

## Australian Equity Research

16 July 2017

Warren Jeffries | Analyst | Canaccord Genuity (Australia) Ltd. | warren.jeffries@canaccord.com.au | +61.3.8688.9108

## BUY

unchanged

PRICE TARGET A\$1.31↑

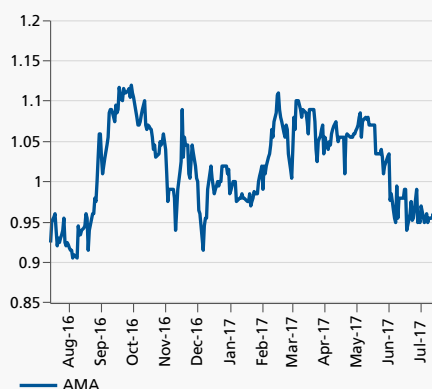
from A\$1.27

Price (14-Jul) A\$0.98

Ticker AMA-ASX

52-Week Range (A\$):	0.84 - 1.15
Avg Daily Vol (000s) :	499.6
Market Cap (A\$M):	482
Shares Out. (M) :	488.9
Shares Out., Basic + Dil. (M) :	334.3
Net Debt (Cash) (A\$M):	(22)
Enterprise Value (A\$M):	463

FYE Jun	2016A	2017E	2018E	2019E
Sales (A\$M)	263.9	363.6	454.6↑	509.2↑
Previous	-	-	432.1	486.3
EBITDA (A\$M)	31.6	40.8	50.1↑	57.3↑
Previous	-	-	48.2	55.1
Net Income (A\$M)	17.5	22.0	28.1↑	32.1↑
Previous	-	-	26.9	30.7
EPS (AUc)	4.1	4.8	5.9↑	6.6↑
Previous	-	-	5.7	6.5
EPS Growth (%)	36.9	17.0	24.4	14.4
P/E (x)	24.3	20.4	16.8	14.8
EV/EBITDA (x)	14.7	12.0	10.0	8.5
DPS (AUc)	2.20	3.48↓	4.00	4.47
Previous	-	3.50	-	-
Div. Yield (%)	2.2	3.5	4.1	4.5



Priced as of close of business 14 July 2017

## Raising Target Price

## Acquisition activity paints a good outlook

AMA has announced the acquisition of a portfolio of six vehicle repair centres. The six locations will add additional annualised revenues and EBITDA of \$22.5m and \$1.8m respectively. AMA also updated on its Greenfield expansion, which will see seven new sites in operation in the seven months to July '17, while an additional three sites are now being planned for 1H18. We believe the pipeline of further acquisition opportunities and Greenfield expansion remains significant.

## Key points

- AMA will pay total consideration of \$6.2m in scrip and cash for the six vehicle repair centres, which have been acquired on an average acquisition multiple of 3.4x annualised EBITDA.
- Of the \$6.2m in consideration, \$5m is in scrip issued at \$0.98cps and, subject to earn-out provisions, is escrowed until 30 June 2018.
- The acquisitions are immediately effective, and as a result we continue to forecast the acquisition of an additional \$20m of vehicle panel repair revenues during FY18, which we expect will add, in absolute terms, additional revenues of \$10m and EBITDA of \$1m for the period.

**Greenfield expansion continues.** An additional three locations commenced operation during 2H17, while an additional four sites will commence operation this month, and another three locations are planned for establishment in 1H18. We note the significant Greenfield expansion will represent a drag on both FY17 and 1H18 earnings, which is factored into our existing forecasts.

**Upgraded earnings.** On the back of the announced acquisitions we have increased normalised FY18E and FY19E EPS by 3%.

**Automotive Solutions Group (ASX: 4WD: Not Rated) update.** With the offer period now closed, AMA currently holds 31.2% of 4WD and needs to determine whether to go live with another bid, or increase its position gradually over time. We estimate that a successful cash bid of 35cps for 100% of 4WD would represent a >7% EPS accretive transaction to AMA.

