

27 October 2022

Australia

## EQUITIES

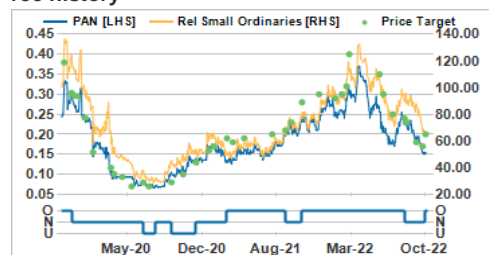
PAN AU Outperform  
Price (at 09:47, 27 Oct 2022 GMT) A\$0.16

Valuation	A\$	0.13-0.26
- 50/50 Blend NPV & 4.0x EV/Ebitda		
12-month target	A\$	0.20
12-month TSR	%	+25.0
Volatility Index		Very High
GICS sector		Materials
Market cap	A\$m	329
30-day avg turnover	A\$m	0.5
Number shares on issue	m	2,059

## Investment fundamentals

Year end 30 Jun		2022A	2023E	2024E	2025E
Revenue	m	90.4	230.3	275.6	287.4
EBITDA	m	20.6	55.8	74.2	94.9
EBIT	m	11.6	34.9	48.9	68.9
Reported profit	m	6.3	26.8	42.7	64.0
Adjusted profit	m	6.3	26.8	42.7	64.0
Gross cashflow	m	15.3	47.7	68.1	90.0
CFPS	¢	0.7	2.3	3.2	4.3
PGCFPS	x	21.5	7.0	4.9	3.7
EPS adj	¢	0.3	1.3	2.0	3.1
EPS adj growth	%	nmf	318.3	59.5	50.0
PER adj	x	52.4	12.5	7.9	5.2
Total DPS	¢	0.0	0.0	0.0	0.0
Total div yield	%	0.0	0.0	0.0	0.0
ROA	%	4.6	10.6	13.3	17.0
ROE	%	3.7	14.6	20.1	24.4
EV/EBITDA	x	18.6	6.9	5.2	4.1
Net debt/equity	%	31.6	26.0	2.7	-19.8

## PAN AU rel Small Ordinaries performance, &amp; rec history



Note: Recommendation timeline - if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.

Source: FactSet, Macquarie Research, October 2022

(all figures in AUD unless noted)

## Analysts

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## Panoramic Resources (PAN AU)

### Ramping up Savannah North the critical path

## Key points

- ▶ PAN pre-released its 1QFY23 production results with 1.3kt of nickel in concentrate. AISC was A\$13.80/lb versus our expectation of A\$13.41/lb.
- ▶ Positively, PAN has maintained FY23 guidance of 6.6-7.1kt of nickel at C1 cost of A\$7.30-8.30/lb with costs expected to improve through FY23.
- ▶ We upgrade PAN from Neutral to Outperform with TP of A\$0.20 due to EPS uplift and share-price weakness.

## Event

- PAN has released its 1QFY23 production results.

## Impact

- **Production in line and costs within 5%:** PAN's production results of 1.3kt were in line as it was pre-released. C1 cash costs were A\$11.92/lb which was 4% lower than our forecasts of A\$12.43/lb. AISC costs were A\$13.80 which was 3% higher than our forecast of A\$13.41. Costs are likely to reduce as production at Savannah ramps up.
- **Guidance maintained:** FY23 production and cost guidance is on track for 6.6-7.1kt nickel, 4.1-4.5kt copper and 0.4-0.5kt cobalt in concentrate. C1 cost guidance of A\$7.30-8.30/lb of payable nickel production remains unchanged.
- **Shipments tracking well in 2QFY23:** PAN has indicated that it expects three shipments during 2QFY23. The first of three shipments has already departed on 9 October carrying 9.5kt of nickel-copper-cobalt concentrate. Two additional ships have been booked for mid-November and mid-December.

## Earnings and target price revision

- We optimise our production, cost profile, and integrate our expectations for more favourable payable offtake terms with new offtake partner from February 2023, given PAN's solid market position. This results in an EPS uplift of 2%/17%/22%/9%/17% in FY23e-FY27e with the large movements attributed to highly sensitive earnings years. We increase our target price by 18% to A\$0.20 per share as a result of the EPS uplift. We upgrade from Neutral to Outperform due to EPS uplift and share-price weakness. Movements in nickel, copper and cobalt prices that vary compared to our forecasts present risk to our earnings estimates and valuation for PAN

## Price catalyst

- 12-month price target: A\$0.20 based on a 50/50 Blend NPV & 4.0x EV/Ebitda methodology.
- Catalyst: Updated mine plan at the end of CY22

## Action and recommendation

- **Upgrade to Outperform:** The ramp up of Savannah North is the critical path for PAN. However, PAN screens well at these levels with our FY24 base-case EV/EBITDA at 4.7x and free cash flow yield at 13%, improving to 3.3x and 20% at spot prices, respectively. Mining rates appear to be improving and the opening up of three production stopes over three levels at Savannah North should help to debottleneck the operation.

