CANACCORD Genuity

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Codan Limited

Communications Equipment

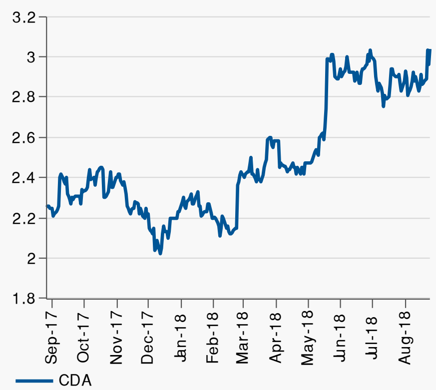
Australian Equity Research
26 August 2018

BUY
unchanged

PRICE TARGET	A$3.65↑
from A$3.50	
Price (26-Aug)	A$3.28
Ticker	CDA-ASX

52-Week Range (A$):	1.96 - 3.12
Avg Daily Vol (000s) :	300.0
Market Cap (A$M):	417
Shares Out. (M) :	177.1
Dividend /Shr (A$):	3.50
Dividend Yield (%) :	106.7
Net Debt (Cash) (A$M):	(20)
Enterprise Value (A$M):	564
Cash (A$M):	20.0
Long-Term Debt (A$M):	0.0

FYE Jun	2017A	2018A	2019E	2020E
Sales (A$M)	226.1	229.9	225.2↑	244.2↑
Previous	-	-	*221.7*	*240.0*
EBITDA (A$M)	75.6	70.4	70.9↑	81.0↑
Previous	-	-	*70.5*	*77.1*
Net Income Adj (A$M)	44.7	39.8	39.9↓	46.5↑
Previous	-	-	*40.8*	*44.8*
EPS Adj&Dil (A$)	25.2	22.3	22.4↓	26.1↑
Previous	-	-	*23.0*	*25.3*
P/E (x)	13.0	14.7	14.6	12.6
EV/EBITDA (x)	7.5	7.9	7.6	6.4
DPS (A$)	13.00	12.50	12.00	13.00
Div. Yield (%)	4.0	3.8	3.7	4.0



Source: FactSet

Priced as of close of business 26 August 2018

CDA designs and manufactures a range of electronic products including radio communication products, metal detection products and mining technology

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Raising Target Price

Base level up but more growth detected ahead

CDA's FY18 result was positive, albeit a little mixed. The strong performance, which was a small beat to guidance and our estimates, was driven by a strong 2H18 performance from Metal Detection. An expected rebound in Communications didn't materialize with some project deliveries not dropping into FY18. This appears to be largely a timing issue and a stronger performance is expected in FY19. The Tracking Solutions division is beginning to show early signs of its potential, reporting a strong result and moving into profitability in 2H18. All up, there's positive momentum across each of the divisions and FY19 is shaping up as another strong year. We have raised our Target Price to $3.65 per share, and we retain our BUY rating.

Key points

Revenue was marginally ahead of the pcp and 4% above our expectations. The revenue mix was a little different to what we had expected though. Communications revenue missed the base line range of $65-75m and was 20% below the pcp. A slowdown in US government spending and the delay in delivering some HF contracts impacted the result. With these contracts falling into July, FY19 is expected to see a strong rebound from this division. Metal Detection was the offset to this, driven by continued strong demand for the GPZ7000 but also new products targeting lower price points. Tracking Solutions also beat our expectations, with a strong 2H18 on the back of the BHP contract.

Underlying EBITDA was down 7% on the pcp but was 6% ahead of our expectations. This came despite the underperformance of Communications. In fact the group reported 2H18 EBITDA of $43m, which was a half yearly record. While there is some seasonality to the 2H period, the 2H18 result bodes well in terms of the diversification of the product base within Metal Detection with less reliance on the GPZ7000. EBITDA margins of 30.6% were 500bps ahead of our estimates but had it not been for the underperformance of the Communications division, would have been significantly higher.