## Recommendation and valuation

We retain our BUY recommendation, while our DCF valuation and target price increase to A\$1.31/share, from A\$1.27/share.

Profit & Loss (\$m)	2016A	2017F	2018F	2019F
<b>Revenue</b>	<b>263.9</b>	<b>363.6</b>	<b>454.6</b>	<b>509.2</b>
<b>EBITDA - underlying</b>	<b>31.6</b>	<b>40.8</b>	<b>50.1</b>	<b>57.3</b>
Dep & Amort.	-4.5	-7.0	-7.9	-9.3
<b>EBITA - underlying</b>	<b>27.0</b>	<b>33.8</b>	<b>42.2</b>	<b>48.0</b>
Amort - Id. Intangibles	-2.3	-3.4	-3.4	-3.4
<b>EBIT - underlying</b>	<b>24.7</b>	<b>30.4</b>	<b>38.8</b>	<b>44.6</b>
Net Interest Expense	0.2	0.5	0.5	0.3
<b>NPBT</b>	<b>24.9</b>	<b>30.9</b>	<b>39.2</b>	<b>44.9</b>
Tax expense	-7.2	-8.9	-11.3	-12.9
<b>NPAT - underlying</b>	<b>17.5</b>	<b>22.0</b>	<b>28.1</b>	<b>32.1</b>
<b>NPAT - normalised</b>	<b>19.1</b>	<b>24.4</b>	<b>30.4</b>	<b>34.5</b>
Significant items	10.3	2.5	0.0	0.0
<b>NPAT reported</b>	<b>7.2</b>	<b>19.5</b>	<b>28.1</b>	<b>32.1</b>

Cash Flow (\$m)	2016A	2017F	2018F	2019F
<b>Operating EBITDA</b>	<b>31.6</b>	<b>40.8</b>	<b>50.1</b>	<b>57.3</b>
- Interest & Tax Paid	7.0	8.4	10.8	12.6
+/- change in Work. Cap.	11.3	-10.3	0.5	4.3
- other	-0.9	0.0	0.1	0.2
<b>Operating Cashflow</b>	<b>36.8</b>	<b>22.1</b>	<b>39.6</b>	<b>48.7</b>
- Capex	-8.9	-9.0	-9.0	-7.5
- other	1.8	0.0	0.0	0.0
- equity	-31.2	-10.0	-18.0	-10.0
<b>Free Cashflow</b>	<b>-1.5</b>	<b>3.1</b>	<b>12.6</b>	<b>31.2</b>
- Ord Dividends	-9.3	-11.3	-22.7	-21.6
- Equity/other	43.4	8.5	0.0	0.0
<b>Net Cashflow</b>	<b>32.6</b>	<b>0.3</b>	<b>-10.1</b>	<b>9.6</b>
Cash at beginning of period	2.2	22.9	22.2	15.1
+/- borrowings / other	-12.0	-1.0	3.0	2.0
<b>Cash at end of period</b>	<b>22.9</b>	<b>22.2</b>	<b>15.1</b>	<b>26.8</b>

Balance Sheet	2016A	2017F	2018F	2019F
Cash	22.9	22.2	15.1	26.8
Inventories	15.4	18.2	22.7	25.5
PP&E	35.0	42.0	57.1	59.3
Debtors	22.8	29.1	34.1	35.6
Intangibles	149.5	151.1	151.8	154.4
Other assets	10.6	10.6	10.6	10.6
<b>Total Assets</b>	<b>256.1</b>	<b>273.2</b>	<b>291.3</b>	<b>312.1</b>
Borrowings	0.9	-0.1	2.9	4.9
Trade Creditors	41.2	40.0	50.0	58.6
Other Liabilities	67.3	67.3	67.3	67.3
<b>Total Liabilities</b>	<b>109.3</b>	<b>107.2</b>	<b>120.2</b>	<b>130.7</b>
<b>NET ASSETS</b>	<b>146.8</b>	<b>166.0</b>	<b>171.1</b>	<b>181.4</b>