**Production was pre-released**

PAN pre-released its quarterly production figures for 1QFY23. Ore mined was 151kt at 1.08% nickel and ore milled was 154.2kt at 1.08% nickel.

Nickel in concentrate was 1.33kt which was pre-released. Concentrate sold was 16.1kt, which was 5% lower than our estimate of 17kt. Nickel in concentrate sold was 1.17kt which was 4% lower than our estimate of 1.22kt.

**Fig 1 PAN has continued to ramp up through 1QFY23**

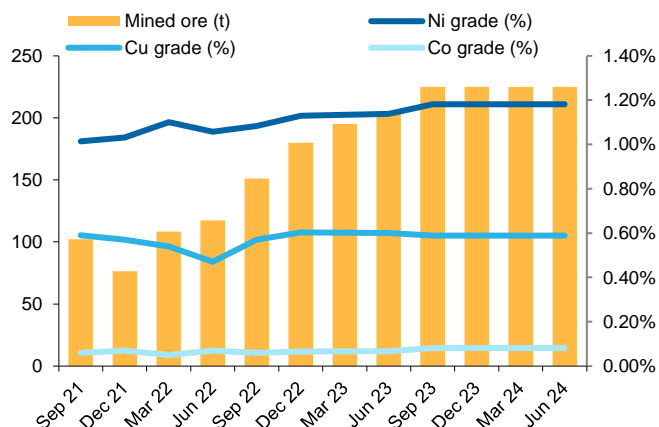
Quarterly result	1QFY23e	Actual	Variance
<b>Mined (kt)</b>	<b>151.0</b>	<b>151.0</b>	<b>(0%)</b>
Nickel grade (%)	1.10%	1.08%	(2%)
Nickel in ore (kt)	1.67	1.63	(2%)
Copper grade (%)	0.60%	0.57%	(5%)
Cobalt grade (%)	0.06%	0.06%	(5%)
<b>Milled (kt)</b>	<b>154.2</b>	<b>154.2</b>	<b>0%</b>
Nickel grade (%)	1.10%	1.08%	(2%)
Nickel recovery (%)	80%	80%	0%
Copper grade (%)	0.60%	0.56%	(6%)
Copper recovery (%)	88%	94%	6%
Cobalt grade (%)	0.06%	0.07%	4%
Cobalt recovery (%)	89%	86%	(4%)
<b>Concentrate produced (kt)</b>	<b>18.0</b>	<b>18.0</b>	<b>0%</b>
Nickel grade (%)	7.39%	7.39%	0%
Nickel in concentrate (kt)	1.33	1.33	0%
Copper grade (%)	4.54%	4.54%	0%
Copper in concentrate (kt)	0.82	0.82	0%
Cobalt grade (%)	0.48%	0.48%	0%
Cobalt in concentrate (kt)	0.09	0.09	0%
<b>Concentrate sold (kt)</b>	<b>17.0</b>	<b>16.1</b>	<b>(5%)</b>
Nickel grade (%)	7.20%	7.25%	1%
Nickel in concentrate (kt)	1.22	1.17	(4%)
Copper grade (%)	4.30%	4.16%	(3%)
Copper in concentrate (kt)	0.73	0.67	(8%)
Cobalt grade (%)	0.50%	0.48%	(5%)
Cobalt in concentrate (kt)	0.09	0.08	(9%)

Source: PAN, Macquarie Research, October 2022

Our base case is for a steady ramp up at Savannah through FY23. We forecast 180kt, 195kt, 205kt and 225kt of underground ore mined in 2QFY23, 3QFY23, 4QFY23 and 1QFY24, respectively. We expect that PAN will be at full production levels by FY24.

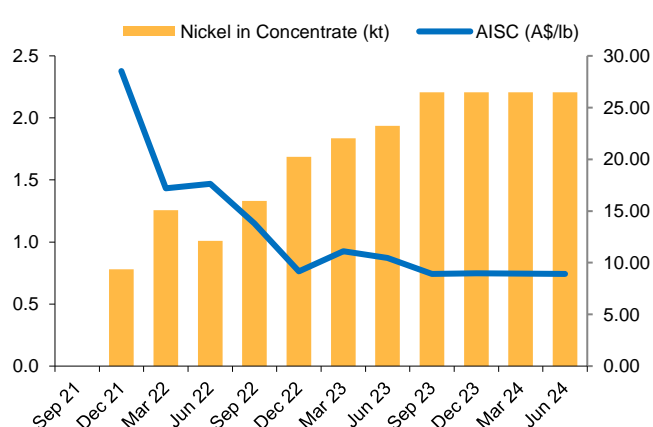
PAN now has three active production stopes over three levels at Savannah North which should enable an adequate ramp up throughout FY23 and allow the mine to de-bottleneck.

**Fig 2 PAN Mined Ore vs grade**



Source: PAN, Macquarie Research, October 2022

**Fig 3 PAN nickel in concentrate vs AISC**



Source: PAN, Macquarie Research, October 2022

### Cost of production was in line with our assumptions

PAN's C1 cash costs were A\$11.92/lb which was 4% lower than our estimate of A\$12.43/lb.