Cashflow and balance sheet – Operating cashflow was strong at $48m with cash conversion of 102%. CDA ended the year with $28m cash and is well positioned to grow the business. The company has continued to pay special dividends in the absence of acquisitions and announced an 8.5c dividend, which comprised of a final of 4.5c and special of 4.0c.

Earnings changes - FY19 EPS ↓2.2% to 22.4c and FY20 EPS ↑3.2% to 26.1c

Outlook and recommendation

The outlook for CDA remains positive. A strong order book across Communications should drive a rebound in FY19 and together with momentum within Metal Detection, FY19 is likely to be another strong year for the business. This should be supplemented by increased profitability from Minetec, however at this stage it's expected to be a relatively small contributor. The balance sheet is also well positioned to supplement organic growth with acquisitions. This would be a key catalyst, in our view.

As a result of our earnings revisions, we have raised our Target Price to $3.65 per share, up 4.2% from $3.50 per share previously. We have arrived at our TP by applying an 8.5x multiple (20% discount to Small Industrials average) to FY19 EBITDA of $70.9m. We retain our BUY rating.

For important information, please see the Important Disclosures beginning on page 8 of this document.

Figure 1: Codan Ltd (CDA); Canaccord Genuity estimates

Profit & Loss ($m)	2017A	2018A	2019F	2020F
Sales Revenue	**226.1**	**229.9**	**225.2**	**244.2**
EBITDA	**75.6**	**70.4**	**70.9**	**81.0**
Depreciation	-2.4	-2.8	-2.2	-2.4
EBITA	**73.1**	**67.5**	**68.8**	**78.6**
Amortisation	-11.6	-13.8	-14.9	-16.2
EBIT	**61.5**	**53.7**	**53.9**	**62.4**
Net Interest Expense	-0.8	-0.5	0.5	0.9
NPBT	**60.7**	**53.2**	**54.4**	**63.3**
Tax expense	-16.0	-13.4	-14.5	-16.8
NPAT - underlying	**44.7**	**39.8**	**39.9**	**46.5**
Significant items	-1.2	1.7	0.0	0.0
Reported NPAT	**43.5**	**41.5**	**39.9**	**46.5**
Cash Flow ($m)	**2017A**	**2018A**	**2019F**	**2020F**
Operating EBITDA	**75.6**	**70.4**	**70.9**	**81.0**
- Interest & Tax Paid	-7.2	-16.5	-12.9	-13.6
+/- change in Work. Cap.	2.2	-0.1	18.4	0.3
- other	5.0	-5.6	-14.3	-1.8
Operating Cashflow	**75.6**	**48.3**	**62.1**	**65.9**
- Capex	-16.4	-16.5	-18.0	-18.0
- Aquisitions/divestments	-7.0	-5.4	-7.0	-7.0
- other	-0.3	-0.5	0.0	0.0
Free Cashflow	**51.9**	**25.8**	**37.1**	**40.9**
- Ord Dividends	-17.7	-20.0	-21.7	-21.4
- Equity /other	0.0	0.4	0.4	0.4
Net Cashflow	**34.2**	**6.2**	**15.8**	**19.9**
Cash at beginning of period	14.3	21.4	27.7	43.5
+/- borrowings / other	-27.1	0.1	0.0	0.0
Cash at end of period	**21.4**	**27.7**	**43.5**	**63.4**
Balance Sheet	**2017A**	**2018A**	**2019F**	**2020F**
Cash	21.4	27.7	43.5	63.4
Inventories	31.0	31.6	28.2	30.5
Debtors	20.6	29.8	22.5	24.4
PPE	12.0	12.5	13.0	14.4
Intangibles	86.2	86.6	97.3	95.8
Other assets	61.5	66.1	66.2	69.5
Total Assets	**232.7**	**254.3**	**270.7**	**298.1**
Borrowings	0.0	0.0	0.0	0.0
Trade Creditors	36.6	46.3	54.0	58.6
Other Liabilities	31.1	19.9	19.9	19.9
Total Liabilities	**67.7**	**66.2**	**73.9**	**78.5**
NET ASSETS	**165.0**	**188.1**	**196.8**	**219.6**