Board of Directors / Substantial Shareholders			
Name	Shareholding	%	
Ray Malone - Executive Chairman	80.4	16.4%	
Ray Smith-Roberts - Executive Director	5.1	1.0%	
Andrew Hopkins - Executive Director	35.2	7.2%	
Hugh Robertson - Non - Executive Director	0.2	0.0%	
Leath Nicholson - Non - Executive Director	1.7	0.3%	
Brian Austin - Non - Executive Director	0.1	0.0%	
Substantial Shareholders			
Name	Shareholding	%	
Ray Malone	80.4	16.4%	
Andrew Hopkins	35.2	7.2%	
Greencape	29.6	6.0%	

Source: Company reports and CG estimates

Valuation ratios	2016A	2017F	2018F	2019F
EPS (cps) - underlying	3.7	4.3	5.4	6.2
EPS (cps) - normalised	4.1	4.8	5.9	6.6
PER (x) - normalised	24.3	20.4	16.8	14.8
PER Rel - All Ind.	65%	55%	41%	38%
PER Rel - Small Ind.	81%	70%	55%	52%
Enterprise Value (\$m)	463.2	488.9	499.0	489.3
EV / EBITDA (x)	14.7	12.0	10.0	8.5
EV / EBIT (x)	18.7	16.1	12.9	11.0
DPS (cps)	2.2	3.5	4.0	4.5
Dividend Yield (%)	2.2%	3.5%	4.1%	4.5%
Franking	100%	100%	100%	100%
CFPS (cps)	7.8	4.4	7.6	9.4
P / CFPS (x)	12.6	22.5	12.9	10.5

Profitability ratios	2016A	2017F	2018F	2019F
EBITDA Margin (%)	12.0	11.2	11.0	11.2
EBITA Margin (%)	10.2	9.3	9.3	9.4
EBIT Margin (%)	9.4	8.4	8.5	8.8
ROE (%)	11.8	13.3	16.3	17.6
ROA (%)	10.6	12.1	14.0	15.6
ROIC (%)	12.8	13.4	16.2	19.0

Balance Sheet ratios	2016A	2017F	2018F	2019F
Net Debt (cash)	-22.0	-22.3	-12.2	-21.9
Net Gearing (%)	-15.0	-13.4	-7.1	-12.0
Interest Cover (x)	-204.9	-89.3	-106.2	-218.6
NTA per share (\$)	-2.8	14.9	19.4	27.0
Price / NTA (x)	-35.8	6.6	5.1	3.6
EPPOWA (m) - fully diluted	471.5	505.8	519.0	519.0

Growth ratios	2016A	2017F	2018F	2019F
Sales revenue (\$m)	183.2%	37.8%	25.0%	12.0%
EBITDA (\$m)	122.4%	29.2%	22.8%	14.3%
EBIT (\$m)	92.0%	22.9%	27.5%	15.0%
NPAT (\$m)	93.1%	25.5%	27.6%	14.4%
EPS (cps)	36.9%	17.0%	24.4%	14.4%
DPS (cps)	29.4%	58.2%	14.9%	11.8%

Interim Analysis	1H16A	2H16A	1H17A	2H17F
Revenues	105.9	158.0	179.1	184.5
EBITDA	12.2	19.4	20.2	20.6
EBIT	9.9	14.8	14.8	15.6
NPAT - normalised	7.3	11.8	11.6	12.8
EPS (cps) - normalised	1.6	2.1	2.3	2.5
DPS	0.5	1.7	0.5	3.0

Valuation			
Normalised EBITDA multiple (x)			2018F
EBITDA (\$m)			50.1
Target EBITDA multiple (x)			8.3
Net Debt (cash) (\$m)			-12.2
Implied Valuation			428.2
Per Share			1.41
Target PE Multiple			
EPS (c)			5.9
PER Target (x)			19.8
Per Share			1.18
Discounted Cash Flow			
Cost of equity	10.5%	WACC	9.7%
Cost of debt	4.5%	Terminal Growth Rate	3.0%
Target Gearing	10.0%	Per Share	1.31

## Acquisition momentum continues

AMA has announced it has acquired another six vehicle repair centres for up to \$6.2m, representing an average acquisition multiple of 3.4x EBITDA for the portfolio. As a result, we raise our normalised FY18 and FY19 EPS forecasts by 3%.

