

Bluebird Portfolio Services

Quality portfolios at a low cost



Disclaimer

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Past performance is not a reliable indicator of future performance.

Experienced and independent advice, helping your business transition to high quality & low cost managed accounts

- The principal, Bill Keenan, has 25 years' experience managing ASX listed portfolios at Lonsec, TOWER and IOOF
- Bill also holds a Bachelor of Business (Accounting) and a Graduate Diploma in Finance and Investment
- Comprehensive 'Quality, Value and Momentum' investment philosophy and process
- Bluebird holds its own AFSL to provide general securities advice to wholesale and retail clients



Bluebird Founder, Bill Keenan

Independent and Experienced

Strong track record



Director/Principal
2 years



GM, Direct Equities
11.5 years

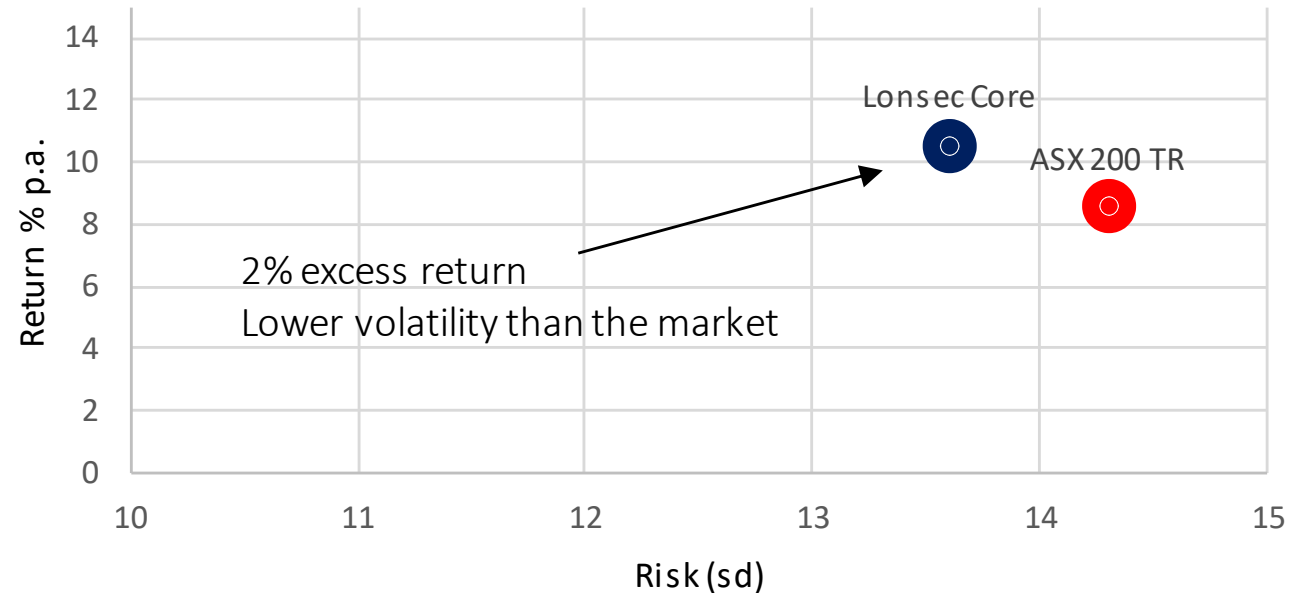


Investment Manager
9 years



Investment Supervisor
3 years

Lonsec Core vs ASX 200 TR
15 years to 30 June 2017



Highly Experienced Investment Committee

Marcus Tuck

- Over 30 years' experience
- Previous roles as Head of Equities at Lonsec and Mason Stevens, Equity Strategist at BNP Paribas and HSBC James Capel
- Bachelor of Economics, Fellow of Finsia

