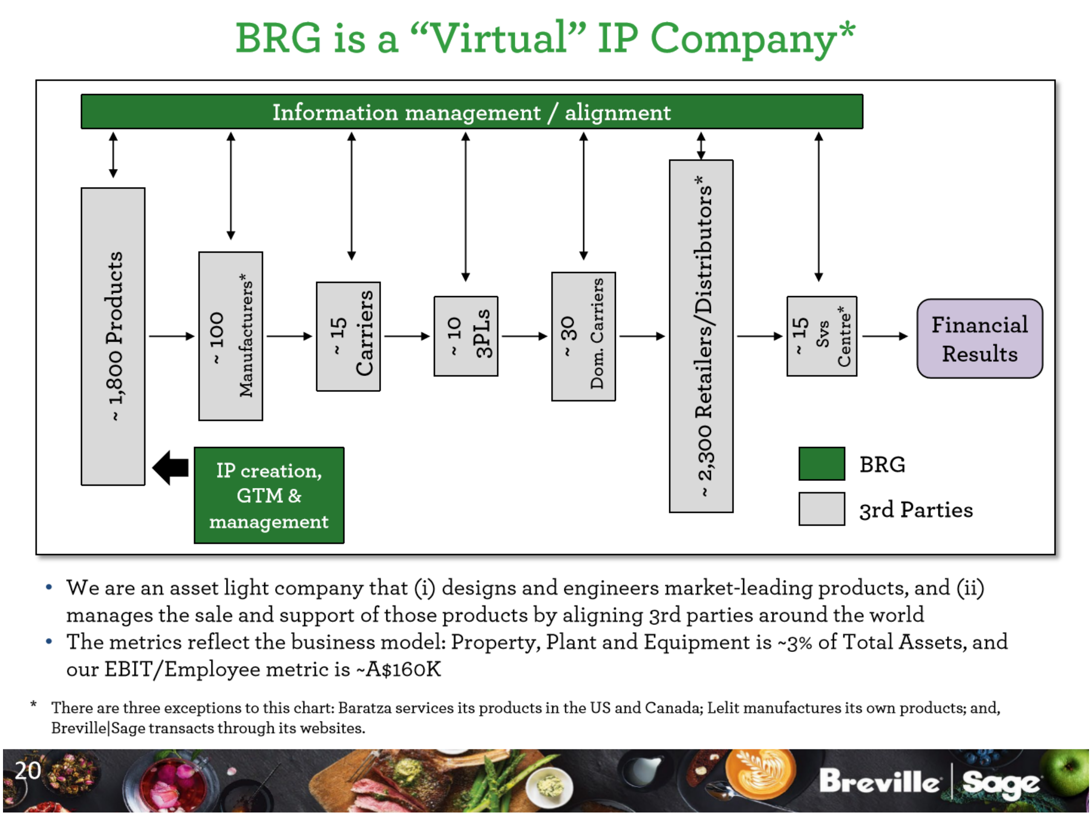
The importance of Lew on the register, with such a significant position is as good as having a founder in place. The appointment of current CEO Jim Clayton in July 2015 and Managing Director in 2021 has proven just as critical to the company's ongoing success.

The Breville brand resonates in its local market in a similar fashion to ARB. Looking further abroad, Breville's products matched the quality of other global appliance brands, but the company's approach to international expansion before 2015 was lacking.

Enter CEO Clayton, alongside an executive leadership team, handpicked to transform the business from top to bottom.

A decade since his appointment, CEO Clayton has re-built the Breville's go to market approach. In the half year 2023 results presentation, a slide was provided illustrating the new Breville. **Figure 16** captures the essence of what CEO Clayton had embarked on, rebuilding Breville to be a "Virtual" IP company.

Figure 16: The Rebuilding of Breville

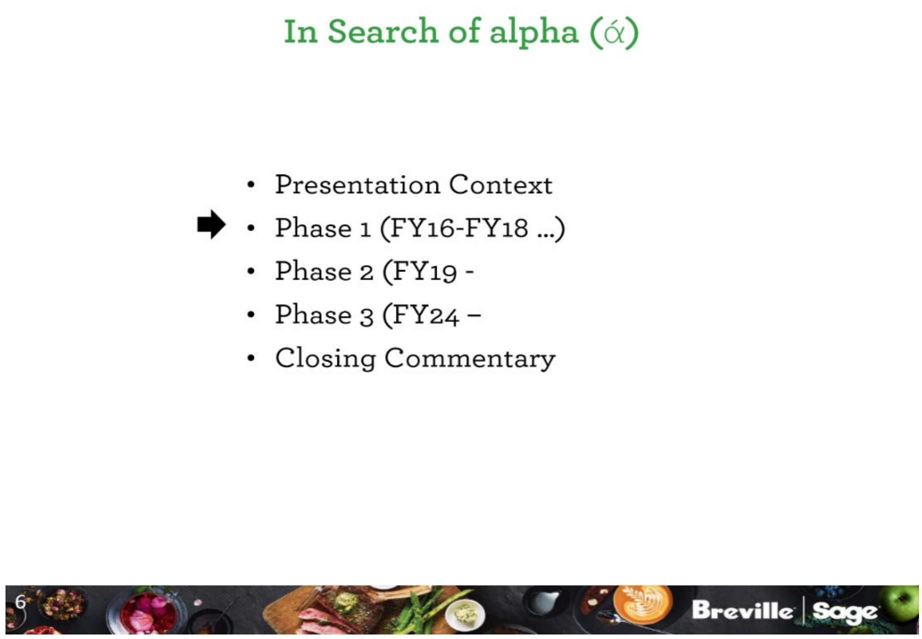


Source: Breville half year 2023 presentation

At the Macquarie Conference in May 2024, CEO Clayton retold the Breville strategy, giving a fascinating look back at what was envisaged, the achievements to date and a glimpse into the future.

The following illustrations shed light on the strategic steps taken to reshape the Breville business.

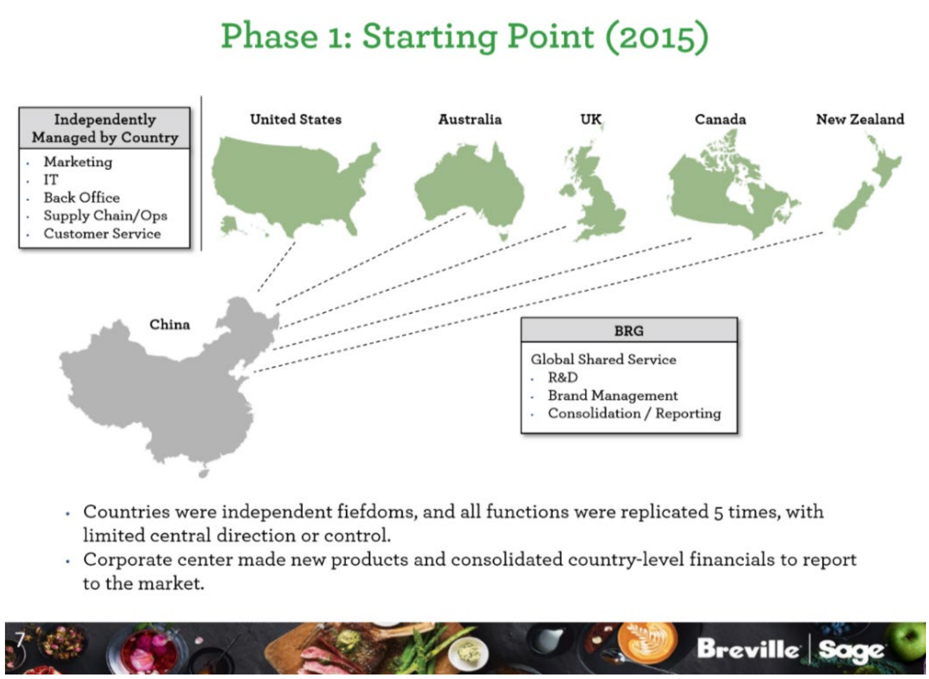
Figure 17: Breville Game Plan



Source: Breville presentation Macquarie Conference May 2024

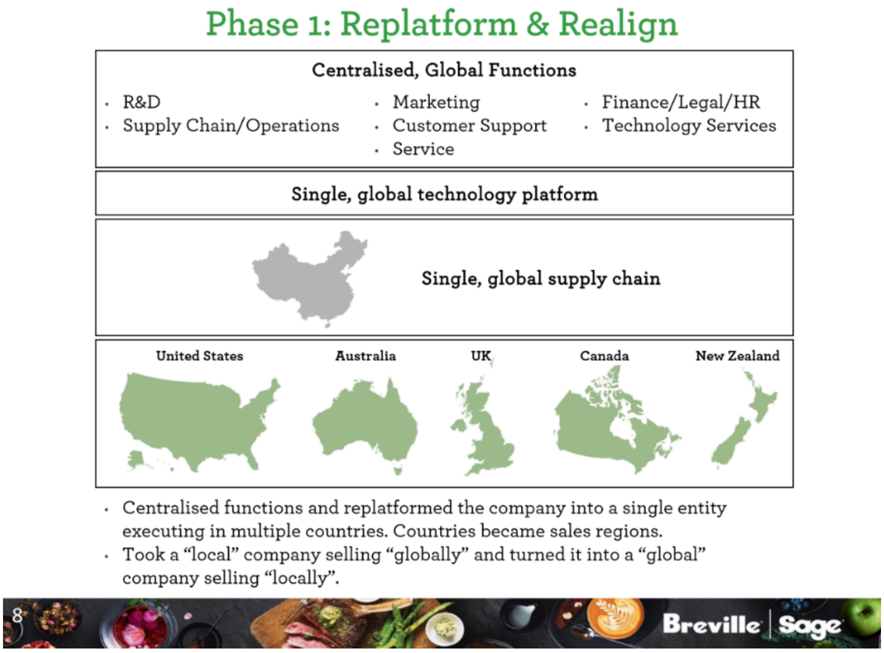
As **Figure 18** illustrates, 2015 was the starting point; Breville was operating in international markets, but the "*Countries were independent fiefdoms*" (as the caption notes). The response demonstrates the company's plan to overcome the challenges imposed by its previously restrictive business model.

Figure 18: The Breville Business Reset



Source: Breville presentation Macquarie Conference May 2024

Figure 19: Re-platforming Breville

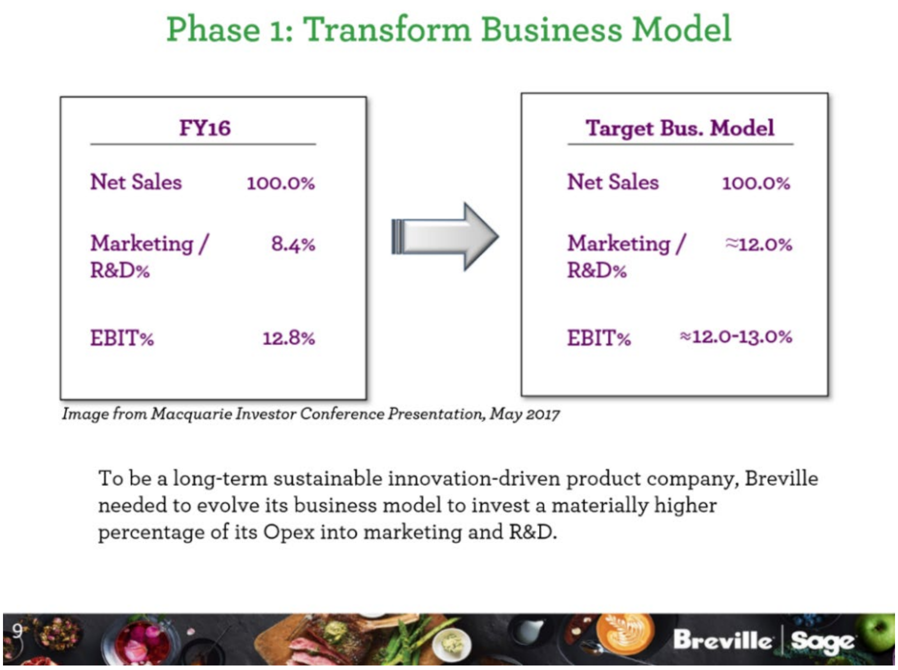


Source: Breville presentation Macquarie Conference May 2024

Investors' fixation on hitting short term financial outputs sat at odds with management's business reset. There was a real need for the business to lift research and development (R&D) spend if it was serious about its international ambitions. The picture that CEO Clayton painted in May 2017 and illustrated in **Figure 20** was the gradual shift in 'Marketing/R&D' spend from 8.4% of revenue to 12% while maintaining operating profit margins (EBIT) within the 12%-13% range.