The company has also established seven new Greenfield locations, of which three commenced operations in 2H17, four are due to commence this month (July '17) and an additional three locations are earmarked for planning and establishment in 1H18.

We note the 1H18 commissioning of four locations, and planning and establishment of three new locations could represent start-up costs of up to \$2m for the 1H18 period. We note management did commence splitting out Greenfield establishment costs in its 1H17 result, and we understand will continue to do so going forward.

**Figure 1: Forecast changes – acquisition driven**

(\$m) - unless stated	Previous	FY18F Revised	%Δ	Previous	FY19F Revised	%Δ
Total Revenues	432.1	454.6	5%	486.3	509.2	5%
EBITDA	48.2	50.1	4%	55.1	57.3	4%
EBITDA %	11.2%	11.0%	↓15bps	11.3%	11.2%	↓10bps
Depreciation	-7.6	-7.9	4%	-9.1	-9.3	2%
EBITA	40.6	42.2	4%	46.0	48.0	4%
Amort. of Intangibles	-3.4	-3.4	0%	-3.4	-3.4	0%
EBIT	37.2	38.8	4%	42.6	44.6	5%
Net Interest Expense	0.5	0.5	0%	0.3	0.3	-2%
NPAT	26.9	28.1	4%	30.7	32.1	5%
NPAT - normalised	29.3	30.4	4%	33.1	34.5	4%
EPS - normalised	5.7	5.9	3%	6.5	6.6	3%
DPS	4.0	4.0	0%	4.5	4.5	0%

Source: Canaccord Genuity Estimates

### Recommendation and valuation unchanged

We retain a BUY recommendation on AMA, and raise our target price to A\$1.31, from A\$1.27.

Our target price is based on a DCF valuation methodology (WACC: 9.7%; cost of equity 10.5% and terminal growth rate: 3.0%).

## 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.

Analysts employed outside the US are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity Inc. and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

### 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: July 16, 2017, 16:30 ET

Date and time of production: July 14, 2017, 06:59 ET

### Target Price / Valuation Methodology:

AMA Group Limited - AMA

Our target price is based on a DCF valuation methodology (WACC: 9.7%; cost of equity 10.5% and terminal growth rate: 3.0%).

### Risks to achieving Target Price / Valuation:

AMA Group Limited - AMA

The key investment risks for AMA include:

Technology risk – advances within the automotive industry may reduce the need for products and services currently provided by the automotive aftercare market.

Key staff – a loss of key executives could adversely impact the management and performance of the company.

### Distribution of Ratings:

#### Global Stock Ratings (as of 07/16/17)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	579	60.50%	40.24%
Hold	275	28.74%	21.45%
Sell	25	2.61%	12.00%
Speculative Buy	78	8.15%	71.79%
	957*	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.