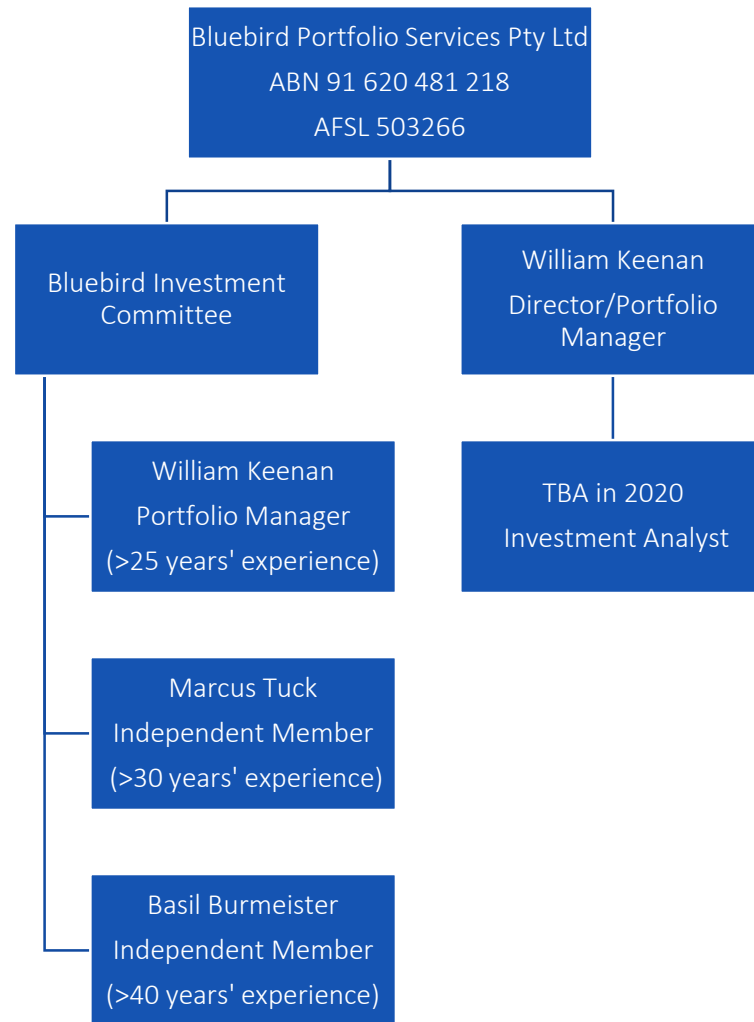


Basil Burmeister

- Over 40 years' experience
- Previous roles as Senior Analyst at Lonsec, HSBC, NAFM, ANZ, E.L. & C. Baillieu and BBY
- Bachelor of Science (Geology), Master of GeoScience



Bluebird Organisational Structure





Our Promise

Quality portfolios
at a low cost

Bluebird stands for quality and value

- Our investment philosophy is to invest in securities offering quality and value
- Just like our investment philosophy we also aim to offer a quality service at a low cost to clients
- In life, sometimes you do not get what you pay for, at Bluebird we aim to deliver