PAN's AISC was A\$13.80/lb which was 3% higher than our estimate of A\$13.41/lb.

PAN ended 1QFY22 with A\$25.1m cash in the bank and debt of US\$44.1m (~A\$67.8m). Positively, net debt (including lease liabilities) at the end of 1QFY23 was A\$74.6m which was in line with our forecasts. Paying down debt will be key for PAN during FY23, with its US\$15m RCF due for repayment in Dec-23.

**Fig 4 PAN's costs and net cash levels were in line with our assumptions**

Costs and cash flow	1QFY23e	Actual	Variance
C1 Cash Costs (A\$/lb)	12.43	11.92	(4%)
AISC (A\$/lb)	13.41	13.80	3%
Cash (A\$m)	25.5	25.1	(2%)
Debt (A\$m)	68.2	67.8	(1%)
Lease Liabilities (A\$m)	31.8	31.8	0%
Net cash / debt & lease liabilities (A\$m)	(74.6)	(74.6)	0%

Source: PAN, Macquarie Research, October 2022

### Our FY23 base case is in line with guidance, except for costs

FY23e guidance mid-point is 6.85kt, 4.30kt and 0.45kt of nickel, copper and cobalt in concentrate, respectively, which compares to our estimate of 6.79kt, 4.13kt and 0.43kt of nickel, copper and cobalt.

C1 cash cost guidance mid-point is A\$7.80/lb; this compares to our more conservative base case of A\$9.37/lb. Our sustaining capex and growth capex assumptions are in line with guidance.

**Fig 5**

Production forecasts		Macq FY23e	FY23 Guidance Mid-Point	Variance
Nickel in concentrate (kt)	(kt)	6.79	6.85	1%
Copper in concentrate (kt)	(kt)	4.13	4.30	4%
Cobalt in concentrate (kt)	(kt)	0.43	0.45	4%
C1 Cash costs (A\$/lb)	(A\$/lb)	9.37	7.80	(17%)
Sustaining Capex (A\$/m)	(A\$/m)	24.0	24.0	-%
Growth Capex (A\$/m)	(A\$/m)	16.0	16.0	-%

Source: PAN, Macquarie Research, October 2022

### Increase in earnings off the back of optimisations, upgrade to Outperform

We optimise our production, cost profile, and integrate our expectations for more favourable payable offtake terms with new offtake partner from February 2023, given PAN's solid market position. This results in an EPS uplift of 2%/17%/22%/9%/17% in FY23e-FY27e with the large movements attributed to highly sensitive earnings years. We increase our target price by 18% to A\$0.20 per share as a result of the EPS uplift. Upgrade from Neutral to Outperform due to EPS uplift and share-price weakness.

**Fig 6 Moderate changes to earnings in the mid-term**

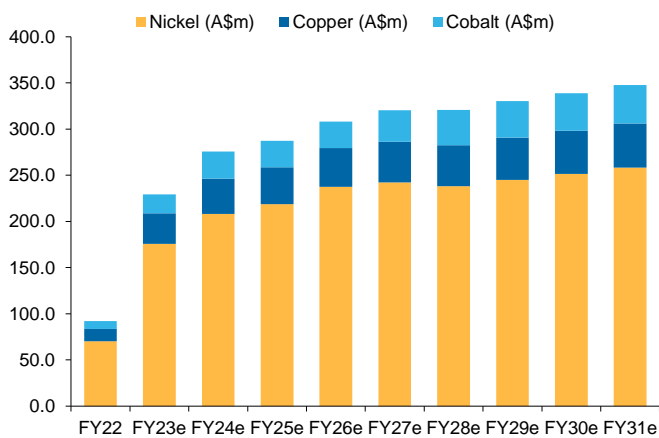
Y/E June	FY23e	FY24e	FY25e	FY26e	FY27e	Price Target
EPS (A¢) - old	1.3	1.7	2.5	3.2	2.5	0.17
EPS (A¢) - new	1.3	2.0	3.1	3.5	2.9	0.20
Change	2%	17%	22%	9%	17%	18%

Source: PAN, Macquarie Research, October 2022

### Key risks to our base case

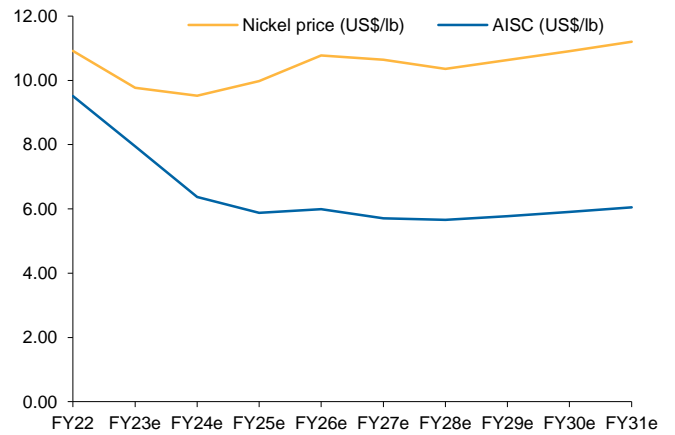
Movements in nickel, copper and cobalt prices that vary compared to our forecasts also present risk to our earnings estimates and valuation for PAN. Our production ramp-up and costs assumptions also present potential risks to our forecasts should the actual outcomes differ from our estimates, particularly during the ramp-up phase.