This approach to redirect investment dollars away from profits was not an easy sell to the investment community, but typified CEO Clayton's strategy to reshape the business over a sensible time frame.

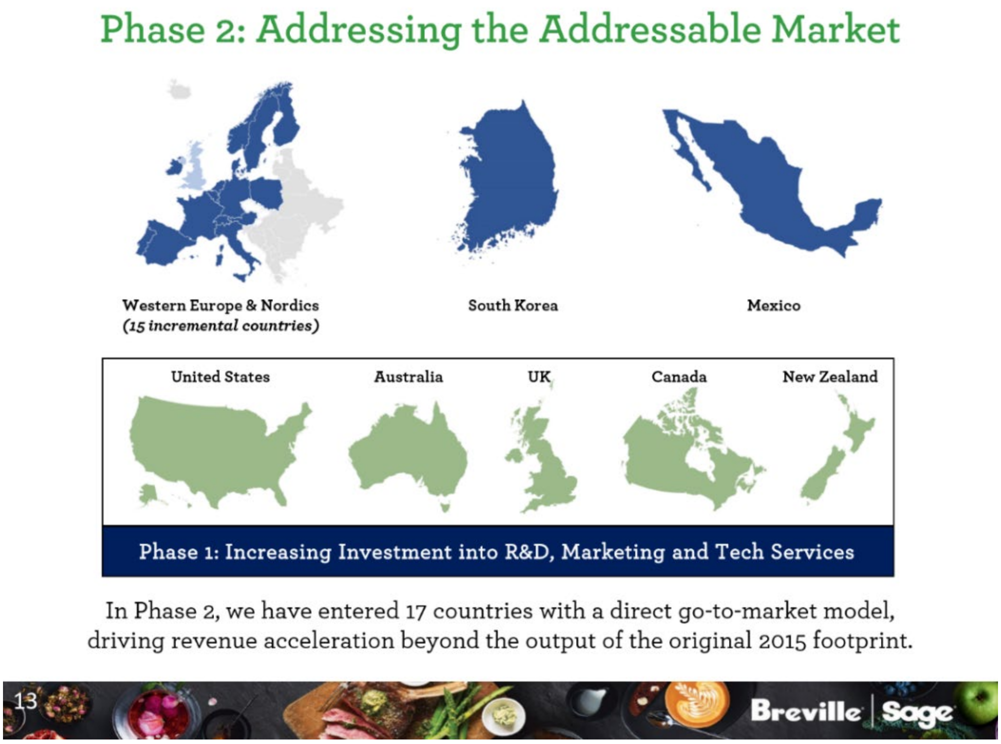
Figure 20: Breville Transformational Aims



Source: Breville presentation Macquarie Conference May 2024

Having re-platformed the business, country expansion was next on the agenda (Phase 2). **Figure 21** compares the company's original global footprint in 2015 with its renewed go-to-market approach, achieving 17 new country entry points. Today, the Breville Group product range is offered in more than 70 countries.

Figure 21: Breville International Expansion



Source: Breville presentation Macquarie Conference May 2024

Figure 22: Breville Expanding Addressable Market

Materially Expanded The Addressable Market

	FY17	+	FY19	+	FY24	=	Run Rate
Direct Markets	Australia New Zealand United States Canada United Kingdom		Germany ('18) Austria ('18) BeNeLux ('19) Switzerland ('19)		Spain ('20) France ('20) Mexico ('21) Italy ('21) Portugal ('21) Nordics ('22) South Korea ('22) Poland ('23)		**22 Countries**
Size Metrics (USD)*							
GDP	**$33.8 Tn**		$7.3 Tn		$12.4 Tn		**$53.5 Tn**
Population	**474.9 Mn**		124.1 Mn		431.4 Mn		**1.03 Bn**
Discretionary Income	**$23.8 Tn**		$4.0 Tn		$7.9 Tn		**$35.7 Tn**

Using FY17 as the baseline, from FY18 – FY24 we drove the following percentage increase in the total market we are actively prosecuting

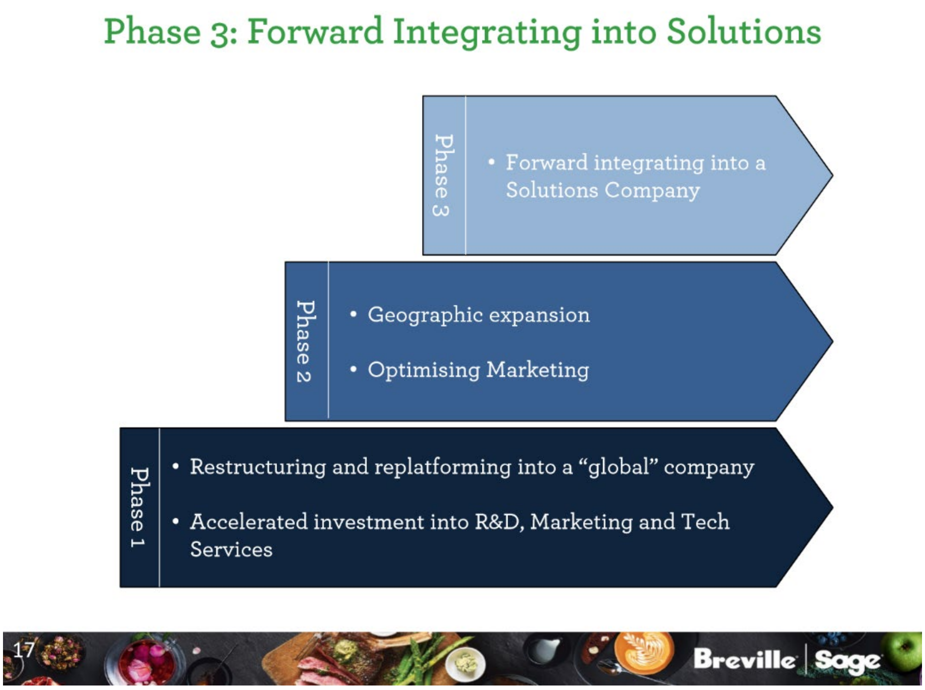
GDP	**58%**
Population	**117%**
Household Dis Inc	**50%**

* Macquarie analysis

Source: Breville presentation Macquarie Conference May 2024

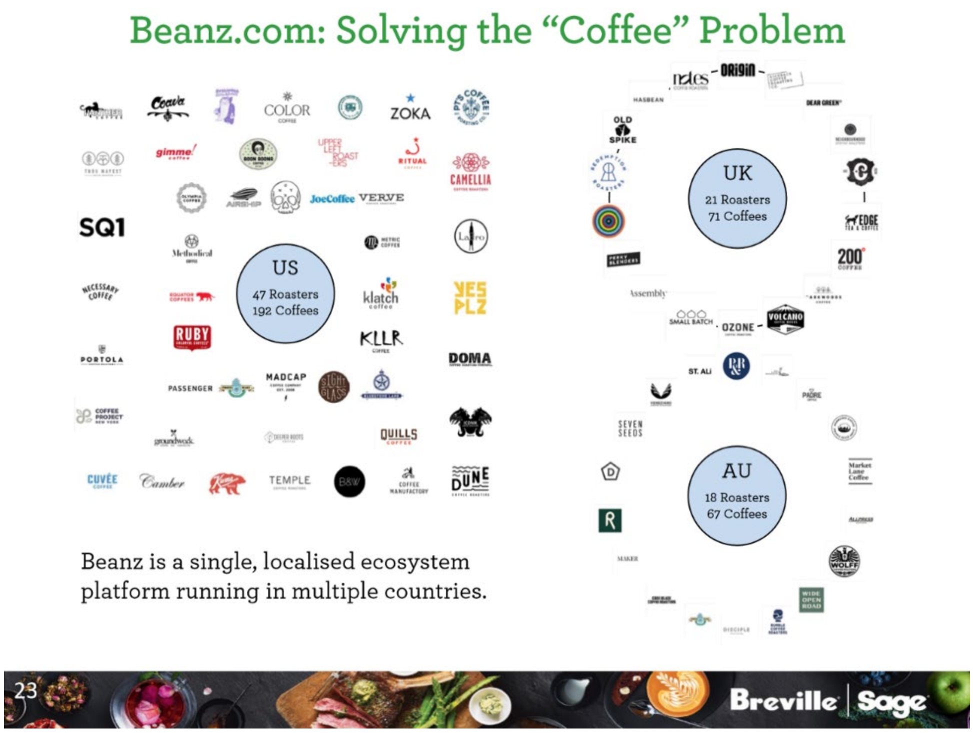
The final piece, Phase 3, is now taking shape, reflected in **Figure 23**, **Figure 24** and **Figure 25**. The necessary building blocks are in place to support scalable expansion and "*Solving the Coffee Problem*" as part of the Solutions phase. CEO Clayton is transparent this phase will take 3-5 years to achieve the desired "80/20" contribution split and over a decade to fully execute the goal.

Figure 23: Breville Set for Long-term Growth



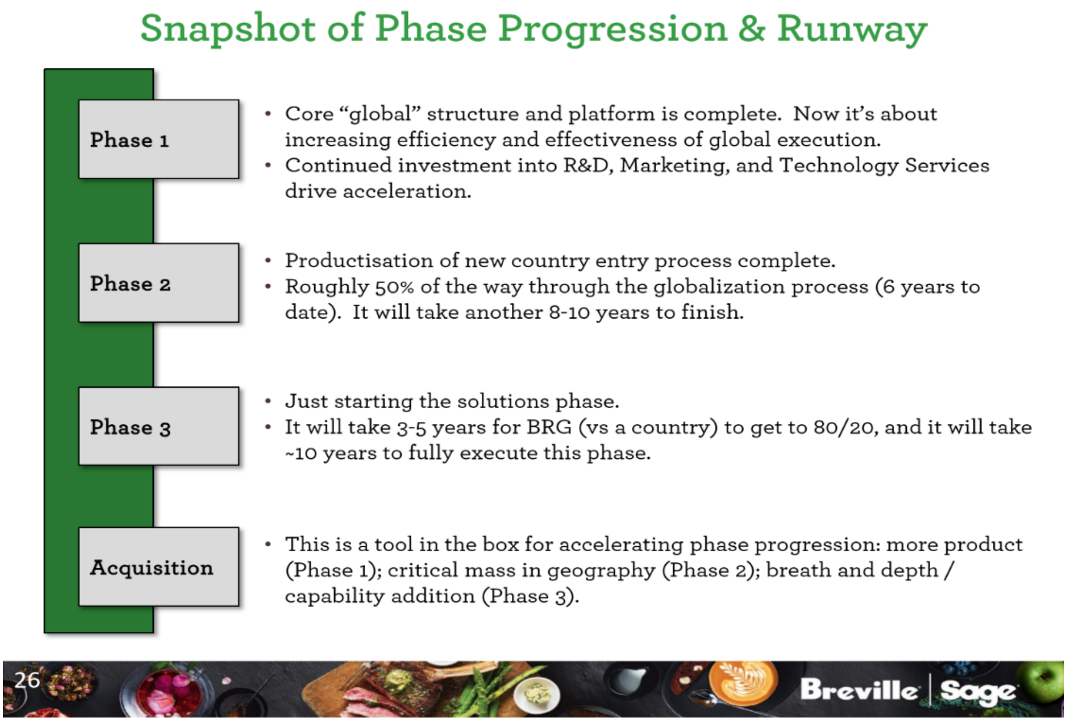
Source: Breville presentation Macquarie Conference May 2024