Board of Directors / Substantial Shareholders		
Board of Directors	**Shareholding**	**%**
David Simmonds - Chairman	0.0	0.0%
Donald McGurk - MD	0.8	0.5%
Peter Griffiths - N-E Director	0.1	0.1%
David Klingberg - N-E Director	0.1	0.0%
Brian Burns - N-E Director	0.0	0.0%
Lt Gen Peter Leahy - N-E Director	0.4	0.3%
Graeme Barclay - N-E Director	0.0	0.0%
Substantial Shareholders	**Shareholding**	**%**
IB Wall and PM Wall	34.8	19.7%
Starform Pty Ltd	11.4	6.4%
Griffina Pty Ltd	10.6	6.0%
Otterpaw Pty Ltd	10.6	6.0%
JP Morgan Trus Co	10.6	6.0%
Perennial Value Management	10.3	5.8%

Valuation ratios	2017A	2018A	2019F	2020F
EPS (cps)	25.2	22.3	22.4	26.1
P/E (x)	13.0	14.7	14.6	12.6
PER Rel - All Ind.	-36%	-30%	-29%	-32%
PER Rel - Small Ind.	-32%	-23%	-23%	-26%
Enterprise Value ($m)	563.0	556.8	540.9	521.1
EV / EBITDA (x)	7.5	7.9	7.6	6.4
EV / EBIT (x)	9.2	10.4	10.0	8.3
DPS (cps)	13.0	12.5	12.0	13.0
Dividend Yield (%)	4.0%	3.8%	3.7%	4.0%
Franking (%)	100%	100%	100%	100%
CFPS (cps)	42.6	27.1	34.8	37.0
P / CFPS (x)	7.7	12.1	9.4	8.9
Profitability ratios	**2017A**	**2018A**	**2019F**	**2020F**
EBITDA Margin (%)	33.4	30.6	31.5	33.2
EBIT Margin (%)	27.2	23.4	23.9	25.6
ROE (%)	27.1	21.2	20.3	21.2
ROA (%)	29.1	23.7	23.7	26.6
ROIC (%)	31.8	25.8	26.6	30.0
Balance Sheet ratios	**2017A**	**2018A**	**2019F**	**2020F**
Net Debt (cash)	-21.4	-27.7	-43.5	-63.4
Net Gearing (%)	-13.0	-14.7	-22.1	-28.9
Interest Cover (x)	76.9	107.4	-107.8	-69.4
NTA per share ($)	0.44	0.57	0.64	0.77
Price / NTA (x)	7.4	5.8	5.1	4.3
EFPOWA (m)	177.3	178.2	178.2	178.2
Growth ratios	**2017A**	**2018A**	**2019F**	**2020F**
Sales revenue ($m)	33%	2%	-2%	8%
EBITDA ($m)	80%	-7%	1%	14%
EBIT ($m)	111%	-13%	0%	16%
NPAT ($m)	112%	-11%	0%	16%
EPS (cps)	112%	-11%	0%	16%
DPS (cps)	117%	-4%	-4%	8%
Interim Analysis	**1H17A**	**2H17A**	**1H18A**	**2H18A**
Communications	35.0	35.9	29.0	27.6
Metal Detection	64.8	83.2	63.5	100.3
Trackng Solutions	4.1	3.1	2.3	5.9
Total revenue	103.9	122.2	94.7	133.9
EBITDA	37.5	38.1	27.4	43.0
EBITDA margin (%)	36.1%	31.2%	28.9%	32.1%
NPAT ($m)	22.2	22.5	15.8	24.0
EPS	12.5	12.7	8.8	13.5
DPS	6.0	7.0	4.0	8.5