**Fig 7 Savannah production by commodity**



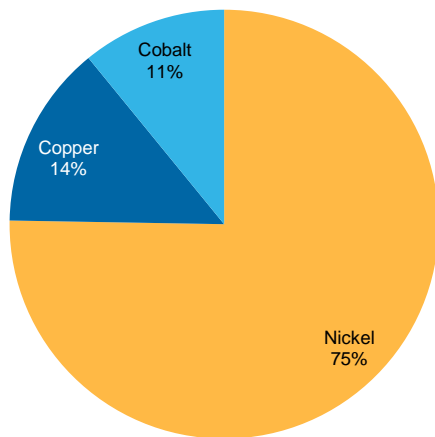
Source: PAN, Macquarie Research, October 2022

**Fig 8 Savannah AISC vs nickel price**



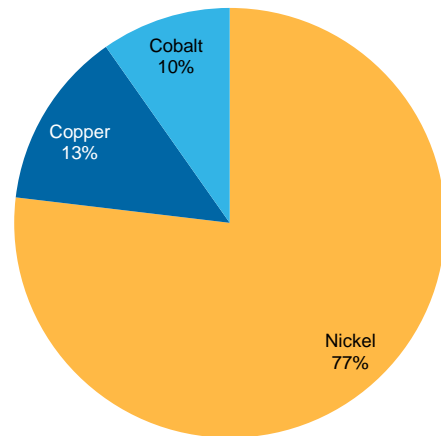
Source: PAN, Macquarie Research, October 2022

**Fig 9 Revenue mix – Macquarie forecasts**



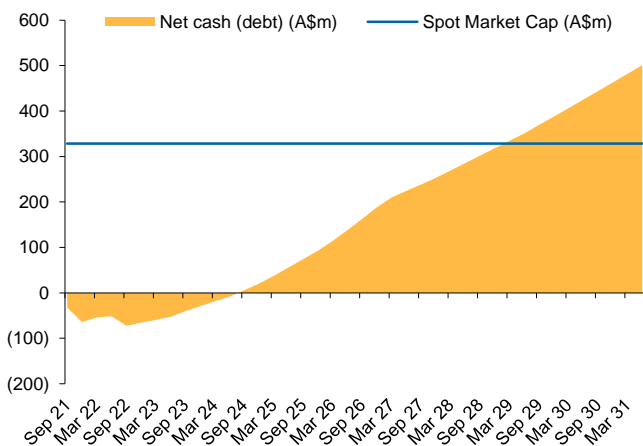
Source: PAN, Macquarie Research, October 2022

**Fig 10 Revenue mix – Spot prices**



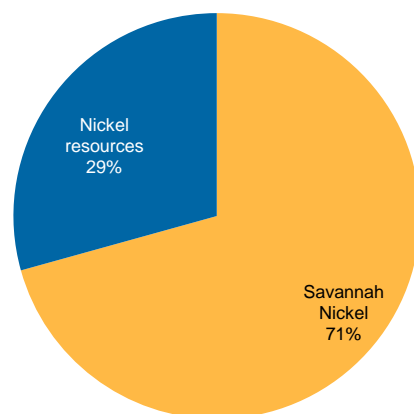
Source: PAN, Macquarie Research, October 2022