Figure 24: Solutions Offering Taking Shape



Source: Breville presentation Macquarie Conference May 2024

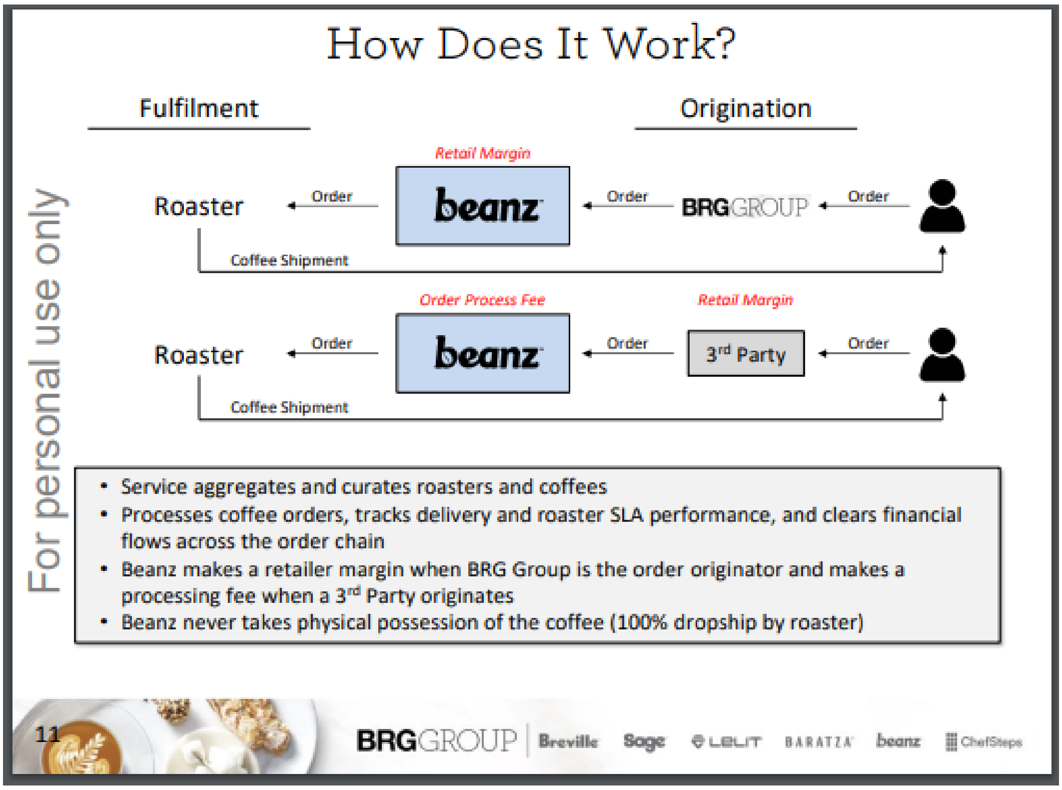
Figure 25: Long-term Pathway



Source: Breville presentation Macquarie Conference May 2024

The Beanz Coffee Service is in the very early stages of commercial life. **Figure 26**, **Figure 27** and **Figure 28** speak to the business model and the geographical expansion achieved to date. We will watch and learn.

Figure 26: Beanz "How it Works"



Source: Breville first half 2025 presentation

Figure 27: Beanz Coffee Business Model

Source: Breville first half 2025 presentation

Figure 28: Beanz Geographical Expansion Begins

Source: Breville first half 2025 presentation

Reinvestment

In 2016, R&D and marketing spend as a percentage of revenue stood at 8.4% for the group. The aim was to lift this to 12% as the business transitioned under CEO Clayton's watch. In 2024, the spend allocated to R&D, technology services and solutions hit 14% of sales.

Table 10 and **Table 11** covers nine years of financial performance. At a group level, sales have risen 2.6x from $576m to $1.5b, while operating profits have increased 2.5x from $74m to $186m, illustrating management's commitment to sustain profitable growth, while reinvesting into the core business and product.

Table 10: Breville Track Record 2016-2020 ($m)

Year ended	30 June 2016	30 June 2017	30 June 2018	30 June 2019	**30 June 2020**
Group Revenue	576.6	605.7	646.8	760.0	**952.2**
Revenue Growth	*9.4%*	*5.0%*	*6.8%*	*17.5%*	***25.3%***
Group EBIT	73.7	79.0	86.9	97.3	**100.9**
EBIT Growth	*5.9%*	*7.2%*	*10.0%*	*12.0%*	***3.7%***
NPAT	50.2	53.8	58.5	67.4	**66.2**
Earnings per share (cents)	38.6	41.4	45.0	51.8	**50.5**
EPS Growth	*7.5%*	*7.2%*	*8.7%*	*15.2%*	***(2.5)%***
Total dividends per share (cents)	28.5	30.5	33.0	37.0	**41.0**
Share price at 30 June ($)	7.49	10.45	11.62	16.36	**22.76**
Share Price Change	*20.6%*	*39.5%*	*11.2%*	*40.8%*	***39.3%***
One Year TSR	*25.0%*	*43.5%*	*14.2%*	*43.8%*	***41.5%***
Average STI as % Maximum Opportunity	39.6%	39.7%	78.0%	76.0%	**0%**
Percentage of Executive LTI performance rights that vested related to schemes maturing in the year	0%	100%	100%	100%	**100%**

Source: Breville FY20 Annual report

Table 11: Breville Track Record 2019-2024 ($m)

Year ended	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	**30 June 2024**
Group Revenue	760.0	952.2	1,187.7	1,418.4	1,478.6	**1,530.0**
Revenue Growth	*17.5%*	*25.3%*	*24.7%*	*19.4%*	*4.2%*	***3.5%***
Revenue CAGR (5 Year)						**15.0%**
Group EBIT	97.3	97.7	136.4	156.4	172.0	**185.7**
EBIT Growth	*12.0%*	*0.4%*	*39.6%*	*14.6%*	*10.0%*	***8.0%***
EBIT Growth CAGR (5 Year)						***13.8%***
NPAT	67.4	63.9	91.0	105.7	110.2	**118.5**
Earnings per share (cents)	51.8	48.8	65.8	75.9	77.2	**82.7**
EPS Growth	*15.2%*	*(5.8)%*	*34.8%*	*15.4%*	*1.7%*	***7.1%***
EPS Growth CAGR (5 Year)						***9.8%***
Total dividends per share (cents)	37.0	41.0	26.5	30.0	30.5	**33.0**
Share price at 30 June ($)	16.36	22.76	29.87	17.99	19.94	**27.14**
Share Price Change	-	*39.3%*	*31.2%*	*(39.8)%*	*10.8%*	***36.1%***
5 Year share price change CAGR						***10.7%***
1 Year TSR	-	*41.5%*	*32.6%*	*(38.8)%*	*12.4%*	***37.7%***
5 Year TSR						***77.7%***
Average STI as % Maximum Opportunity	76.0%	0%	100%	100%	58.2%	**100%**
Percentage of Executive LTI performance rights that vested/will vest related to schemes maturing in the year	100%	100%	100%	91.9%	92.5%	**100%**

Source: Breville FY24 Annual report

CEO Clayton and his executive leadership team have undertaken a renovation without compromising its foundations. More importantly, the newly rebuilt Breville is now shaping the coffee industry. Management have provided investors with a mud map and a timeline to judge its progress. Hard to ask for anything more.

Telix Pharmaceuticals

Telix Pharmaceuticals operates in the nuclear medicine arena, an area where we have some understanding, having previously invested in Sirtex Medical, a radioactive medical device company. Sirtex was acquired by CDH Genentech and China Grand Pharmaceuticals in 2018 for $1.9b.

Many former Sirtex executive team, including the U.S. CEO of Precision Medicine, the Chief Financial Officer and the Chief Medical Officer, are now employed by Telix.

However, it is worth reflecting on the origins of Telix. The two founders, Christian Behrenbruch and Andreas Kluge, began the business in 2015 and listed it two years later in 2017, raising $50m at $0.65 per share. By their own admission, the plan was to bring together late-stage drug targets and take them to market.

The strategy changed, however, and COVID-19 proved to be an incredibly difficult period to traverse, incurring significant cost and time delays to complete important medical trial endpoints. Despite this, the company's purpose remains consistent, as outlined in the company's 2017 Prospectus Document:

"Telix is an Australian oncology company that is developing targeted radiopharmaceuticals, also referred to as molecularly targeted radiation (MTR). MTR is a novel therapeutic approach that selectively delivers radiation to cells that exhibit certain molecular profiles or targets that may be indicative of cancer. MTR may be of a diagnostic nature to facilitate medical imaging (to diagnose or stage a patient) or may be delivered as a therapeutic dose in order to treat a patient. The founders of Telix believe that radiopharmaceuticals have a much larger role to play in oncology both in diagnostic and therapeutic options."

Figure 29 illustrates MTR in action.

Figure 29: MTR Explained

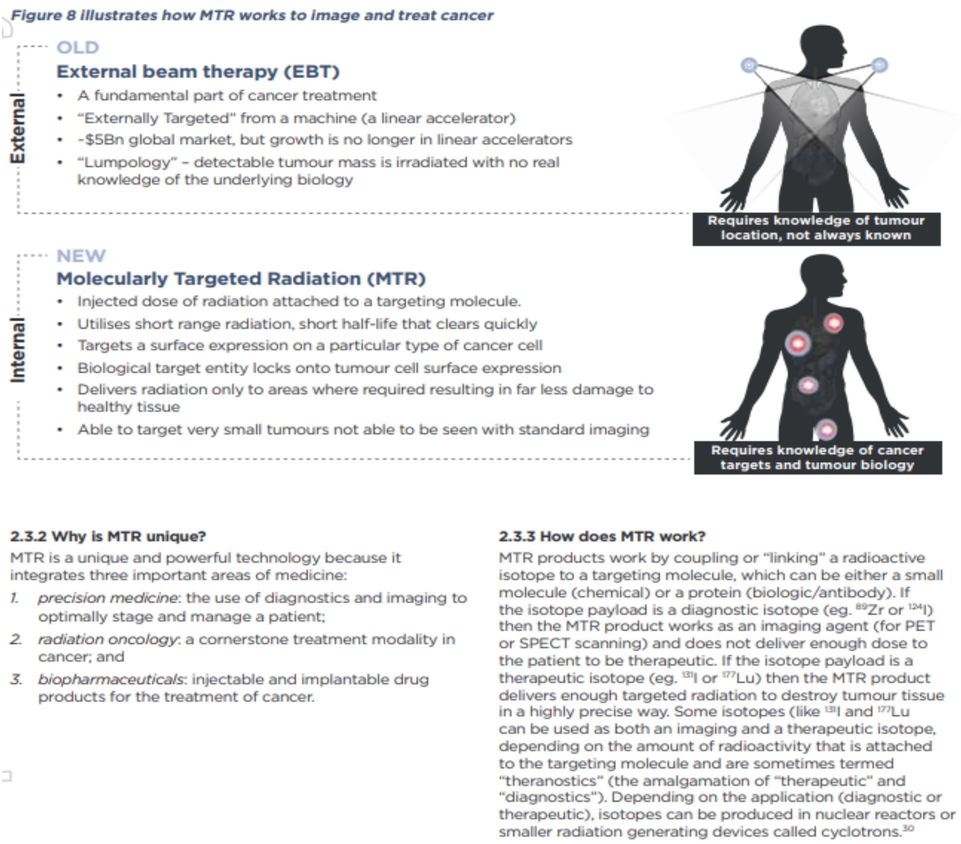


Figure 8 illustrates how MTR works to image and treat cancer

External

OLD

External beam therapy (EBT)

- A fundamental part of cancer treatment
- "Externally Targeted" from a machine (a linear accelerator)
- ~$5Bn global market, but growth is no longer in linear accelerators
- "Lumpology" – detectable tumour mass is irradiated with no real knowledge of the underlying biology

Requires knowledge of tumour location, not always known

Internal

NEW

Molecularly Targeted Radiation (MTR)

- Injected dose of radiation attached to a targeting molecule.
- Utilises short range radiation, short half-life that clears quickly
- Targets a surface expression on a particular type of cancer cell
- Biological target entity locks onto tumour cell surface expression
- Delivers radiation only to areas where required resulting in far less damage to healthy tissue
- Able to target very small tumours not able to be seen with standard imaging

Requires knowledge of cancer targets and tumour biology

2.3.2 Why is MTR unique?

MTR is a unique and powerful technology because it integrates three important areas of medicine:

1. *precision medicine*: the use of diagnostics and imaging to optimally stage and manage a patient;
2. *radiation oncology*: a cornerstone treatment modality in cancer; and
3. *biopharmaceuticals*: injectable and implantable drug products for the treatment of cancer.