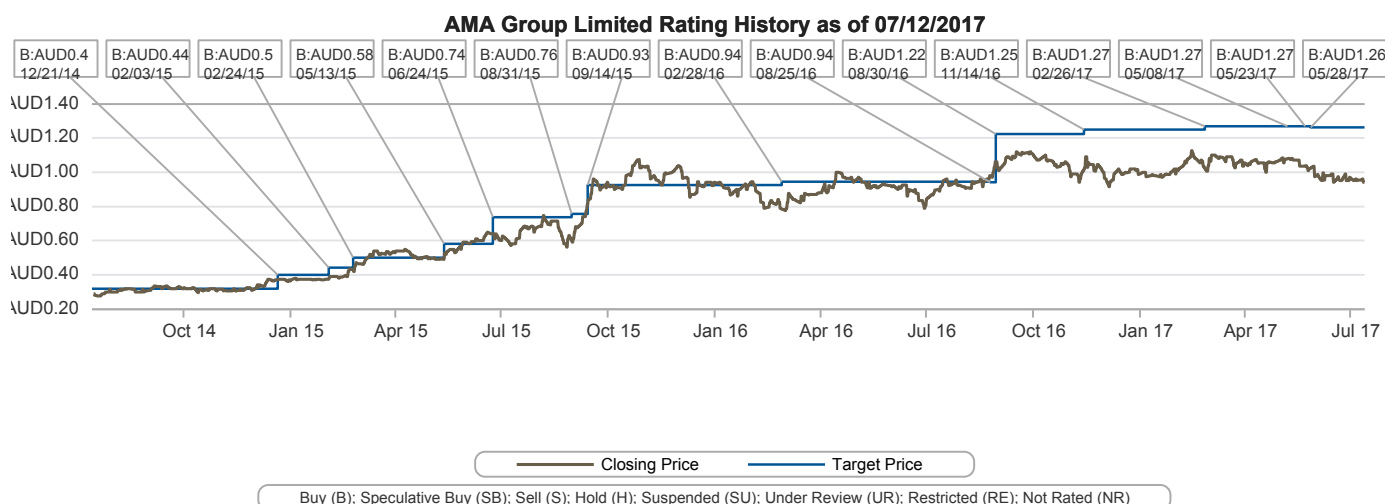
### 12-Month Recommendation History (as of date same as the Global Stock Ratings table)

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>

### Required Company-Specific Disclosures (as of date of this publication)

Canaccord Genuity or one or more of its affiliated companies intend to seek or expect to receive compensation for Investment Banking services from AMA Group Limited in the next three months.

The primary analyst, a member of primary analyst's household, or any individual directly involved in the preparation of this research, has a long position in the shares or derivatives, or has any other financial interest in AMA Group Limited, the value of which increases as the value of the underlying equity increases.



### Online Disclosures

Up-to-date disclosures may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures.canaccordgenuity.com/EN/Pages/default.aspx>; or by sending a request to Canaccord Genuity Corp. Research, Attn: Disclosures, P.O. Box 10337 Pacific Centre, 2200-609 Granville Street, Vancouver, BC, Canada V7Y 1H2; or by sending a request by email to [disclosures@canaccordgenuity.com](mailto:disclosures@canaccordgenuity.com). The reader may also obtain a copy of Canaccord Genuity's policies and procedures regarding the dissemination of research by following the steps outlined above.

### General Disclaimers

See "Required Company-Specific Disclosures" above for any of the following disclosures required as to companies referred to in this report: manager or co-manager roles; 1% or other ownership; compensation for certain services; types of client relationships; research analyst conflicts; managed/co-managed public offerings in prior periods; directorships; market making in equity securities and related derivatives. For reports identified above as compendium reports, the foregoing required company-specific disclosures can be found in a hyperlink located in the section labeled, "Compendium Reports." "Canaccord Genuity" is the business name used by certain wholly owned subsidiaries of Canaccord Genuity Group Inc., including Canaccord Genuity Inc., Canaccord Genuity Limited, Canaccord Genuity Corp., and Canaccord Genuity (Australia) Limited, an affiliated company that is 50%-owned by Canaccord Genuity Group Inc.

The authoring analysts who are responsible for the preparation of this research are employed by Canaccord Genuity Corp. a Canadian broker-dealer with principal offices located in Vancouver, Calgary, Toronto, Montreal, or Canaccord Genuity Inc., a US broker-dealer with principal offices located in New York, Boston, San Francisco and Houston, or Canaccord Genuity Limited., a UK broker-dealer with principal offices located in London (UK) and Dublin (Ireland), or Canaccord Genuity (Australia) Limited, an Australian broker-dealer with principal offices located in Sydney and Melbourne.

The authoring analysts who are responsible for the preparation of this research have received (or will receive) compensation based upon (among other factors) the Investment Banking revenues and general profits of Canaccord Genuity. However, such authoring analysts have not received, and will not receive, compensation that is directly based upon or linked to one or more specific Investment Banking activities, or to recommendations contained in the research.