**Fig 11 PAN cash build vs market cap**



Source: PAN, Macquarie Research, October 2022

**Fig 12 PAN NPV breakdown**



Source: PAN, Macquarie Research, October 2022

Fig 13 PAN summary financials

Panoramic Resources								
ASX: PAN	Price: (A\$ps)	A\$0.16		Year end:	Jun	Rating: Outperform	Up/dn	TSR
	Mkt cap: (A\$m)	328		Diluted shares (m)	2,051	Target: A\$0.20	25%	25%
	EV (A\$m)	382						
ASSUMPTIONS		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
Exchange Rate	A\$/US\$	0.73	0.66	0.69	0.70	0.70	0.70	
Nickel Price	US\$/lb	10.92	9.77	9.53	9.98	10.77	10.64	
Nickel Price	A\$/lb	15.05	14.84	13.89	14.31	15.39	15.20	
RATIO ANALYSIS		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
Diluted share capital	m	2,050.9	2,097.3	2,097.3	2,097.3	2,097.3	2,097.3	
EPS (diluted and pre sig. items)	A¢	0.3	1.3	2.0	3.1	3.5	2.9	
P/E	x	nm	12.5x	7.9x	5.2x	4.6x	5.5x	
CFPS	A¢	1.3	1.8	3.2	4.1	4.9	5.1	
P/CF	x	nm	8.9x	5.1x	3.9x	3.3x	3.1x	
DPS	A¢	0.0	0.0	0.0	0.0	0.0	0.0	
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Franking Level	%	0%	0%	0%	0%	0%	0%	
Book value per share	x	0.08	0.09	0.11	0.14	0.18	0.21	
P/Book value	x	1.9x	1.7x	1.4x	1.1x	0.9x	0.7x	
R.O.E. (pre sig items)	%	4%	14%	18%	22%	20%	14%	
R.O.A. (pre sig items)	%	4%	10%	13%	16%	17%	16%	
Interest Cover	x	nm	4x	8x	14x	20x	40x	
EBITDA per share	A\$ps	0.01	0.03	0.03	0.04	0.05	0.05	
EV/EBITDA	x	nm	7.2x	4.7x	3.0x	1.8x	1.0x	
Free cash flow Yield	%	(10%)	(0%)	13%	19%	24%	26%	
EARNINGS		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
Sales Revenue	A\$m	90	230	276	287	308	320	
Other Revenue	A\$m	7	0	0	0	0	0	
<b>Total Revenue</b>	<b>A\$m</b>	<b>98</b>	<b>230</b>	<b>276</b>	<b>287</b>	<b>308</b>	<b>320</b>	
Operating Costs	A\$m	(71)	(167)	(193)	(184)	(189)	(194)	
<b>Operational EBITDA</b>	<b>A\$m</b>	<b>27</b>	<b>64</b>	<b>82</b>	<b>103</b>	<b>119</b>	<b>126</b>	
Exploration Expense/Write-offs	A\$m	(1)	(2)	(2)	(2)	(2)	(2)	
Corporate & Other Costs	A\$m	(7)	(8)	(8)	(8)	(9)	(9)	
<b>EBITDA</b>	<b>A\$m</b>	<b>20</b>	<b>54</b>	<b>72</b>	<b>93</b>	<b>108</b>	<b>115</b>	
D&A	A\$m	(8)	(19)	(23)	(24)	(24)	(25)	
<b>EBIT</b>	<b>A\$m</b>	<b>12</b>	<b>35</b>	<b>49</b>	<b>69</b>	<b>84</b>	<b>90</b>	
Net Interest	A\$m	(5)	(8)	(6)	(5)	(4)	(2)	
<b>Profit Before Tax</b>	<b>A\$m</b>	<b>6</b>	<b>27</b>	<b>43</b>	<b>64</b>	<b>79</b>	<b>87</b>	
Tax Expense	A\$m	0	0	0	0	(7)	(26)	
Minorities	A\$m	0	0	0	0	0	0	
<b>Adjusted NPAT</b>	<b>A\$m</b>	<b>6</b>	<b>27</b>	<b>43</b>	<b>64</b>	<b>73</b>	<b>61</b>	
Significant Items (post tax)	A\$m	0	0	0	0	0	0	
<b>Reported NPAT</b>	<b>A\$m</b>	<b>6</b>	<b>27</b>	<b>43</b>	<b>64</b>	<b>73</b>	<b>61</b>	
CASHFLOW		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
<b>Net Profit</b>	<b>A\$m</b>	<b>6</b>	<b>27</b>	<b>43</b>	<b>64</b>	<b>73</b>	<b>61</b>	
Interest/Tax/D&A	A\$m	11	21	24	25	32	45	
Working Capital/Other	A\$m	9	(10)	(1)	(2)	(2)	1	
<b>Net Operating Cashflow</b>	<b>A\$m</b>	<b>26</b>	<b>38</b>	<b>66</b>	<b>87</b>	<b>103</b>	<b>107</b>	
Capex	A\$m	(61)	(40)	(22)	(23)	(21)	(21)	
Investments	A\$m	2	2	0	0	0	0	
Sale of PPE and Other	A\$m	0	0	0	0	0	0	
<b>Free cash flow</b>	<b>A\$m</b>	<b>(33)</b>	<b>(1)</b>	<b>44</b>	<b>64</b>	<b>82</b>	<b>86</b>	
Dividends Paid	A\$m	0	0	0	0	0	0	
Debt	A\$m	30	22	(30)	(6)	(26)	0	
Equity Issuance	A\$m	0	5	0	0	0	0	
Other	A\$m	0	0	0	0	0	0	
<b>Net Financing Cashflow</b>	<b>A\$m</b>	<b>30</b>	<b>26</b>	<b>(30)</b>	<b>(6)</b>	<b>(26)</b>	<b>0</b>	
<b>Net change in cash</b>	<b>A\$m</b>	<b>(2)</b>	<b>26</b>	<b>14</b>	<b>58</b>	<b>56</b>	<b>86</b>	
BALANCE SHEET		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
Cash	A\$m	22	47	61	119	175	262	
PP&E & Mine Development	A\$m	249	269	267	266	263	258	
Exploration	A\$m	6	6	6	6	6	6	
<b>Total Assets</b>	<b>A\$m</b>	<b>301</b>	<b>359</b>	<b>375</b>	<b>435</b>	<b>490</b>	<b>571</b>	
Debt	A\$m	77	98	67	61	35	35	
<b>Total Liabilities</b>	<b>A\$m</b>	<b>127</b>	<b>166</b>	<b>143</b>	<b>142</b>	<b>122</b>	<b>121</b>	
<b>Total Net Assets / Equity</b>	<b>A\$m</b>	<b>174</b>	<b>193</b>	<b>232</b>	<b>293</b>	<b>368</b>	<b>450</b>	
Net Debt / (Cash)	A\$m	55	50	6	(58)	(140)	(226)	
Gearing (net debt/(nd + equity))	%	24%	21%	3%	(25%)	(61%)	(101%)	
Gearing (net debt/equity)	%	32%	26%	3%	(20%)	(38%)	(50%)	
ATTRIBUTABLE MINE OUTPUT		FY22	FY23e	FY24e	FY25e	FY26e	FY27e	
<b>Production forecasts</b>								
Nickel in concentrate	(kt)	3.0	6.8	8.8	9.0	9.1	9.4	
Copper in concentrate	(kt)	1.9	4.1	5.0	5.1	5.1	5.1	
Cobalt in concentrate	(kt)	0.2	0.4	0.7	0.7	0.7	0.7	
<b>Cost forecasts</b>								
C1 cash costs	(A\$/lb)	9.53	9.37	7.86	7.02	7.12	6.73	
AISC	(A\$/lb)	13.11	12.07	9.29	8.43	8.56	8.15	
AISC	(US\$/lb)	9.51	7.94	6.37	5.88	5.99	5.70	
OPERATIONAL OUTLOOK								
SAVANNAH REVENUE MIX								
RESERVES AND RESOURCES (ATTRIBUTABLE)								
<b>Savannah Reserves</b>								
<b>Commodity (kt)</b>								
Nickel	Mt	8.5	1.21%	Ni (kt)	102.7			
Copper			0.58%		49.4			
Cobalt			0.09%		7.2			
<b>Savannah Resources</b>								
<b>Commodity (kt)</b>								
Nickel	Mt	13.9	1.52%	Ni (kt)	211.2			
Copper			0.69%		95.3			
Cobalt			0.10%		13.9			
<b>EV/lb (A\$ reserve)</b>			<b>1.69</b>					
<b>EV/lb (A\$ resource)</b>			<b>0.82</b>					
EQUITY DCF VALUATION								
		Spot Prices		Macquarie Forecasts				
<b>Projects</b>		<b>A\$m</b>	<b>A\$ps</b>	<b>A\$m</b>	<b>A\$ps</b>			
Savannah Nickel		581	0.28	474	0.23			
Nickel resources		176	0.08	159	0.08			
Investments		1	0.00	1	0.00			
New Equity		0	0.00	0	0.00			
Forwards		0	0.00	0	0.00			
Corporate		(41)	(0.02)	(41)	(0.02)			
Net cash (debt)		(58)	(0.03)	(50)	(0.02)			
<b>Net Equity Value (@ 11.5% (nom) WACC)</b>		<b>659</b>	<b>0.31</b>	<b>542</b>	<b>0.26</b>			
<b>Price Target (50/50 Blend NPV &amp; 4.0x EV/Ebitda)</b>						<b>0.20</b>		
<b>P/NPV</b>						<b>0.6</b>		