Valuation	2019
EBITDA multiple (x)	
EBITDA ($m)	70.9
Target multiple (x)	8.5
Net Debt (cash) ($m)	-43.5
Implied Valuation	649.9
Per Share	**3.65**
Target PE Multiple	
EPS (c)	22.4
PE Target (x)	16.3
Per Share	**3.65**

Source: Company Reports, Canaccord Genuity estimates

FY18 Result Summary

Figure 2: FY18 results summary

($M)	1H17	2H17	FY17	1H18	2H18	FY18	% Change on pcp	CG Est	Beat/(miss)
REVENUE									
Communications products	35.0	35.9	70.9	29.0	27.5	56.5	-20.3%	65.4	-14%
Metal detection	64.8	83.2	148.0	63.4	100.6	164.0	10.8%	146.7	12%
Tracking solutions	4.1	3.1	7.2	2.3	7.1	9.4	30.6%	8.3	13%
Total revenue	103.9	122.2	226.1	94.7	135.2	229.9	1.7%	220.4	4%
EBITDA	37.1	38.5	75.6	27.4	43.0	70.4	-6.9%	66.4	6%
Depreciation and Amort	-7.0	-7.1	-14.1	-6.5	-10.2	-16.7	18.4%	-14.2	18%
EBIT	30.1	31.4	61.5	20.9	32.8	53.7	-12.7%	52.2	3%
Interest Expense	-0.3	-0.5	-0.8	-0.2	-0.3	-0.5	-37.5%	-0.4	25%
PBT	29.8	30.9	60.7	20.7	32.5	53.2	-12.4%	51.8	3%
Tax expense	-7.6	-8.4	-16.0	-4.9	-8.5	-13.4	-16.3%	-13.8	-3%
NPAT (Underlying)	22.2	22.5	44.7	15.8	24.0	39.8	-11.0%	38.0	5%
NPAT (Reported)	22.2	21.3	43.5	15.8	25.7	41.5	-4.6%	38.0	9%
EPS (¢) – Underlying	12.5	12.4	24.9	8.9	13.2	22.1	-11.2%	21.5	3%
DPS (¢)	6.0	7.0	13.0	4.0	8.5	12.5	-3.8%	10.0	25%
EBITDA Margin	35.7%	31.5%	33.4%	28.9%	31.8%	30.6%		30.1%	

Source: Company Reports, Canaccord Genuity estimates

Key Points

Overall, the result was positive albeit a little mixed. The strong performance, which was a small beat to guidance and our estimates was driven by a strong 2H18 performance from Metal Detection. An expected rebound in Communications didn't materialize with some project deliveries not dropping into FY18. This appears to be largely a timing issue and a stronger performance is expected in FY19. The Tracking Solutions division is beginning to show early signs of its potential, reporting a strong result and moving into profitability in 2H18.

Revenue was marginally ahead of the pcp and 4% above our expectations. The revenue mix was a little different to what we had expected though. Communications revenue missed the base line range of $65-75m and was 20% below the pcp. This was offset by a stronger performance from Metal Detection, driven by continued strong demand for the GPZ7000 but also new products targeting lower price points. We discuss the divisional performance in more detail below.

Underlying EBITDA was down 7% on the pcp but was 6% ahead of our expectations. This came despite the underperformance of the Communications division in 2H18. In fact the group reported 2H18 EBITDA of $43m, which was a record for the company in terms of a six monthly result. While there is some seasonality to the 2H period, this result bodes well in terms of the diversification of the product base within Metal Detection with less reliance on the GPZ7000. EBITDA margins of 30.6% were 500bps ahead of our estimates but had it not been for the underperformance of the Communications division, would have been significantly higher.

Underlying NPAT of $39.8m was ahead of guidance of being "in the vicinity of $38.0m". Underlying EPS was 22.1 cents. Given the performance of the business, management announced that they now see the base level business as being revenue of $180m-$200m and NPAT as $25m-$30m – this is an increase of $20m at the revenue line and $5m at the NPAT line.