2.3.3 How does MTR work?

MTR products work by coupling or "linking" a radioactive isotope to a targeting molecule, which can be either a small molecule (chemical) or a protein (biologic/antibody). If the isotope payload is a diagnostic isotope (eg. ^{89}Zr or ^{124}I) then the MTR product works as an imaging agent (for PET or SPECT scanning) and does not deliver enough dose to the patient to be therapeutic. If the isotope payload is a therapeutic isotope (eg. ^{131}I or ^{177}Lu) then the MTR product delivers enough targeted radiation to destroy tumour tissue in a highly precise way. Some isotopes (like ^{131}I and ^{177}Lu can be used as both an imaging and a therapeutic isotope, depending on the amount of radioactivity that is attached to the targeting molecule and are sometimes termed "theranostics" (the amalgamation of "therapeutic" and "diagnostics"). Depending on the application (diagnostic or therapeutic), isotopes can be produced in nuclear reactors or smaller radiation generating devices called cyclotrons.[30]

Source: Telix 2017 Prospectus document

Prospectus

The company's 2017 prospectus provides an excellent reference point to look back on. As is often the case, and certainly in the field of healthcare, circumstances can change. Among Telix's targeted MTR portfolio, Illuccix, the group's current lead diagnostic prostate-specific membrane antigen (PSMA) product was not even considered.

The focus was instead on other diagnostic and therapeutic agents. In fact, Telix was quite explicit that it would not develop a commercial imaging agent as there were numerous other clinical solutions to diagnostically image PSMA.

The acquisition of Advanced Nuclear Medicine Ingredients SA in November 2018 opened the door for Telix to deliver a companion diagnostic kit for its prostate therapy program.

Three years later in December 2021, the company announced its lead prostate imaging agent Illuccix had received commercial approval from the U.S. Food and Drug Administration (FDA).

Despite the company's initial reluctance to compete in this diagnostic setting, the decision has proven pivotal. It has not only generated considerable revenues but also accelerated progress on the original program.

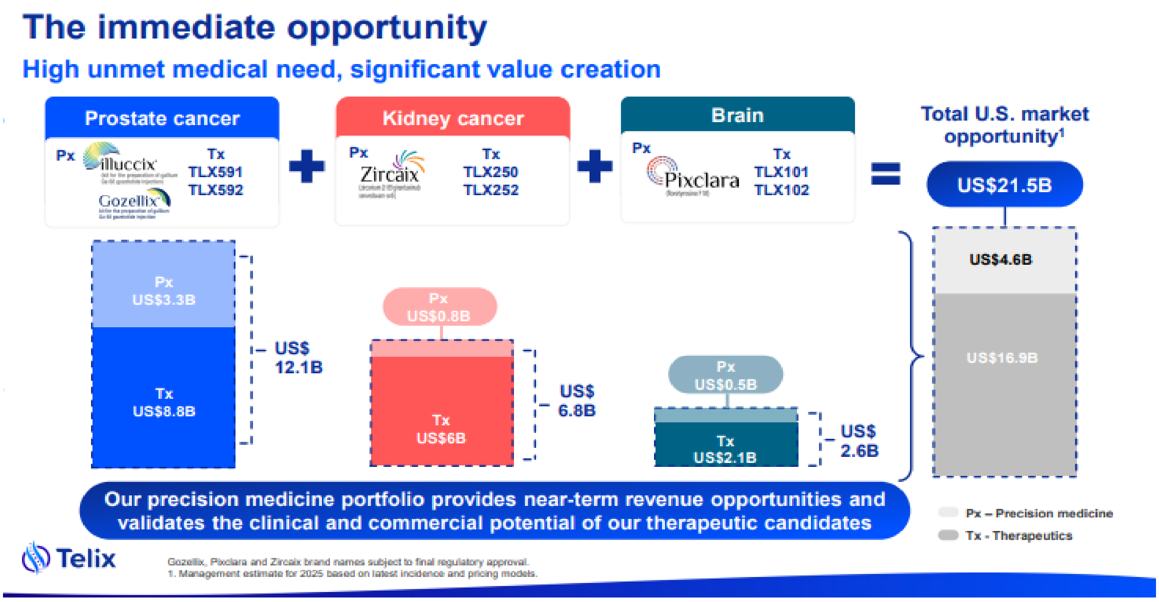
In the three years since gaining approval, Illuccix product sales have totalled $1.4b, including $771m in calendar year 2024. The U.S. market has an estimated total addressable market for PSMA prostate imaging of US$3.3b, with Telix holding an estimated 35% market share, trailing market leader Lantheus with above 50%.

The company enters 2025 financially strong and with clear objectives. Remember, this is a tough space. Bringing new drugs to market is not for the faint-hearted. Timelines to commercial launch are long, significant upfront capital is required and regulatory approval is not a given.

That said, the company has a full plate, with a drug approval program covering diagnostic imaging and therapeutic treatment agents across Kidney (Zircaix) and Brain (Pixclara).

Figure 30 provides an overview of the immediate market opportunity, noting that if Zircaix and Pixclara are approved by the FDA this calendar year, they would be the first diagnostic imaging agents to market.

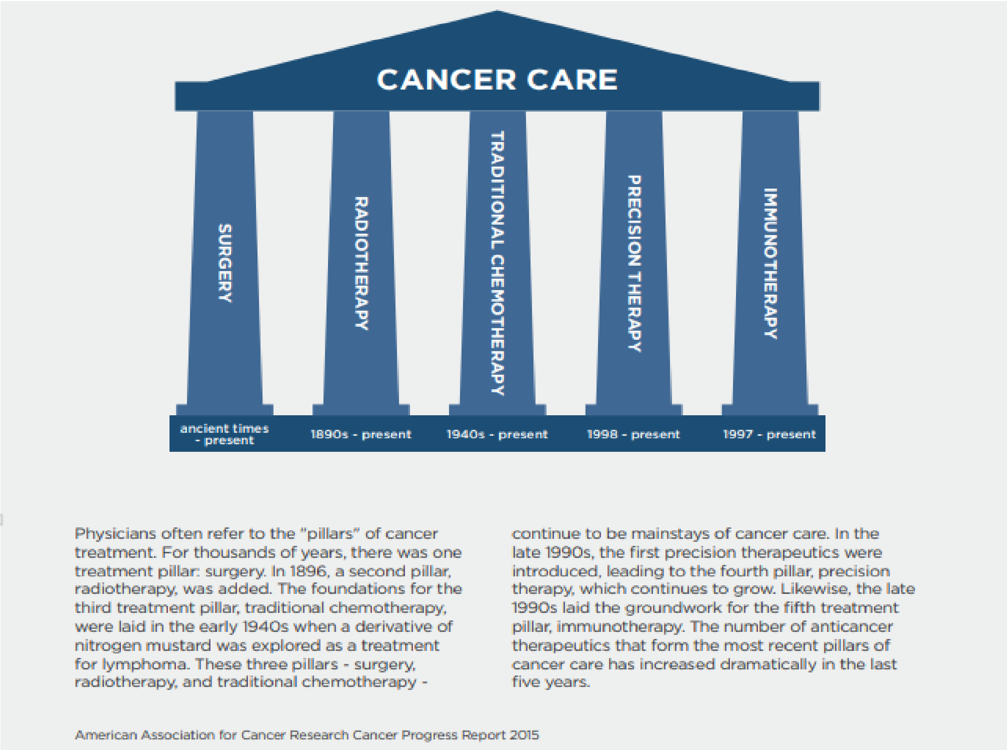
Figure 30: Telix Immediate Product Opportunities



Source: Telix presentation JP Morgan Conference January 2025

As important as these achievements may be, Telix has challenged itself to much bolder ambitions. The company has unashamedly set the bar higher, with intentions to shape an area of medical treatment. Cancer care has evolved over the decades, as reflected in **Figure 31.** The introduction of precision therapy and immunotherapy in the late 1990s has provided more options in the clinicians' toolkit.

Figure 31: Cancer Care Timeline



Source: Telix 2017 Prospectus document

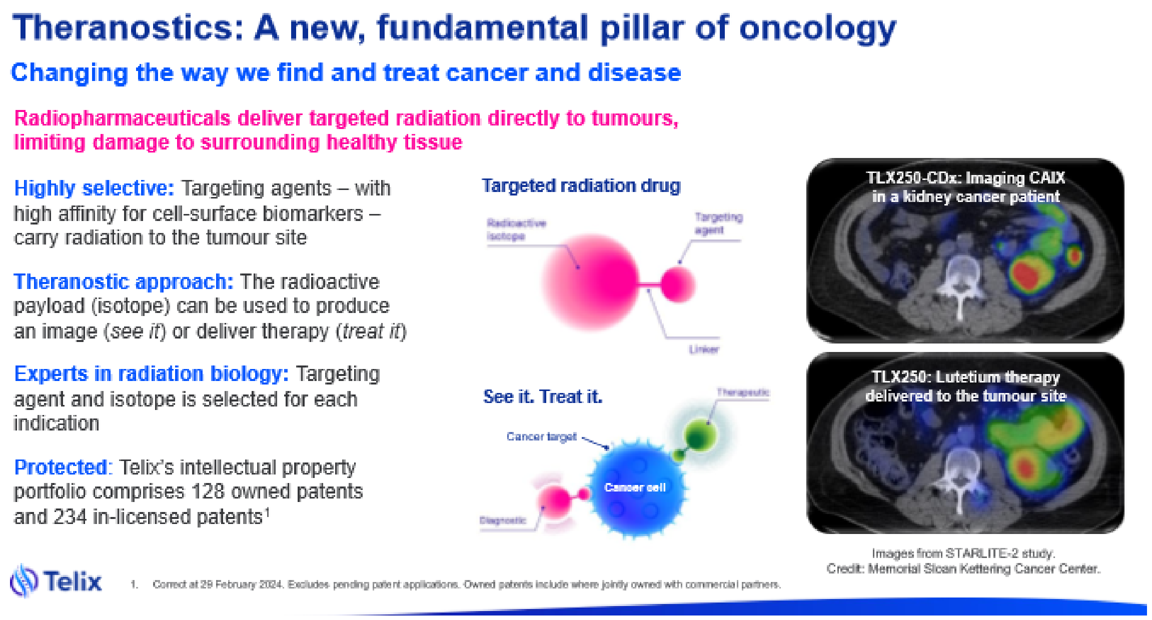
Theranostics solution

Telix intends to deliver a Theranostics solution for cancer care, as shown in **Figure 32** and **Figure 33.** Theranostics, a combination of 'therapy' and 'diagnostics', refers to a personalised approach to cancer treatment that combines imaging and therapy. It uses radiotracers – compounds made of radiation and chemicals that selectively bind to a specific target in the body – to both diagnose and treat cancer.

Figure 32: Telix Theranostic Ambitions

Source: Telix presentation JP Morgan Conference January 2025

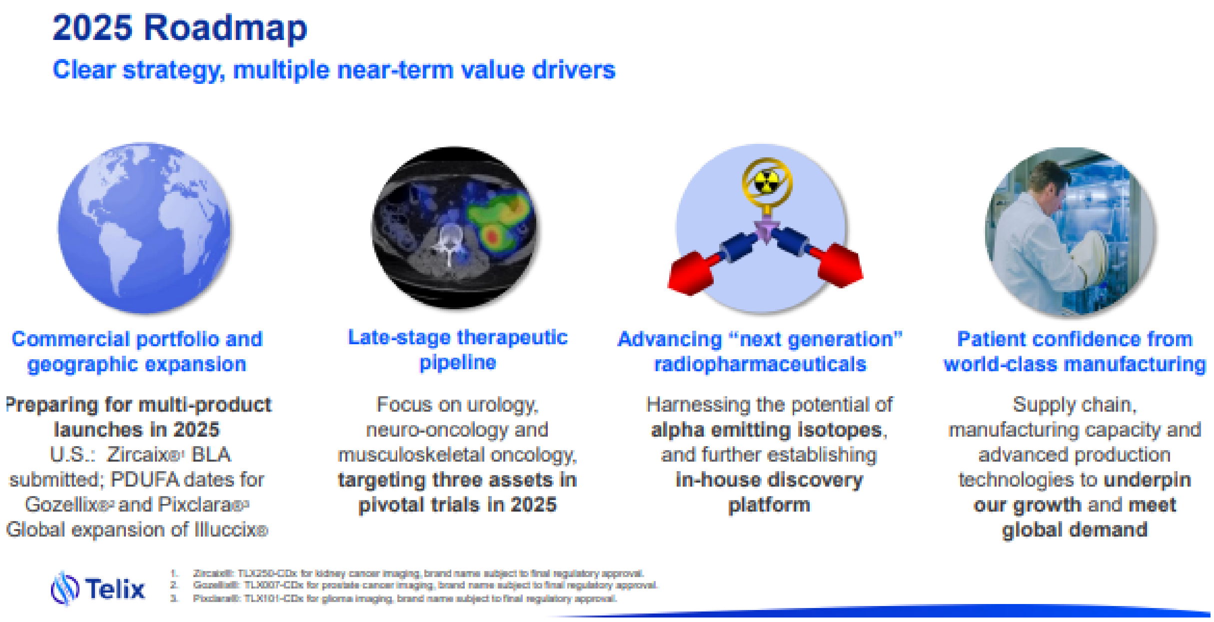
Figure 33: Telix Theranostics: "See it. Treat it"



Source: Telix July 2024 presentation

As we enter 2025, the company has invested heavily via acquisitions and a commitment to research and development (R&D) to deliver an end-to-end solution comprising drug discovery, commercialisation, manufacturing, service delivery and product reinvestment. **Figure 34** outlines its 2025 business roadmap.