Source: PAN, Macquarie Research, October 2022

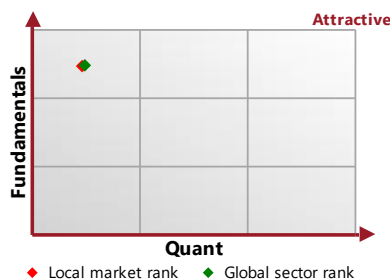
## Macquarie Quant Alpha Model Views

The quant model currently holds a reasonably negative view on Panoramic Resources. The strongest style exposure is Growth, indicating this stock has good historic and/or forecast growth. Growth metrics focus on both top and bottom line items. The weakest style exposure is Quality, indicating this stock is likely to have a weaker and less stable underlying earnings stream.

**559/666**

Global rank in Metals & Mining

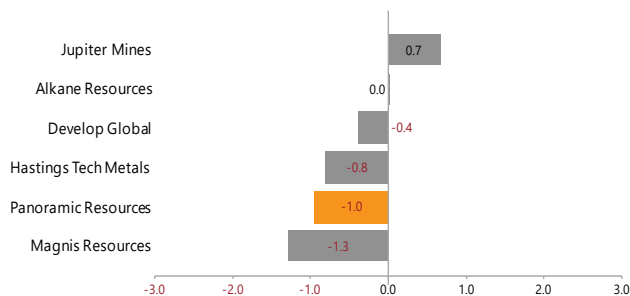
% of BUY recommendations	75% (3/4)
Number of Price Target downgrades	3
Number of Price Target upgrades	2



Displays where the company's ranked based on the fundamental consensus Price Target and Macquarie's Quantitative Alpha model.  
Two rankings: Local market (Australia & NZ) and Global sector (Metals & Mining)

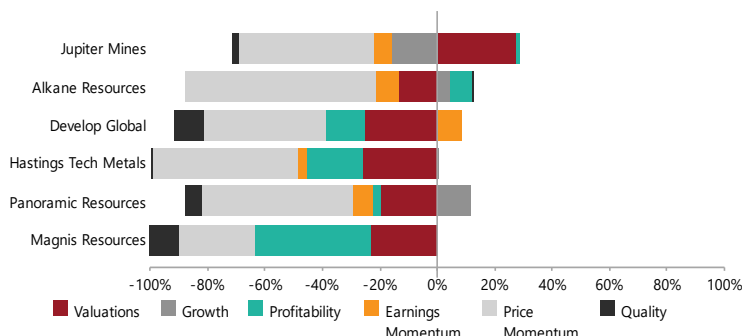
### Macquarie Alpha Model ranking

A list of comparable companies and their Macquarie Alpha model score (higher is better).