A final dividend of 8.5c was declared, which included a 4.0c special, taking the FY18 dividend to 12.5c. Dividends are usually based off a 50% payout of base level earnings. Based on the payment of the 8.5c dividend implies base level NPAT of $30m. This gives an indication that the base level is likely at the higher end of the stated range.

Operating cashflow was $48.2m and cash conversion was 102%. 2H18 saw cash come through following an inventory build in 1H18 relating to the new product development in Metal Detection.

Balance sheet remains in a strong position with CDA ending the period in a net cash position of $28m. The company is well placed to grow via acquisition and we understand management continue to assess opportunities to further diversify the business.

Corporate overhead fell by 8.4% from $20.2m to $18.5m, however the 1H:2H split was 38%:62%. Management did point out though that there were some one off costs in 2H18 relating to business development expense for HF and was likely to moderate to $18-19m per annum.

Figure 3: At the segment level, Metal Detection was a standout, while the underperformance of Communications is very clear. Tracking Solutions has hit the inflection point and should begin to make positive contributions in future periods

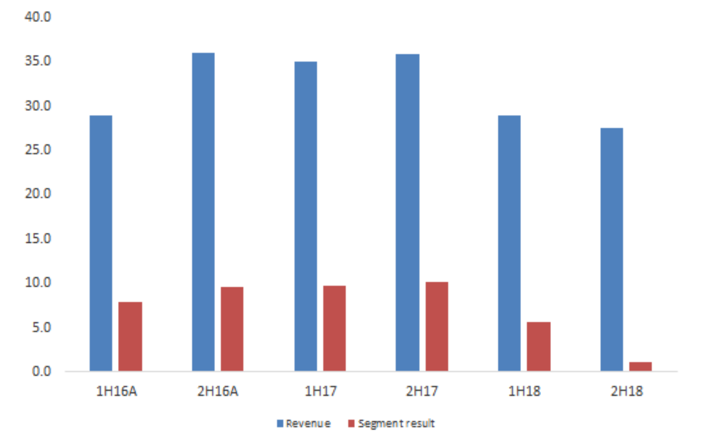
$M	1H17	2H17	FY17	1H18	2H18	FY18	% Change on pcp
Revenue							
Communications	35.0	35.9	70.9	29.0	27.6	56.5	-20.3%
Metal Detection	64.8	83.2	148.0	63.5	100.3	163.8	10.7%
Tracking solutions	4.1	3.1	7.2	2.3	5.9	8.3	14.7%
Total	103.9	122.2	226.1	94.7	133.9	228.6	1.1%
Segment result							
Communications	9.8	10.2	19.9	5.6	1.2	6.8	-66.1%
Metal Detection	28.4	33.1	61.5	23.0	41.1	64.1	4.1%
Tracking solutions	0.4	0.0	0.3	-0.3	1.0	0.7	113.9%
Total	38.6	43.2	81.8	28.3	43.2	71.5	-12.6%
Segment margin							
Communications	28.0%	28.3%	28.1%	19.3%	4.2%	12.0%	
Metal Detection	43.9%	39.8%	41.6%	36.2%	40.9%	39.1%	
Tracking solutions	9.0%	-1.3%	4.6%	-13%	17.0%	8.5%	