Figure 34: Telix Roadmap



Source: Telix presentation JP Morgan Conference January 2025

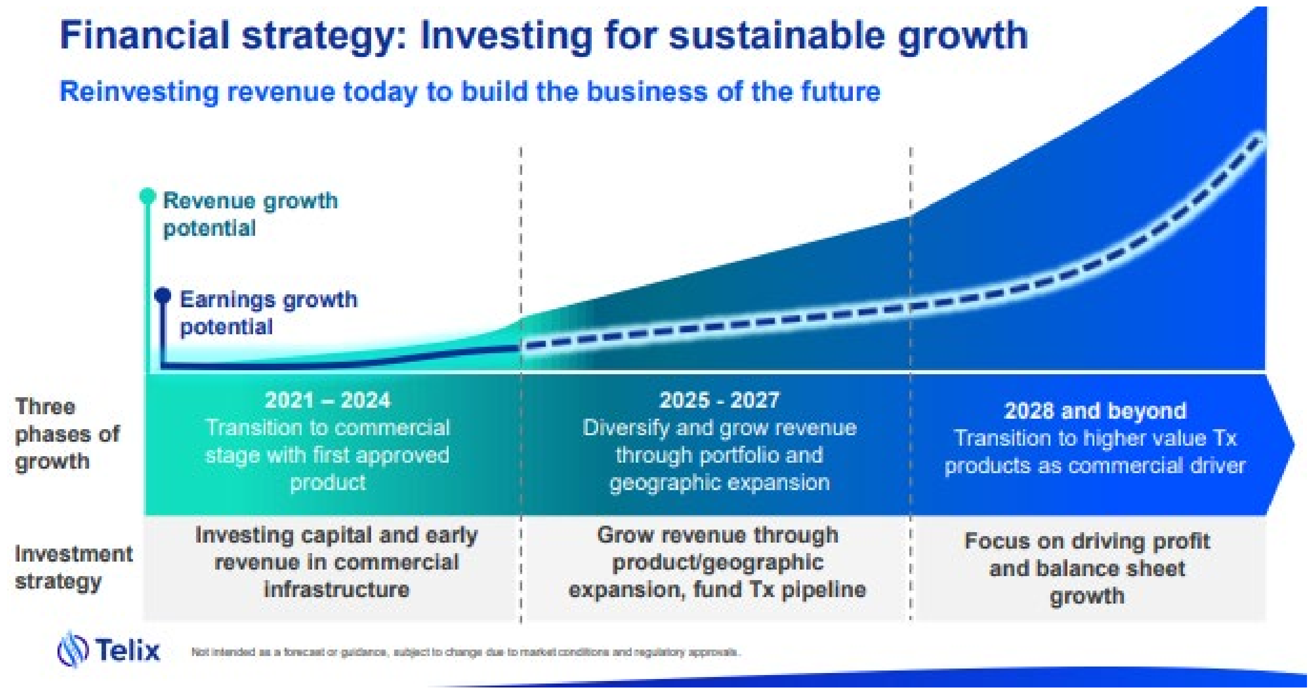
What is particularly impressive for such a young company is the commitment to R&D. Over the past three years, Telix has invested $404m in R&D programs, giving rise to a number of late-stage products now seeking FDA approval. In 2024, R&D as a percentage of revenue totalled 25%.

The group's strategic pillars are set out in **Figure 35** and **Figure 36** reflects management's view of the company when all the pieces are aligned.

Figure 35: Telix Strategic Pillars

Source: Telix 2024 Annual Report

Figure 36: Looking to 2028 and Beyond



Source: Telix 2024 full year presentation

Telix has set ambitious targets, a point CEO Behrenbruch emphasised in the company's recently released annual report, "*By the end of 2025, we expect Telix to look like a different company yet again. Our metamorphosis is well underway as we become a globally active, multi-product company, with the infrastructure in place to scale for future demand.*"

Comment

The common denominator among all the companies explored in this article is the desire to fulfil the bigger potential within. Each of the CEO's possess the characteristics of a 'Shaper' but are also inherently mindful of the risks attached to such pursuits.

Importantly, there is a clear plan, strong business economics and an aligned mindset to think big. We will continue to track each on their respective journeys. ***SFM***

FINEOS Corporation Holdings

FINEOS Corporation Holdings PLC (ASX: FCL) is an ASX listed platform business that provides mission-critical software solutions for the Life Accident & Health (LA&H) industry and the Employee Benefits market, which are the subject of legislation in eight U.S. states, with more to come in 2025.

The FINEOS AdminSuite is a cloud native SaaS platform for global group and individual LA&H insurers, employers and employees. It delivers a range of core administration products, including absence management, IDAM, billing, claims, payments, policy administration, provider management and new business and underwriting, all of which are configurable to operate independently or as one suite. The end-to-end platform is now also used by direct employers in the U.S. to manage legislated state-based employee insurance obligations. FINEOS is headquartered in Dublin, Ireland.

FINEOS is the global market leader in LA&H. The FINEOS Platform for Employee Benefits is deployed with seven of the top 10 U.S. LA&H group carriers for claims management. Six of these run FINEOS integrated absence and claims modules within the AdminSuite. Two run the full end-to-end AdminSuite (new business and underwriting, policy administration, billing, claims and absence).

Collectively these insurers drive payment volumes approaching $1bn per month, or a cumulative $30b in aggregate, generated by over 15 million insurance cases since 2021.

FINEOS has 338m shares on issue and a market capitalisation of A$574m. FINEOS presents its financials denominated in euro (€), even though 80% of revenue is generated in the U.S. It's important to view some basic financials after notionally converting from euro to AUD (1:1.73).

On this basis, revenue is A$230m, gross profit is A$173m and R&D spend is equivalent to A$85m. Annual recurring revenue (ARR) is A$123m. The business is debt free with cash of A$34m and is forecast to be cashflow positive for the entirety of 2025. The company is trading on 2x revenue and 4.6x ARR. See actual financials below in euros.

Figure 37: FINEOS Executives

Source: FINEOS website

People

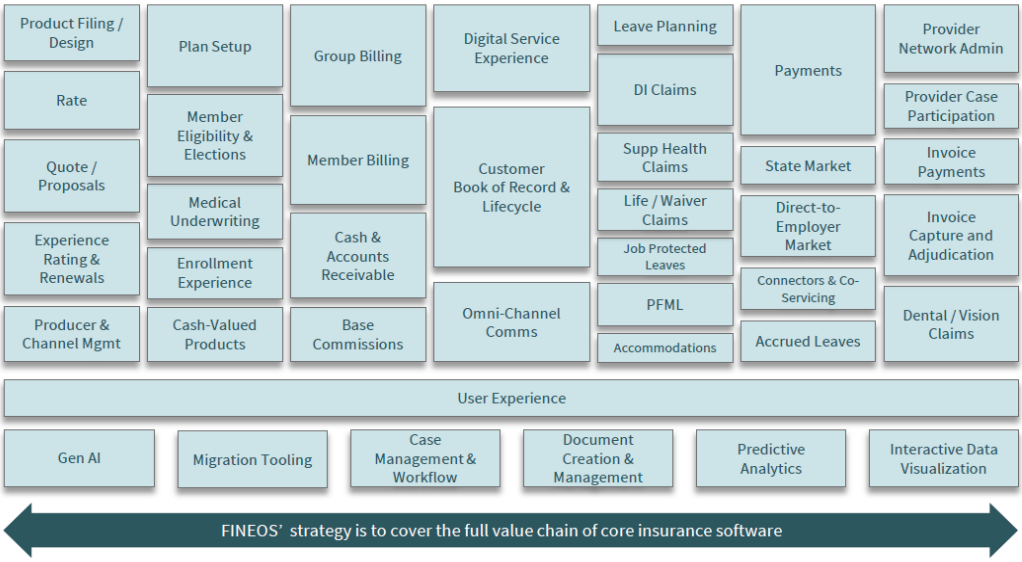
Founder and CEO Michael Kelly owns circa 174m shares (51%) and continues buying the stock on market, most recently in early March 2025. Kelly is both transparent and patient, as is his team. We note over 95% of shares are held by the top 20 shareholders.

FINEOS CFO, Ian Lynagh is a mature leader who understands the importance of a consistent financial cadence. His strong execution and delivery in 2024 were only masked by the unforeseen churn of legacy on-premise business. Lynagh has been with the company for 24 years and previously held the role of Chief Commercial Officer.

Eoin Kirwan has worked at FINEOS for 29 years. Joining in 1996, Kirwan led the original product design team for FINEOS Claims, FINEOS Payments and FINEOS Provider products. Kirwan now serves as the Chief Product Officer, a position he has held for six years.

FINEOS Platform

Figure 38: FINEOS platform



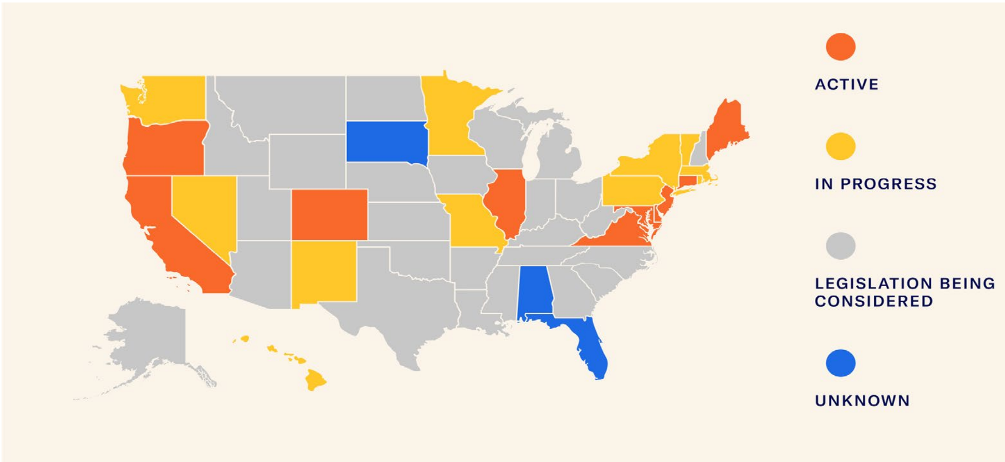
Source: FINEOS investor day presentation November 2024

The AdminSuite platform provides a suite of modules that manage:

- New business and underwriting
- Policy
- Billing, Payments and Provider services (between the insurance carrier and Health Service)
- Claims
- Absence (including IDAM)
- AI, Machine Learning (ML) and analytics capabilities
- APIs and connectors

In the U.S., disability insurance is highly regulated. FINEOS Integrated Disability and Absence (IDAM) module resides on the core platform and is currently used by five of the top 10 carriers in the U.S. IDAM is designed for carriers to easily navigate the complex regulatory framework, which is subject to increasing state-based legislation. This has been the biggest driver of annual recurring revenue (ARR) growth and R&D spend for the company since 2022.