Some regulators require that a firm must establish, implement and make available a policy for managing conflicts of interest arising as a result of publication or distribution of research. This research has been prepared in accordance with Canaccord Genuity's policy on managing conflicts of interest, and information barriers or firewalls have been used where appropriate. Canaccord Genuity's policy is available upon request.

The information contained in this research has been compiled by Canaccord Genuity from sources believed to be reliable, but (with the exception of the information about Canaccord Genuity) no representation or warranty, express or implied, is made by Canaccord Genuity,

its affiliated companies or any other person as to its fairness, accuracy, completeness or correctness. Canaccord Genuity has not independently verified the facts, assumptions, and estimates contained herein. All estimates, opinions and other information contained in this research constitute Canaccord Genuity's judgement as of the date of this research, are subject to change without notice and are provided in good faith but without legal responsibility or liability.

From time to time, Canaccord Genuity salespeople, traders, and other professionals provide oral or written market commentary or trading strategies to our clients and our principal trading desk that reflect opinions that are contrary to the opinions expressed in this research. Canaccord Genuity's affiliates, principal trading desk, and investing businesses also from time to time make investment decisions that are inconsistent with the recommendations or views expressed in this research.

This research is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any designated investments discussed herein in any jurisdiction where such offer or solicitation would be prohibited. As a result, the designated investments discussed in this research may not be eligible for sale in some jurisdictions. This research is not, and under no circumstances should be construed as, a solicitation to act as a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to clients and does not have regard to the investment objectives, financial situation or particular needs of any particular person. Investors should obtain advice based on their own individual circumstances before making an investment decision. To the fullest extent permitted by law, none of Canaccord Genuity, its affiliated companies or any other person accepts any liability whatsoever for any direct or consequential loss arising from or relating to any use of the information contained in this research.

### **Research Distribution Policy**

Canaccord Genuity research is posted on the Canaccord Genuity Research Portal and will be available simultaneously for access by all of Canaccord Genuity's customers who are entitled to receive the firm's research. In addition research may be distributed by the firm's sales and trading personnel via email, instant message or other electronic means. Customers entitled to receive research may also receive it via third party vendors. Until such time as research is made available to Canaccord Genuity's customers as described above, Authoring Analysts will not discuss the contents of their research with Sales and Trading or Investment Banking employees without prior compliance consent.

For further information about the proprietary model(s) associated with the covered issuer(s) in this research report, clients should contact their local sales representative.

### **Short-Term Trade Ideas**

Research Analysts may, from time to time, discuss "short-term trade ideas" in research reports. A short-term trade idea offers a near-term view on how a security may trade, based on market and trading events or catalysts, and the resulting trading opportunity that may be available. Any such trading strategies are distinct from and do not affect the analysts' fundamental equity rating for such stocks. A short-term trade idea may differ from the price targets and recommendations in our published research reports that reflect the research analyst's views of the longer-term (i.e. one-year or greater) prospects of the subject company, as a result of the differing time horizons, methodologies and/or other factors. It is possible, for example, that a subject company's common equity that is considered a long-term 'Hold' or 'Sell' might present a short-term buying opportunity as a result of temporary selling pressure in the market or for other reasons described in the research report; conversely, a subject company's stock rated a long-term 'Buy' or "Speculative Buy" could be considered susceptible to a downward price correction, or other factors may exist that lead the research analyst to suggest a sale over the short-term. Short-term trade ideas are not ratings, nor are they part of any ratings system, and the firm does not intend, and does not undertake any obligation, to maintain or update short-term trade ideas. Short-term trade ideas are not suitable for all investors and are not tailored to individual investor circumstances and objectives, and investors should make their own independent decisions regarding any securities or strategies discussed herein. Please contact your salesperson for more information regarding Canaccord Genuity's research.

### **For Canadian Residents:**

This research has been approved by Canaccord Genuity Corp., which accepts sole responsibility for this research and its dissemination in Canada. Canaccord Genuity Corp. is registered and regulated by the Investment Industry Regulatory Organization of Canada (IIROC) and is a Member of the Canadian Investor Protection Fund. Canadian clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Corp. in their particular province or territory.