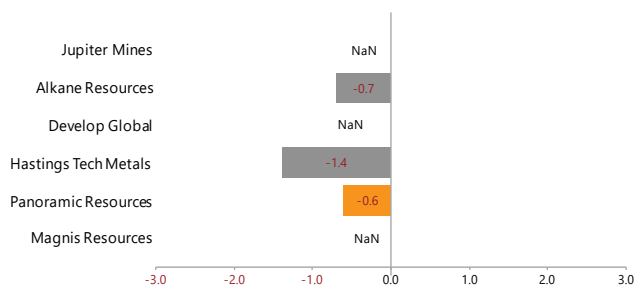
### Factors driving the Alpha Model

For the comparable firms this chart shows the key underlying styles and their contribution to the current overall Alpha score.



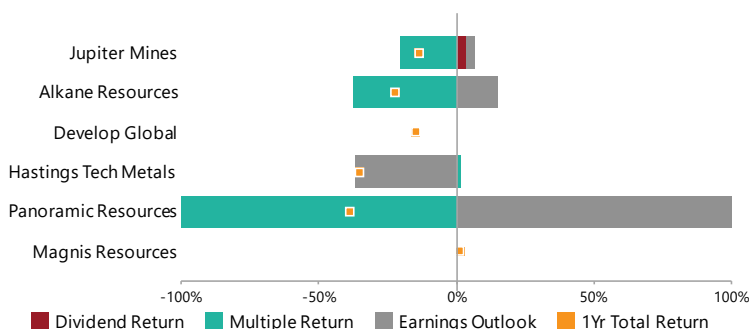
### Macquarie Earnings Sentiment Indicator

The Macquarie Sentiment Indicator is an enhanced earnings revisions signal that favours analysts who have more timely and higher conviction revisions. Current score shown below.



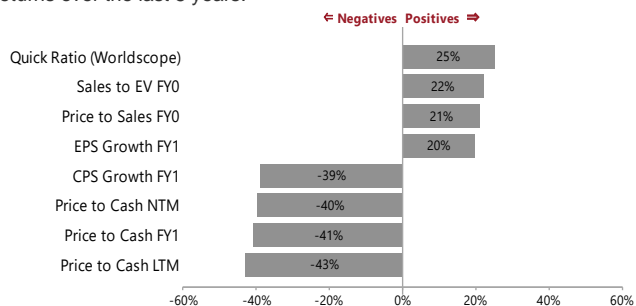
### Drivers of Stock Return

Breakdown of 1 year total return (local currency) into returns from dividends, changes in forward earnings estimates and the resulting change in earnings multiple.



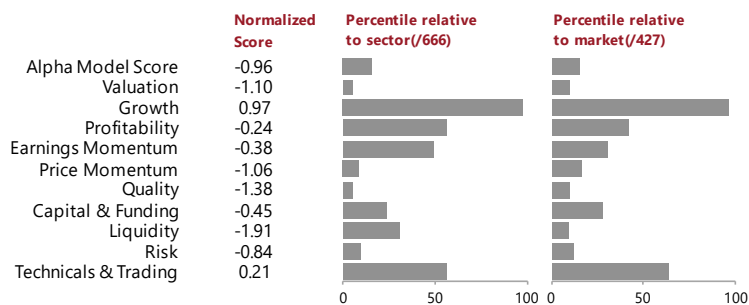
### What drove this Company in the last 5 years

Which factor score has had the greatest correlation with the company's returns over the last 5 years.



### How it looks on the Alpha model

A more granular view of the underlying style scores that drive the alpha (higher is better) and the percentile rank relative to the sector and market.



Source (all charts): FactSet, Thomson Reuters, and Macquarie Quant. For more details on the Macquarie Alpha model or for more customised analysis and screens, please contact the Macquarie Global Quantitative/Custom Products Group ([cpg@macquarie.com](mailto:cpg@macquarie.com))

## Important disclosures:

## Recommendation definitions

## Macquarie – Asia and USA

Outperform – expected return >10%  
Neutral – expected return from -10% to +10%  
Underperform – expected return <-10%

## Macquarie – Australia/New Zealand

Outperform – expected return >10%  
Neutral – expected return from 0% to 10%  
Underperform – expected return <0%

Note: expected return is reflective of a Medium Volatility stock and should be assumed to adjust proportionately with volatility risk

## Volatility index definition\*

This is calculated from the volatility of historical price movements.

**Very high–highest risk** – Stock should be expected to move up or down 60–100% in a year – investors should be aware this stock is highly speculative.