Figure 39: States with U.S. Employee Benefits Legislation



Source: 10 U.S. States with Employee Benefits Legislation: Perplexity image

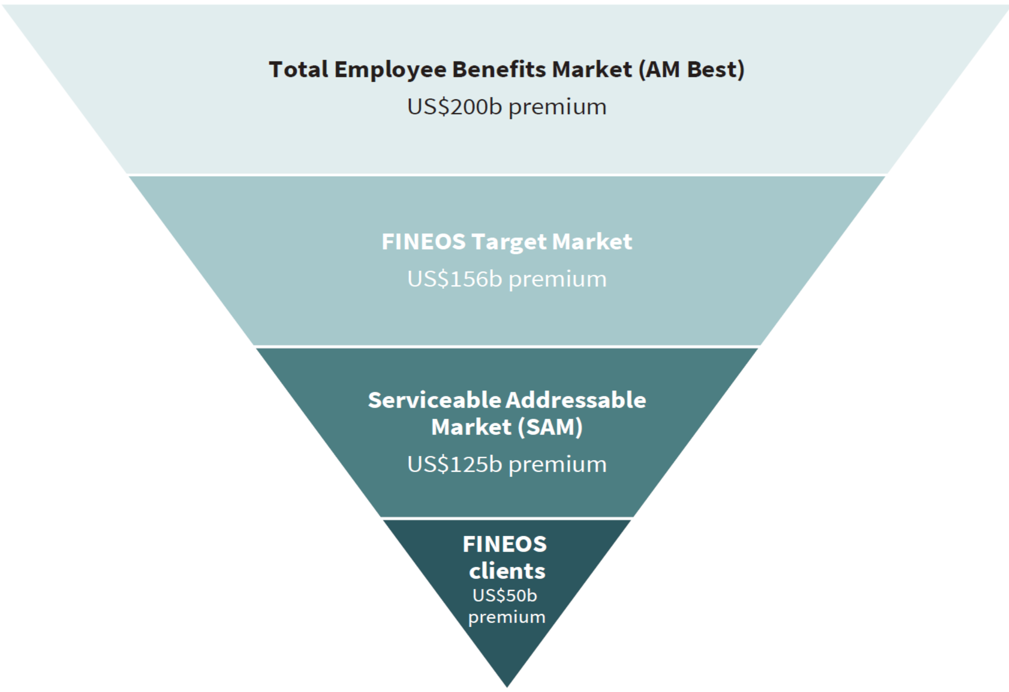
The platform is AI & ML ready. As a digital source of truth, data within the platform can have AI workflows applied to deliver business intelligence solutions, such as:

- Document summaries
- Case flags – case notes can run to thousands of pages
- Predictors of behaviour

Total addressable market

FINEOS' serviceable addressable market (SAM) is US$125b of premiums. FINEOS clients represent $50b in premiums, though only a fraction of this is currently on the AdminSuite platform. The "new logo" opportunity is US$75B or 60% of SAM. Typically, these carriers are serviced by green screen legacy systems.

Figure 40: FINEOS SAM



Source: FINEOS, AB Best.

The AdminSuite platform is currently used by more than 60 carriers globally. In the U.S., FINEOS has 40 carriers on the platform who represent US$50b of potential premiums.

Penetration of these customers is estimated, by the company, at 10-15%. With a current ARR of €71.2m or US$77m, a 15% penetration suggests FINEOS has a US$500m ARR opportunity with existing carriers on the platform.

FINEOS list of carrier clients is impressive, with seven of the top 10 largest carriers in LA&H in North America using claims, including:

- MetLife Inc
- Unum Group
- New York Life Insurance Company (NYL)
- The Guardian Life Insurance Company of America
- SunLife Financial Inc
- OneAmerica
- Lincoln

FINEOS has consistently called out NYL and Guardian as marquee clients who represent proof points for platform adoption. Separately Unum have alluded to efficiencies gained using AdminSuite.

New York Life

NYL manages US$4.1b of employee benefits premiums for some nine million policy holders via the AdminSuite platform. NYL has been operating on the platform for three years and is a user of group Admin, Voluntary and Absence modules, enabling the removal of six legacy systems.

As a testimonial client, NYL is amongst the largest and represents a Top tier carrier. In 2024, following its decision to re-enter the voluntary benefits market AdminSuite successfully facilitated a seamless voluntary benefits launch for NYL

Guardian Life

Following a public failure to migrate to EIS, Guardian Life has been operating on the AdminSuite platform for under one year. A soft launch of FINEOS Absence was limited to the short-term disability product line and occurred in September 2024.

FINEOS' first implementation for Guardian was on time and on budget and Guardian has experienced a three-fold efficiency improvement in executing claims and absence.

Two further "go lives" for "day 2" requirements will occur in June and September 2025 resulting in all new Guardian IDAM business on the AdminSuite platform. This second phase represents less than $1b of Guardians total $7b of policy premiums.

Phase 3 is scheduled for January 2026. This is when Guardian scales, with platform inclusion of its retail business, including life products and voluntary policy. This important phase, like NYL will see Guardian collapse multiple legacy systems. Guardian represents an important mid-tier Testimonial client.

Unum Group

According to PwC Partner Rima Safari, in the race for absence dominance Unum is leading, having made significant investment in the space alongside FINEOS. Unum, like Guardian shifted from competitor EIS. Unum currently operates claims and absence for disability and have built a digital system around AdminSuite with an integrated experience for customers. They have a five-year deal with headroom.

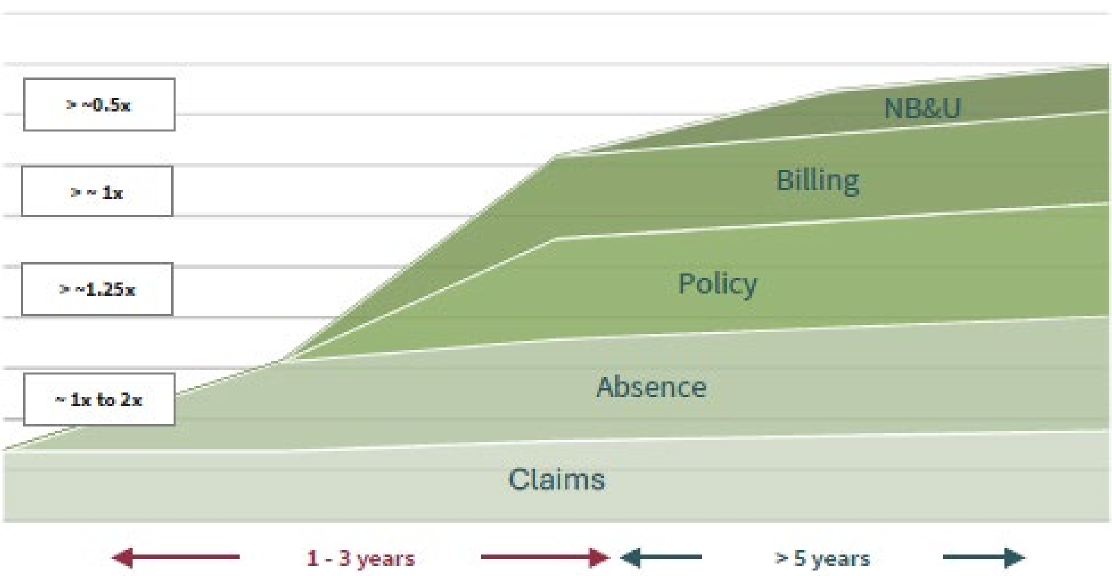
Unum are yet to scale. Under a future roadmap they will move to policy and billing next and are looking at new business and underwriting, typical of the cross-sell journey explained below.

Feedback suggests Unum has experienced a material improvement in cost of doing business on the platform.

Upsell & cross sell

Typically, after landing a client (new logo), FINEOS will up sell and cross sell a client in the outer years. Upsell involves scaling the existing line of business placed on platform and adding new lines of business. Both actions materially benefits fees paid to FINEOS by factors between 0.5x and 2x.

Figure 41: FINEOS sales model



Source: FINEOS investor day presentation November 2024

Cross-selling is also a multiyear process that begins after a beach head is established selling Claims (historically the first available module). The cross-sell of Absence, and particularly IDAM, delivers 1x to 2x fee uplift, while Policy and Billing contribute to a 1.25x and 1x uplift respectively.

New business and underwriting to enable quote and claim deliver 0.5x uplifts. Finally, additional opportunity exists in AI, ML and business analytic capabilities.

Competition

Inertia is the biggest factor in the slow cadence of new logos (new client wins). Some 60% of FINEOS' white space opportunity consists of carriers with legacy green screen core operating systems, with software attached to front ends. These patchwork systems are often run by the in-house IT teams and consist of software that is 30 to 50 years old.

These systems represent an unquantified technical debt that acts as an unrecognised handbrake on growth. Typically, the management team will be risk averse or may be paralysed by previous failed IT projects that have not delivered.

A catalyst, such as systemic failure to meet service standards, potential regulatory breaches, or a cyber event exposing vulnerabilities in old code, is necessary for these carriers to enter the market.

FINEOS-powered clients are emerging as the winners in the space. As their presence as a competitive force is recognised, they will become a second catalyst.

Tenders are typically only lost when an IT team chooses to build tools in-house using applications such as Salesforce. This would be a build versus buy decision for a smaller business.

Other competitors include Majesco, owned by Thoma Bravo, and AbsenceSoft. FINEOS has won business against both in a tender process.

FINEOS difference

The AdminSuite platform delivers a combination of operational excellence, efficiency, accuracy and automation. The best proxy for these claims is client testimonials from the likes of Unum, NYL and Guardian, and their joint abilities to remove multiple legacy systems as their premium books converge on the FINEOS platform. As we noted, NYL has retired six legacy systems to date.

In a blog to FINEOS staff on 4 February 2025, CEO Mike Kelly stated the following:

"No other employee benefits carrier—or core systems vendor—has successfully migrated an entire benefits portfolio to a modern SaaS core platform. However, we are seeing a growing number of our clients accelerating in this direction, with measurable improvements in business performance as they expand their new business and transition existing employee benefits portfolios to FINEOS.

Our clients are also beginning to leapfrog one another by adopting and deploying the latest capabilities in the FINEOS Platform. Their ambitions continue to grow as they recognize the potential to deliver true customer-centric living benefits services, launch new products, cross-sell bundled products, and eliminate legacy systems—breaking down silos and bottlenecks to enhance their customer experience and overall operational performance.

Until recently, the employee benefits industry has lacked a clear 'go-to' core systems market leader that supports group, voluntary and absence. This means group carriers have had to use point systems and a lot of bespoke integration and front-end software to make up for their core system weaknesses. The vast majority of group core systems in use today were invented before the internet, voluntary benefits, integrated absence, State paid leaves, and the data wave of AI coming! These systems are long overdue to be replaced with a modern core system for employee benefits.

We believe that failing to transition to a unified, purpose-built modern core platform for group, voluntary, and absence benefits will have negative long-term consequences. As the industry moves further into the data-driven AI era, deeply embedded analytical and generative AI capabilities within purpose-built core systems will emerge as the ultimate differentiator."

FY24 Financials

	FY24 ($€m)
Total Revenue	**133**
Subscription (52%)	*70*
Services (48%)	*63*
Cloud Revenue	**88%**
Annual Recurring Revenue	**71**
Net Cash (Debt)	**20**
Gross Profit	**100**
Gross Margin	**75%**
EBITDA	**20**
EBITDA margin %	**15%**
Research & Development	**49**
R&D % Revenue	*37%*
Capitalised	*58%*
Expensed	*42%*
Total Costs	**142**
Cost of sales	*33*
OPEX	*80*
R&D Capitalised	*29*
Shares on issue	**338.5m**
Held by top 20 shareholders	*323.0m | 96%*
Market Cap	**A$570.0m**

Costs

Efficiencies will drive operating leverage as premiums and caseloads scale on the platform. CFO Lynagh has tight control over the cost base of €142m. Lynagh's key target is aggregate positive free cash flow in CY25. The cost levers within the control of the business include:

- Flat headcount
- Centralised operations
- Deployment of FTE to lower cost regions AWS cost optimisation

Research and Development (R&D)

More than €250m has been invested in the FINEOS platform since 2015. This has resulted in the leadership position in the U.S. and ANZ in LA&H. In CY24, R&D totalled €49m or 37% of revenue, with 58% capitalised and 42% expensed. Amortisation currently undershoots capitalised R&D by €2.9m.

FINEOS has provided new targets for R&D. While gross R&D spend will rise, the company is targeting R&D to fall to 30% of revenue in three years and falls further to 25% of revenue in five years. This is a clear driver of future EBITDA margin expansion.