Source: Company Reports, Canaccord Genuity estimates

Radio Communications

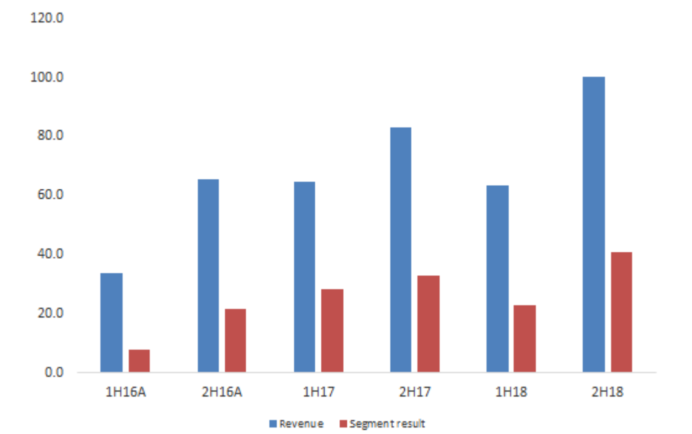
Radio Communications was the only disappointing aspect of the result, but largely attributable to a slowdown in US government spending and a timing issue around the delivery of some large HF projects. The new products, the Sentry-H (HFR) and Cascade (LMR) appear to be taking longer than expected to gain traction, however with some reference contracts coming through, this should lead to stronger sales in FY19 and beyond. Management noted that the pipeline and order book was solid and expect to deliver FY19 revenue into revert to the base-level sales range of $65m-$75m. To get to the bottom of that range, the division would need to deliver a near record result, which implies a strong pipeline of work to be delivered into 2H18.

Figure 4: Radio Communications underperformed during the period however management expect base level revenue to be achieved in FY19 due to a healthy order book



Source: Company Reports

Figure 5: Metal Detection comfortably beat our expectations. Product and geographic diversification is a positive change in our view



Source: Company Reports

Metal Detection

Revenue from Metal Detection was a strong beat to our expectations with a strong 2H18 result increasing 20% on the pcp at the revenue line and 32% at the segment profit level. What makes the result even more surprising was that we were cycling a very strong half. This says a number of things in our mind, being that the demand for GPZ7000 is potentially more sustainable than first thought. Secondly, product diversification has been key to the performance with the lower price point products (Gold Monster and SDC 2300) making a strong contribution and at very strong margins. We see this as driving earnings predictability and likely the main reason management upped the base level earnings.

Further geographic diversification is evident with recent sales into Saudi Arabia. We understand sales into Saudi slipped into June and also have resulted in a strong start in FY19. This diversification is on top of sales into new countries within Africa as well as South America. On the consumer side, the new coin and treasure product, the EQUINOX has performed well in the developed market and is taking market share at that end of the marker.

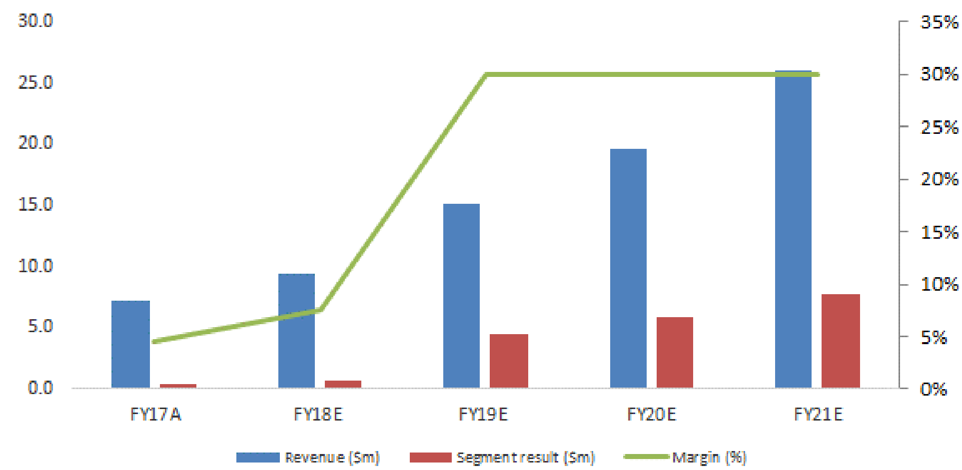
Given the better than expected 2H18 result, which included stronger margins, we have lifted our revenue forecast and increased our margin assumptions for FY19. Management noted that the year had started well for Metal Detection despite this period being traditionally quieter.