### **For United States Persons:**

Canaccord Genuity Inc., a US registered broker-dealer, accepts responsibility for this research and its dissemination in the United States. This research is intended for distribution in the United States only to certain US institutional investors. US clients wishing to effect transactions in any designated investment discussed should do so through a qualified salesperson of Canaccord Genuity Inc. Analysts employed outside the US, as specifically indicated elsewhere in this report, are not registered as research analysts with FINRA. These analysts may not be associated persons of Canaccord Genuity Inc. and therefore may not be subject to the FINRA Rule 2241 and NYSE Rule 472 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

### **For United Kingdom and European Residents:**

This research is distributed in the United Kingdom and elsewhere Europe, as third party research by Canaccord Genuity Limited, which is authorized and regulated by the Financial Conduct Authority. This research is for distribution only to persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restrictions in section 21 of the Financial Services and

Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Article 19(5) (Investment Professionals) and 49(2) (High Net Worth companies, unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. This material is not for distribution in the United Kingdom or elsewhere in Europe to retail clients, as defined under the rules of the Financial Conduct Authority.

**For Jersey, Guernsey and Isle of Man Residents:**

This research is sent to you by Canaccord Genuity Wealth (International) Limited (CGWI) for information purposes and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This research has been produced by an affiliate of CGWI for circulation to its institutional clients and also CGWI. Its contents have been approved by CGWI and we are providing it to you on the basis that we believe it to be of interest to you. This statement should be read in conjunction with your client agreement, CGWI's current terms of business and the other disclosures and disclaimers contained within this research. If you are in any doubt, you should consult your financial adviser.

CGWI is licensed and regulated by the Guernsey Financial Services Commission, the Jersey Financial Services Commission and the Isle of Man Financial Supervision Commission. CGWI is registered in Guernsey and is a wholly owned subsidiary of Canaccord Genuity Group Inc.

**For Australian Residents:**

This research is distributed in Australia by Canaccord Genuity (Australia) Limited ABN 19 075 071 466 holder of AFS Licence No 234666. To the extent that this research contains any advice, this is limited to general advice only. Recipients should take into account their own personal circumstances before making an investment decision. Clients wishing to effect any transactions in any financial products discussed in the research should do so through a qualified representative of Canaccord Genuity (Australia) Limited. Canaccord Genuity Wealth Management is a division of Canaccord Genuity (Australia) Limited.

**For Hong Kong Residents:**

This research is distributed in Hong Kong by Canaccord Genuity (Hong Kong) Limited which is licensed by the Securities and Futures Commission. This research is only intended for persons who fall within the definition of professional investor as defined in the Securities and Futures Ordinance. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Recipients of this report can contact Canaccord Genuity (Hong Kong) Limited. (Contact Tel: +852 3919 2561) in respect of any matters arising from, or in connection with, this research.

**Additional information is available on request.**

Copyright © Canaccord Genuity Corp. 2017 – Member IIROC/Canadian Investor Protection Fund

Copyright © Canaccord Genuity Limited. 2017 – Member LSE, authorized and regulated by the Financial Conduct Authority.

Copyright © Canaccord Genuity Inc. 2017 – Member FINRA/SIPC

Copyright © Canaccord Genuity (Australia) Limited. 2017 – Participant of ASX Group, Chi-x Australia and of the NSX. Authorized and regulated by ASIC.

All rights reserved. All material presented in this document, unless specifically indicated otherwise, is under copyright to Canaccord Genuity Corp., Canaccord Genuity Limited, Canaccord Genuity Inc or Canaccord Genuity Group Inc. None of the material, nor its content, nor any copy of it, may be altered in any way, or transmitted to or distributed to any other party, without the prior express written permission of the entities listed above.

**None of the material, nor its content, nor any copy of it, may be altered in any way, reproduced, or distributed to any other party including by way of any form of social media, without the prior express written permission of the entities listed above.**