The focus of R&D is on:

- Compliance, ease of implementation, further automation
- Digital engagement
- Embedded Analytical AI for insight / further embed GenAI to enhance decision making speed and capability for case managers
- Building out a complementary Partner Ecosystem that drives competitive differentiation

Implementation

FINEOS is increasingly using System Integrators (SI) for software implementation and sales leads. Partnerships have been developed with PwC, EY, Deloitte, Capgemini / Sogeti, BCG, and Cognizant. These partnerships represent over 200 FINEOS-certified implementation consultants, which continues to grow.

In the short run, the use of an SI comes at a cost to the services revenue line, which will rise at a slower rate as services are increasingly delivered by consulting partners. The longer-term game is growing subscription revenue, which is both recurring and at a significantly higher margin than services. See our section below, titled Big Picture.

New logos

To date sell side research has been fixated on the lack of large (tier 1) client wins. This somewhat misses the point of the power of a recurring revenue stream. While premium and lives covered on platform take time to ramp, they are very sticky when they scale.

Once on the AdminSuite platform the switching costs for an insurer are very high and as a result the carriers display very low attrition rates. While they literally have no place to go, the decision to switch is typically considered alongside an analysis of the benefits and the barriers.

The benefit is the material economic efficiencies demonstrated by NYL, Guardian and Unum, and the barrier is the only LA&H purpose built end-to-end platform solution which is benefiting from an annual R&D spend of more than AUD$80m to drive continuous improvement.

In the second half of CY24, FINEOS called out two smaller scale new logos. Both wins courtesy of relationships with System Integrators PWC and EY.

Voya Financial Inc. with US$2.1b of premiums (2019) was won alongside PwC. Voya had been using a Majesco solution and are shifting to FINEOS achieve the functionality offered by AdminSuite.

Equitable Holdings (NYSE: EQH) with US$2.9b premiums (2024) was won with assistance of EY. AdminSuite is replacing an internal system and FINEOS competed against all players to win this business.

Voya and Equitable jointly represent potential premium of between $1b - $3b or a 2% - 6% premium uplift, on FINEOS' total existing customer premium opportunity of $50b.

While time will reveal all, in relation to platform uptake from these carriers, they have the potential to be meaningful contributors to FINEOS ARR if they can replicate the efficiencies of NYL, Guardian and Unum and then grow from this base.

FINEOS believes organic growth of 8% -10% will come from upsell and cross sell (described previously) into existing clients, who represent an ARR opportunity of US$500m combined. A modest addition from new logos is also backed into this forecast, but at a substantially more conservative rate of 10-15% versus 30% at IPO. This growth will be delivered with incremental margin expansion from scale and cost control. It is an attractive proposition.

In addition, CEO Kelly notes the "*oil tanker like*" carriers within the prospective customer pipeline will provide lumpy ARR uplifts when they drop. Here patience is required, so it is for a revaluation of the stock. Comparisons are not easy.

One reference point is Guidewire (NAS: GWR) which trades on 16x EV/EBITDA versus FINEOS 3x EV/EBITDA.

In 2024 the SAM was also extended by the launch of a "*new, shrink-wrapped FINEOS Absence for Employer product by on-boarding two major employers, one with 40,000 employees and the other with 55,000 employees. The first employer went live in Q3 24, followed by the second in Q4 24.*"

Industry Consolidation

Future industry consolidation may play a further role in gaining new logos and upsell opportunities.

By way of background, in December 2019 Cigna sold its group benefits business to New York Life for US$6.3b to create New York Life – Group Benefits Solutions (NYL – GBS). This US$4.1b group book of business was consolidated on AdminSuite at the time, removing six legacy systems. Cigna retained its voluntary business on a separate core system. In 2024, emboldened by its success, NYL re-entered the voluntary benefits market using AdminSuite i.e. integrated group, voluntary and absence.

In M&A transactions a carrier's software plays an important role. Significant strategic advantage accrues to the carrier rooted on a modern industry standard core system, with a market leading vendor, who is dedicated to maintaining cutting edge technology and software.

If the acquirer has their portfolio on a modern core system, it can leverage this advantage in the M&A process, quickly extracting value by migrating the acquired portfolio onto their system. Obviously, a modern efficient core system can provide economies of scale, enhanced customer experience and improved operational performance with increased margins compared to the legacy system of the acquired business.

In the coming years, as employee benefits carriers move off outdated core systems and embrace operational transformation, FINEOS expect increased consolidation and the emergence of new employee benefits market entrants.

Carriers using a modern platform will be better positioned to realise ongoing value from organic growth and potential M&A opportunities.

Big Picture

Annual organic revenue growth of 8%-10% is achievable through a combination of existing client book growth, upsell and cross-sell, and modest incremental new logo wins. Potential for large ARR growth years will be driven by large Carrier decisions. Operating leverage will drive ongoing margin expansion. FINEOS has guided to aggregate positive free cash flow in FY25.

Looking out and based on this modest topline growth and the targets the company set out (see below), EBITDA has the potential to double by 2027 and again by 2029. On this basis, we note the business would be delivering a rule of 50 metric in 2029, which would drive upside risk to the valuation set out in our introduction.

Table 12: FINEOS Outlook

	2024 (€m)	2027 (€m)	2029 (€m)
Revenue[1]	133	171	240
Gross margin[2]	100	128	192
EBITDA	20.2	43	96
EBITDA Margin[3] %	15%	25%	40%
Subscription fee[4] % Rev	52%	65%	75%
EBITDA Growth based on targets		2.1x	2.2x

Revenue[1] Services held constant at ~ €60

At the company's 2024 Investor Day, the following expectations were set:

- R&D investment to decrease as a percentage of total revenue to 30% in FY27, and 25% in FY29.
- Gross margin will increase to 75% in FY27, and 80% in FY29.
- EBITDA margin will increase to 25% in FY27, and 40% in FY29.
- Subscription fees to increase as a percentage of total revenues to 65% in FY27, and 75% in FY29. ***SFM***

Taxpayers – Treated Liked Mugs

It has taken twelve months but the Australian Competition & Consumer Commission (ACCC), just like past inquiries, has come up empty-handed. Having been egged on by the Labor Government, and supported by the other parties, including the Liberals, the ACCC launched a review on potential price gouging by the major supermarket chains Woolworths and Coles.

Under the guise of high inflation, the two supermarket chains and their executives were put under enormous public pressure, which resulted in Government Senate inquiries. Coinciding with this was the unexpected resignation of Woolworths CEO Brad Banducci, who wore the full brunt of accusations from all political quarters.

In reality, the high inflation experienced resulted from the excess demand stimulus from budget handouts and low interest rates that spilled over the economy's disrupted supply lines.

At its conclusion, the 441-page review delivered in mid-March found nothing of real substance, confirming once again that the supermarket industry is a rational, albeit imperfect market.

Supporting this were some key findings. Most notably, over the past five years, grocery prices have risen by 24% compared to 22% for other goods and services, less than the increase recorded in other developed economies.

Businesses will always respond to competition and the supermarket industry is no exception. Aldi's success is a testament that consumers will go where value, price and service are on offer. Today, the $120b grocery sector is still dominated by leaders Woolworths and Coles, with respective stakes of 38% and 20%, followed by Aldi at nine per cent and IGA at seven per cent. Aldi is noteworthy, having invested as much as $7b over two decades to carve out a meaningful offering.

History has a funny way of repeating itself. In 2008, under the same premise of governments looking to blame someone, the Rudd Government directed the ACCC, led by Graeme Samuel, to undertake a review of the supermarket sector.

We highlighted this review in our March 2024 Selector Quarterly newsletter. Our article, "The greatest risk", referenced the role that regulatory risk plays when considering any investment undertaken. The following is an extract from that article.

"*Any investor intending to put capital to work will consider the associated risks. Among all the potential pitfalls, regulatory risk remains our primary concern.*

Governments have form. They act when cornered and their actions are regularly justified based on fairness and economic reform. These actions often stem from political motives, serving as distractions from more pressing hot-topic agenda items.

Businesses and individuals face the wrath of these regulatory shifts. Nevertheless, any elected government or regulatory body that follows due process is entitled to make changes, irrespective of external opinions.

Concerns for businesses arise when they become targets of regulatory attention. Take for instance, the current inquiry initiated by the Federal Government into our supermarket operators.

Pressured to address cost-of-living challenges, the Government has ordered the ACCC to conduct a new investigation into supermarket pricing. This 12-month review will focus on 'industry gouging' and follows a previous inquiry undertaken in 2008."

The findings from the 2008 review were no different to today's current outcomes as Eric Johnston, a journalist at The Australian, noted at the time:

"There was no evidence of gouging. Indeed, that probe, headed by Graeme Samuel and concluded in 2008, found supermarket retailing was workable competitive in Australia and there was barely any link between rising food prices and profits… Don't conflate food inflation with gouging. It's little wonder the 500-page report sank without a trace."

Treasurer Jim Chalmers attempted to put a spin on this latest report by asserting that, because of the inquiry, Australian shoppers would no longer be "*treated like mugs*" by major supermarket chains, claiming an "*ongoing supermarket crackdown*" to ensure better checkout deals.

Unfortunately, the only fallout here is how governments misuse their power, often at the expense of ordinary consumers and businesses. To have held two inquires with the same outcomes is not only a waste of money and time but a reflection of society and governments seeking to shift the blame.

Where Australians are being "*treated like mugs"* is how taxpayers are gouged on tax rates that are not indexed. We comment on this in our opening letter, noting that wage increases are pushing more people into higher tax brackets (not adjusted for changes in inflation), aptly termed 'bracket creep'. And for those who dismiss its importance, it lies at the heart of productivity loss, living standards and governments that abuse their roles.

John Kehoe, Economics editor for the Australian Financial Review, put the case forward on 26 February 2025 to explain why this behaviour needs urgent attention.

"Plundering income tax is bad for the economy, productivity and living standards. Total federal spending forecast by Treasury at 27.2 per cent of GDP in 2025-26 will be the highest since the mid-1980s, before Labor's Paul Keating and Peter Walsh took the axe to a bloated budget.

In that past Labor spirit, a localised version of Elon Musk's Department of Government Efficiency could be useful in Canberra right now. Undoubtedly, some of the extra spending in areas such as aged care and defence is necessary and unavoidable. But the problem is there has been no concerted effort to fund new expenditure with material spending cuts or explicit tax increases.

The $49 billion National Disability Insurance Scheme grew an astonishing 20 per cent last year but has received only a nip and tuck. The hope that its future growth will be curtailed rests on a wing and a prayer. The spendathon is increasingly being whacked on the national credit card for working-age people and future generations to foot the bill.

Economist Chris Richardson calculates that Labor's $30 billion in extra annual spending decisions, since it was elected in May 2022, has delayed the capacity to offer bracket creep relief for a further five to six years. It explains why Ken Henry – and myself – have reluctantly said we must consider indexing income tax brackets to changes in inflation or wages. Otherwise, there is no restraint on taxing and spending.

The historical effective average income tax rate in the first two decades of this century was about 23 per cent, according to economic modeller Chris Murphy. Even allowing for the stage three income tax cut worth about $23 billion a year, bracket creep is projected to lift the average tax rate by 2 percentage points to 25 per cent by 2028-29. Instead, of explicitly raising other taxes to pay for spending, politicians will resort to debt and income tax through bracket creep."

If left unchecked the consequences are not good, as Kehoe concludes:

"If governments want to increase spending, they should either cut expenditure elsewhere or be honest enough to outline explicit tax increases. Plundering income tax is not only unfair to working-age people – current and future, but it is also bad for the economy, productivity and living standards.

Higher income tax is one of the more economically damaging taxes because bracket creep 'punishes innovation, enterprise and effort', former Treasury Secretary Ken Henry says. The less economically damaging tax bases Australia should raise revenue from are consumption, road-user charges, land, carbon emissions and natural resources, he says. But in this election campaign, nobody is prepared to champion tax reform or spending cuts, beyond Dutton's vague call to cull up to 36,000 public servants. Instead, bigger spending will be funded by imposing higher debts on future generations and the silent sucking of bracket creep."

So, as we consider the latest ACCC findings, spare a thought for all those taxpaying mugs. ***SFM***

Disclaimer: Selector Funds Management has no holdings in Woolworths or Coles.

The Long Game

Following the recent market fluctuations triggered by Trump 2.0, many investors may be making evaluations as to whether they stay the course or adjust their positions. We recently read an interesting study conducted by the Australian Financial Review (AFR) on the lessons and rewards of duration investing.