**High** – stock should be expected to move up or down at least 40–60% in a year – investors should be aware this stock could be speculative.

**Medium** – stock should be expected to move up or down at least 30–40% in a year.

**Low–medium** – stock should be expected to move up or down at least 25–30% in a year.

**Low** – stock should be expected to move up or down at least 15–25% in a year.

\* Applicable to select stocks in Asia/Australia/NZ

**Recommendations** – 12 months

**Note:** Quant recommendations may differ from Fundamental Analyst recommendations

## Financial definitions

All "Adjusted" data items have had the following adjustments made:

Added back: goodwill amortisation, provision for catastrophe reserves, IFRS derivatives & hedging, IFRS impairments & IFRS interest expense  
Excluded: non recurring items, asset revals, property revals, appraisal value uplift, preference dividends & minority interests

**EPS** = adjusted net profit / efpowa\*

**ROA** = adjusted ebit / average total assets

**ROA Banks/Insurance** = adjusted net profit / average total assets

**ROE** = adjusted net profit / average shareholders funds

**Gross cashflow** = adjusted net profit + depreciation

\*equivalent fully paid ordinary weighted average number of shares

All Reported numbers for Australian/NZ listed stocks are modelled under IFRS (International Financial Reporting Standards).

## Recommendation proportions – For quarter ending 30 Sep 2022

	AU/NZ	Asia	USA	
Outperform	61.09%	64.27%	70.97%	(for global coverage by Macquarie, 3.62% of stocks followed are investment banking clients)
Neutral	32.76%	23.34%	26.88%	(for global coverage by Macquarie, 4.59% of stocks followed are investment banking clients)
Underperform	6.14%	12.39%	2.15%	(for global coverage by Macquarie, 0.00% of stocks followed are investment banking clients)

## PAN AU vs Small Ordinaries, &amp; rec history



(all figures in AUD currency unless noted)

Note: Recommendation timeline – if not a continuous line, then there was no Macquarie coverage at the time or there was an embargo period.  
Source: FactSet, Macquarie Research, October 2022

## 12-month target price methodology

PAN AU: A\$0.20 based on a 50/50 Blend NPV & 4.0x EV/Ebitda methodology

## Company-specific disclosures:

**PAN AU:** The primary analyst for Panoramic Resources Ltd has visited its material operations and development assets within the past 12 months.

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Date	Stock Code (BBG code)	Recommendation	Target Price
18-Oct-2022	PAN AU	Neutral	A\$.17
29-Sep-2022	PAN AU	Neutral	A\$.18
01-Sep-2022	PAN AU	Neutral	A\$.23
24-Aug-2022	PAN AU	Neutral	A\$.24
20-Jul-2022	PAN AU	Outperform	A\$.25
22-Jun-2022	PAN AU	Outperform	A\$.30
10-Jun-2022	PAN AU	Outperform	A\$.35
11-Mar-2022	PAN AU	Outperform	A\$.40
03-Mar-2022	PAN AU	Outperform	A\$.32
17-Feb-2022	PAN AU	Outperform	A\$.30
28-Jan-2022	PAN AU	Outperform	A\$.29
10-Dec-2021	PAN AU	Outperform	A\$.30
20-Oct-2021	PAN AU	Outperform	A\$.28
17-Sep-2021	PAN AU	Neutral	A\$.23
31-Aug-2021	PAN AU	Neutral	A\$.21
22-Jul-2021	PAN AU	Outperform	A\$.20
29-Apr-2021	PAN AU	Outperform	A\$.19
26-Mar-2021	PAN AU	Outperform	A\$.18
08-Mar-2021	PAN AU	Outperform	A\$.19
28-Jan-2021	PAN AU	Neutral	A\$.17
13-Jan-2021	PAN AU	Neutral	A\$.16

04-Dec-2020	PAN AU	Neutral	A\$.13
27-Oct-2020	PAN AU	Underperform	A\$.10
22-Sep-2020	PAN AU	Underperform	A\$.08
03-Aug-2020	PAN AU	Neutral	A\$.07
16-Jul-2020	PAN AU	Underperform	A\$.07
29-Jun-2020	PAN AU	Underperform	A\$.08
25-May-2020	PAN AU	Neutral	A\$.07
27-Apr-2020	PAN AU	Neutral	A\$.09
02-Apr-2020	PAN AU	Neutral	A\$.10
24-Mar-2020	PAN AU	Neutral	A\$.12
30-Jan-2020	PAN AU	Neutral	A\$.16
06-Jan-2020	PAN AU	Neutral	A\$.24
13-Dec-2019	PAN AU	Neutral	A\$.30
05-Dec-2019	PAN AU	Neutral	A\$.30
26-Nov-2019	PAN AU	Neutral	A\$.30
04-Nov-2019	PAN AU	Outperform	A\$.38

**Target price risk disclosures:**

**PAN AU:** Any inability to compete successfully in their markets may harm the business. This could be a result of many factors which may include geographic mix and introduction of improved products or service offerings by competitors. The results of operations may be materially affected by global economic conditions generally, including conditions in financial markets. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company will enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

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