Tracking Solutions

Tracking Solutions' result came in above our expectations with 2H18 driving a beat to our estimates. Revenue of $5.9m in 2H18 included about half of the $9.5m of the contract signed with BHP at Olympic Dam. The global licensing, technology development agreement with Caterpillar Inc is expected to contribute to FY19.

Management have provided revenue guidance for FY19 of $15m, with about 50-60% to come from the balance of the BHP contract and the Caterpillar agreement. As we have mentioned previously, as this division builds, we expect a valuation of ~$50-$100m could be ascribed to Minetec.

Figure 6: We expect Tracking Solutions to generate profitability on the back of the agreement with Caterpillar in FY19



Source: Company Reports, Canaccord Genuity estimates

Changes to forecasts

- We have made some revisions to our forecasts for FY19 and FY20 to reflect the results.
- **Communications** – we have moderated our revenue assumptions reflecting the performance of the business in FY18, however we do expect a stronger contribution in FY19 given the delay in delivery in some projects, which should fall into the first quarter. We have also moderated our margin assumptions for the division given the 2H18 performance.
- **Metal Detection** – We have increased our revenue and margin assumptions for FY19 and FY20 to reflect the strong performance in 2H18. The borader product base and the commentary around the commencement of the year suggests there is continued momentum in the business.
- **Mine Technology** – We have pulled back our FY19 revenue estimates to be in line with guidance of $15m.

Figure 7: Forecast changes

	FY19			FY20		
($M)	**Old**	**New**	% Change	**Old**	**New**	% Change
Communications	71.4	70.4	-1.4%	77.9	75.0	-3.6%
Metal Detection	134.0	139.7	4.2%	142.3	149.6	5.1%
Mine Technology	16.3	15.1	-7.1%	19.8	19.6	-0.8%
Total Revenue	221.7	225.2	1.6%	240.0	244.2	1.8%
EBITDA ($m)	70.5	70.9	0.6%	77.1	81.0	5.1%
Underlying NPAT	40.8	39.9	-2.2%	44.8	46.5	3.8%
EPS (¢) –normalised	23.0	22.4	-2.7%	25.3	26.1	3.2%
DPS (¢)	12.0	12.0	0.0%	13.0	13.0	0.0%
EBITDA margin (%)	31.8%	31.5%		32.1%	33.2%	

Source: Canaccord Genuity estimates

Outlook and recommendation

- **Outlook** - The outlook for CDA remains positive. A strong order book across Communications should drive a rebound in FY19 and together with momentum within Metal Detection, FY19 is likely to be another strong year for the business. This should be supplemented by increased profitability from Minetec, however at this stage it's expected to be a relatively small contributor. The balance sheet is also well positioned to supplement organic growth with acquisitions. This would be a key catalyst, in our view.

- **Valuation doesn't look too demanding on SOTP basis** - At the current price, the EV is ~$550m. Assuming a valuation of $50m-$100m for Mintec, the implied value for Communications and Metal Detection is $450m-$500m. Based on our FY19 estimates, these businesses should deliver EBITDA of $65m – a multiple of ~7.0x.

- **Recommendation and Target Price** - As a result of our earnings revisions, we have raised our Target Price to $3.65 per share, up 4.2% from $3.50 per share previously. We have arrived at our TP by applying an 8.5x multiple (20% discount to Small Industrials average) to FY19 EBITDA of $70.9m. We retain our BUY rating.

Appendix: Important Disclosures

Analyst Certification

Each authoring analyst of Canaccord Genuity whose name appears on the front page of this research hereby certifies that (i) the recommendations and opinions expressed in this research accurately reflect the authoring analyst's personal, independent and objective views about any and all of the designated investments or relevant issuers discussed herein that are within such authoring analyst's coverage universe and (ii) no part of the authoring analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the authoring analyst in the research.

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Sector Coverage

Individuals identified as "Sector Coverage" cover a subject company's industry in the identified jurisdiction, but are not authoring analysts of the report.