The article runs an analysis on three investors with $500,000 through the GFC. Investor A exits at the top of the market and reinvests a year later. Investor B was unlucky enough to sell out at the bottom of the market and also reinvests their cash a year later. As the control, Investor C does not cash out at all but continues to apply a dollar-cost averaging strategy to their investment through that year. This strategy requires no stock picking skill or timing.

Figure 42: GFC – Moving into cash for one year ($m)

Source: Australian Financial Review

	Initial Investment	End Value	Net Difference (vs control investor)
Investor A (sells top)	$500,000	$1.94m	**+$190k**
Investor B (sells bottom)	$500,000	$1.15m	**($600k)**
Investor C (stay in shares)	$500,000	$1.75m	

"From the initial $500,000 investment, an investor who picked the top of the market in 2008 and then reinvested a year later would have $1.94 million worth of shares. If they sold their shares at the bottom of the market and re-entered after a year, the investor would end up with $1.15 million.

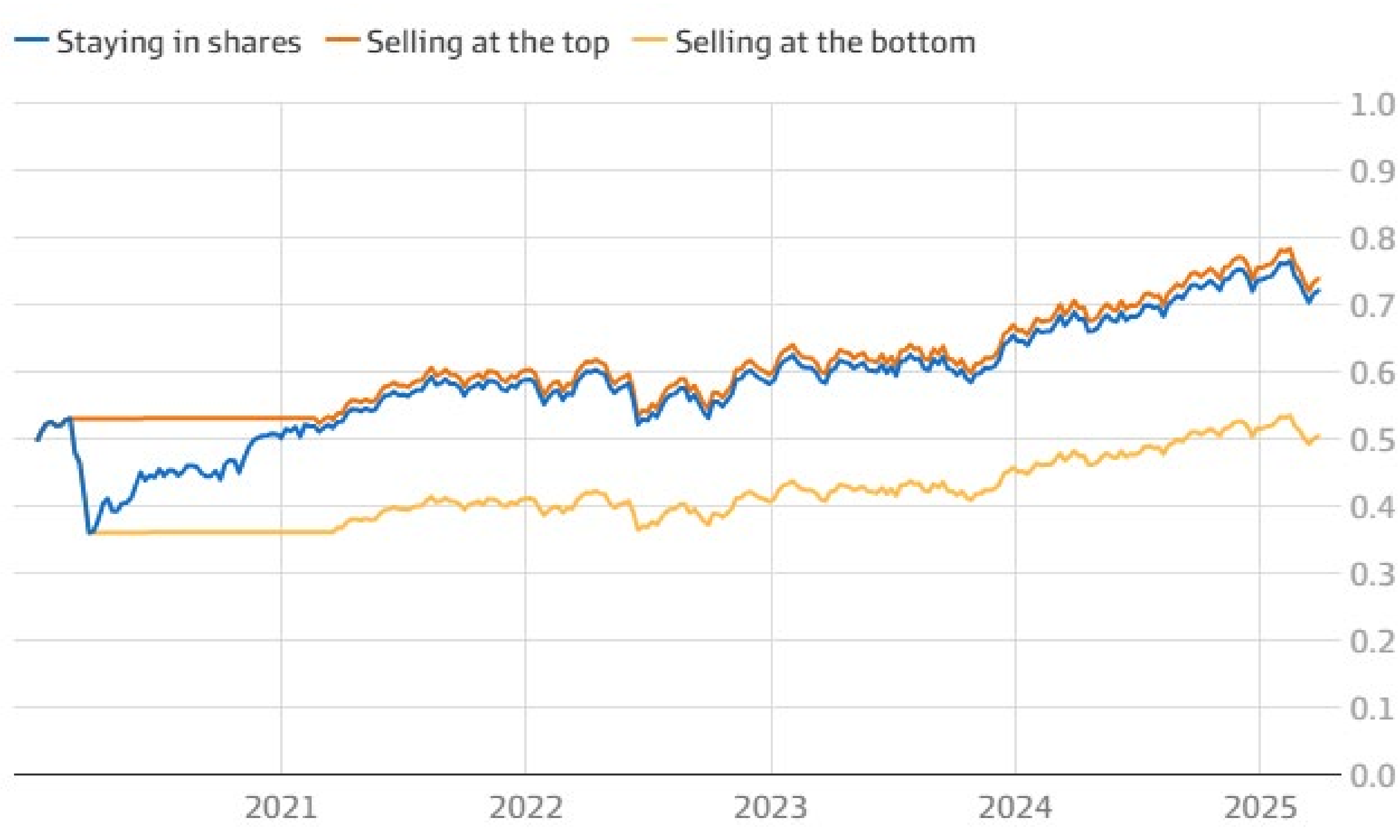
But if they stayed in equities, they would have $1.75 million.

Given that an investor is equally likely to pick the top as the bottom, they are risking $600,000 for a gain of only $190,000.

'What this analysis suggests is that even if you managed to perfectly time the market and you rebalance your portfolio into cash, and did that for a one-year period, it's really interesting that the benefit of rebalancing your portfolio at the top does not actually cover the risk of missing out on a market recovery, and as time progresses during that recession or crash, the probability of picking the wrong time increases, and as the chart suggests, the risk is far greater than the benefit of picking it perfectly.' "

For good measure, the same situation was presented for the COVID-19 market downturn, and the results appear even clearer.

Figure 43: COVID-19 Crash – Moving into cash from one year ($m)



Source: Australian Financial Review

"The initial $500,000 would turn into $726,000 if the investor held on to equities, versus $740,000 if they sold at the top of the market. If the investor sold at the bottom, they would have $555,000.

…The analysis shows that most of the time, the risk of missing out on the market recovery does not cover the benefit of moving to cash by picking the top of the market compared to just holding on to equities."

In periods of such uncertainty and volatility, we believe this study serves as a relevant and timely reminder of how markets reward those who endure downturn, and maintain a long-term ownership outlook, rather than 'selling the news'. ***SFM***

Company Engagements – March 2025 Quarter

Date	Company	Description
14-Jan	RMD	Resmed J.P Morgan Healthcare Conference
16-Jan	TLX	Telix Pharmaceuticals J.P Morgan Healthcare Conference
31-Jan	RMD	Resmed 2Q25 Results Call
4-Feb	WTC	WiseTech Global UBS Industry Insights Call
5-Feb	ALL	Aristocrat Leisure Management Meeting
6-Feb	REA	REA Group HY25 Results Call
6-Feb	REA	REA Group GS Management Meeting
7-Feb	REA	REA Group Barrenjoey Management Meeting
7-Feb	DMP	Domino's Pizza Enterprises Trading Update
10-Feb	CAR	CAR Group HY25 Results Call
10-Feb	DMP	Domino's Pizza Enterprises Management Meeting
10-Feb	REA	REA Group Management Meeting
11-Feb	BRG	Breville HY25 Results Call
11-Feb	CSL	CSL HY25 Results Call
11-Feb	BRG	Breville UBS Management Meeting
11-Feb	CAR	CAR Group MS Management Meeting
11-Feb	BRG	Breville Macquarie Management Meeting
11-Feb	CAR	CAR Group Management Meeting
11-Feb	BRG	Breville Barrenjoey Management Meeting
12-Feb	CPU	Computershare HY25 Results Call
12-Feb	CPU	Computershare UBS Management Meeting
12-Feb	BRG	Breville Management Meeting
13-Feb	PME	Pro Medicus HY25 Results Call
13-Feb	CPU	Computershare Management Meeting
13-Feb	CPU	Computershare Barrenjoey Management Meeting
14-Feb	COH	Cochlear HY25 Results Call
14-Feb	TNE	TechnologyOne Management Meeting
17-Feb	COH	Cochlear Management Meeting
18-Feb	RWC	Reliance Worldwide HY25 Results Call
18-Feb	ARB	ARB Corporation HY25 Results Call
18-Feb	IFM	Infomedia HY25 Results Call
18-Feb	SEK	SEEK HY25 Results Call
18-Feb	ARB	ARB Corporation JP Morgan Management Meeting
18-Feb	ARB	ARB Corporation UBS Management Meeting
18-Feb	IFM	Infomedia Management Meeting
19-Feb	JHX	James Hardie Industries 3Q25 Results Call
19-Feb	TNE	TechnologyOne Annual General Meeting
19-Feb	ARB	ARB Corporation Macquarie Management Meeting
19-Feb	ARB	ARB Corporation Morgans Management Meeting
19-Feb	ARB	ARB Corporation Management Meeting
19-Feb	ARB	ARB Corporation Goldman Sachs Management Meeting
20-Feb	ALL	Aristocrat Leisure Annual General Meeting
20-Feb	MVP	Medical Developments International HY25 Results Call
20-Feb	NAN	Nanosonics HY25 Results Call

Date	Company	Description
20-Feb	SEK	SEEK Management Meeting
21-Feb	RWC	Reliance Worldwide Management Meeting
21-Feb	TLX	Telix Pharmaceuticals FY24 Results Call
21-Feb	JIN	Jumbo Interactive HY25 Results Call
21-Feb	NAN	Nanosonics Management Meeting
24-Feb	REH	Reece HY25 Results Call
24-Feb	IRE	Iress FY24 Results Call
24-Feb	NAN	Nanosonics J.P Morgan Management Meeting
24-Feb	PNV	PolyNovo HY25 Results Call
25-Feb	PNV	PolyNovo Macquarie Management Meeting
25-Feb	DMP	Domino's Pizza Enterprises HY25 Results Call
25-Feb	DMP	Domino's Pizza Enterprises Macquarie Management Meeting
25-Feb	IRE	Iress Morgans Management Meeting
25-Feb	MVP	Medical Developments International Management Meeting
26-Feb	DMP	Domino's Pizza Enterprises Management Meeting
26-Feb	FLT	Flight Centre Travel Group HY25 Results Call
26-Feb	WTC	WiseTech Global HY25 Results Call
26-Feb	FLT	Flight Centre Travel Group UBS Management Meeting
26-Feb	REH	Reece Management Meeting
26-Feb	PNV	PolyNovo Management Meeting
26-Feb	FCL	FINEOS Corporation Holdings FY24 Results Call
27-Feb	FLT	Flight Centre Travel Group Macquarie Management Meeting
27-Feb	PNV	PolyNovo UBS Management Meeting
27-Feb	FLT	Flight Centre Travel Group Management Meeting
27-Feb	WTC	WiseTech Global Macquarie Management Meeting
27-Feb	FCL	FINEOS Corporation Holdings Management Meeting
28-Feb	WTC	WiseTech Global Goldman Sachs Management Meeting
28-Feb	RMD	Resmed UBS Industry Insights Call
28-Feb	NAN	Nanosonics Morgans Management Meeting
28-Feb	WTC	WiseTech Global Management Meeting
3-Mar	JIN	Jumbo Interactive Management Meeting
3-Mar	IRE	Iress Management Meeting
3-Mar	IRE	Iress Barrenjoey Management Meeting
4-Mar	TLX	Telix Pharmaceuticals JP Morgan Management Meeting
4-Mar	TLX	Telix Pharmaceuticals Management Meeting
5-Mar	TLX	Telix Pharmaceuticals UBS Management Meeting
6-Mar	RMD	Resmed Management Meeting
12-Mar	TLX	Telix Pharmaceuticals Showcase & Expert Forum
13-Mar	RMV.LSE	Rightmove PLC Barrenjoey Management Meeting
14-Mar	ARB	ARB Corporation UBS Industry Insights Call
14-Mar	ALL	Aristocrat Leisure UBS Industry Insights Call
18-Mar	DLG	De’Longhi Macquarie Management Meeting
19-Mar	COH	Cochlear Barrenjoey Industry Insight Call
19-Mar	PME	Pro Medicus Morgans Management Meeting
21-Mar	IRE	Iress Morgans Management Meeting
21-Mar	NAN	Nanosonics Barrenjoey Management Meeting
24-Mar	JHX	James Hardie Industries AZEK Acquisition Call

Date	Company	Description
24-Mar	FCL	FINEOS Corporation Holdings Management Meeting
24-Mar	FCL	FINEOS Corporation Holdings Macquarie Management Meeting
25-Mar	PME	Pro Medicus Barrenjoey Management Meeting
25-Mar	JHX	James Hardie Industries Jefferies Management Meeting
25-Mar	PME	Pro Medicus GS Management Meeting
27-Mar	PME	Pro Medicus Management Meeting
28-Mar	JHX	James Hardie Industries Citi Industry Insights Call

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