Investment Recommendation

Date and time of first dissemination: August 26, 2018, 16:32 ET

Date and time of production: August 26, 2018, 16:32 ET

Target Price / Valuation Methodology:

Codan Limited - CDA

Our A$3.65 target price is based on applying a 8.5x multiple (20% discount to Small Industrials average) to FY19 EBITDA estimate.

Risks to achieving Target Price / Valuation:

Codan Limited - CDA

CDA is exposed to a number of risks including: Counterfeit product: CDA's metal detection products have been subject to counterfeit product. CDA has been countering this by applying a number of security initiatives unique to CDA's products. If CDA is not successful minimising counterfeit product is could impact on demand and margins. Gold price: Increases or decreases in the gold price could impact demand for CDA's gold detection products, a key driver of group profitability. Our view is that the gold price would need to move significantly lower for demand to be impacted. Competition: CDA's success is based around having market leading products in HF Radio Communications and Metal Detection. A superior product on the market by a competitor would have an impact on the demand for CDA's products. Acquisition risk: CDA acquired 2 small businesses in FY12 and further acquisitions are part of the company's strategy. If acquisitions are poorly integrated or the company overpays, then this would impact on the company's earnings.

Distribution of Ratings:

Global Stock Ratings (as of 08/26/18)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	568	62.97%	44.54%
Hold	219	24.28%	27.85%
Sell	12	1.33%	25.00%
Speculative Buy	103	11.42%	66.02%
	902*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

HOLD: The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

SELL: The stock is expected to generate negative risk-adjusted returns during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

"Risk-adjusted return" refers to the expected return in relation to the amount of risk associated with the designated investment or the relevant issuer.

Risk Qualifier

SPECULATIVE: Stocks bear significantly higher risk that typically cannot be valued by normal fundamental criteria. Investments in the stock may result in material loss.

12-Month Recommendation History (as of date same as the **Global Stock Ratings** table)

A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx

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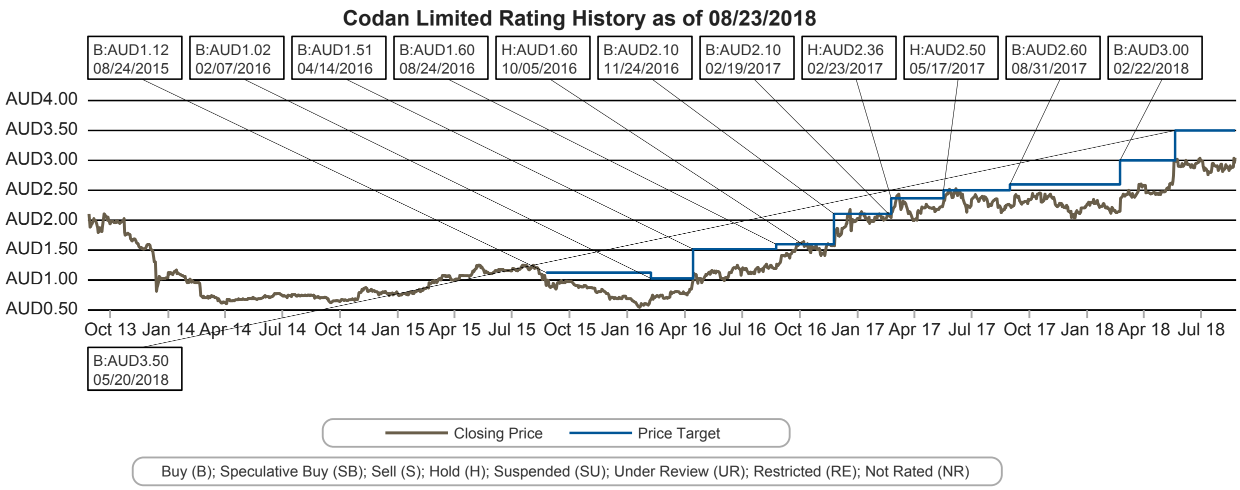

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