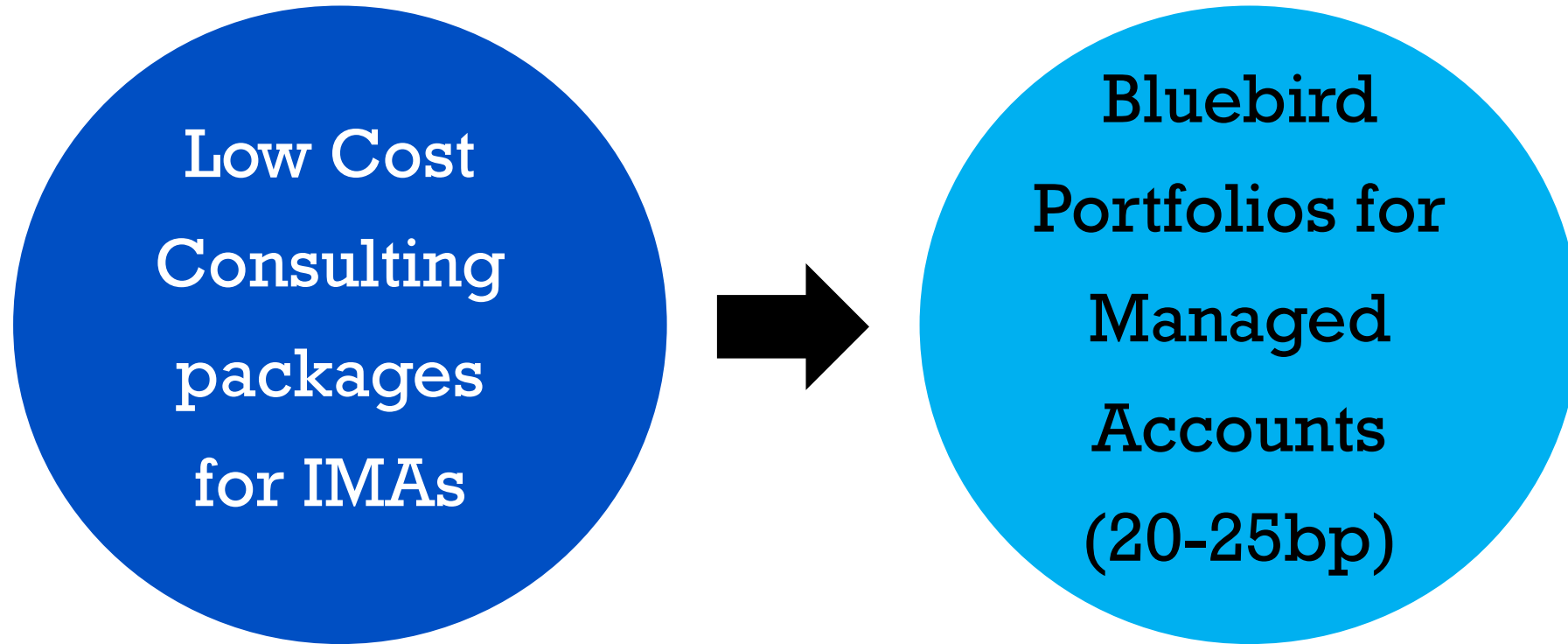
How it works

We work with your firm to implement high quality and low cost managed accounts

Available by consulting and/or low cost managed accounts

- We offer three low cost consulting packages
- We work with your firm to improve the quality of your direct portfolios (IMAs)
- And we can help you transition to high quality, low cost automated managed accounts (SMAs or MDAs) with a portfolio management cost of only 20-25bps + GST
- You keep full control of the process and we work with you as your trusted partner

Advisers choose the option that best suits their firm



Advisers usually start with consulting, with the intention of transitioning to managed accounts over time

Consulting packages

AE

- Australian Equities (AE)

- x6 AE portfolios
- x31 Company Research Reports
- Weekly market and portfolio report
- Regular stock updates
- Monthly performance report
- Regular macro presentations
- Daily investment support on ASX 200 stocks

AE+

- AE package + HNW client portfolio reviews

Full

- AE package
- HNW client reviews
- SAA and Diversified portfolios
- Investment Committee Support



Investment Philosophy and Process

Quality, Value and Momentum

Investment Philosophy

“Strong risk-adjusted returns can be generated by combining three investment criteria - **Quality, Value** and **Momentum**. In our experience, these three factors are what drive excess returns (alpha) and, in combination, can reduce portfolio risk (beta).”

Quality

Quality drives alpha and reduces risk because quality companies are more likely to generate sustainable growth and high returns, without the downside risks from high leverage, low profitability or volatile earnings.

Value

Value drives alpha and reduces risk because the lower the price paid, the more likely an investor will generate an acceptable return and protect their downside risk. The higher the price paid, the less likely an investor will meet their return objectives and the greater the downside risk, if market expectations are not met.

Momentum

Momentum is only used after the Quality and Value filters are applied and is used to identify a BUY signal when a stock is gaining noticeable momentum or a SELL signal when a stock is losing considerable momentum.

Capital Protection Measures

While the Bluebird portfolios will always be correlated to the Australian equity market, we aim to reduce capital downside with the following built-in capital protection measures:

Quality and Value Philosophy

This type of investment philosophy and process tends to reduce downside risks.

Portfolio diversification

Each portfolio is diversified across GICS sectors and portfolio weights are based on a number of inputs that seek to maximise returns without adding additional risk versus the market (in fact we aim to lower portfolio risk).

Defensive exposure

Each portfolio will tend to have high weightings to defensive stocks that have lower volatility than the market.

Gold hedging

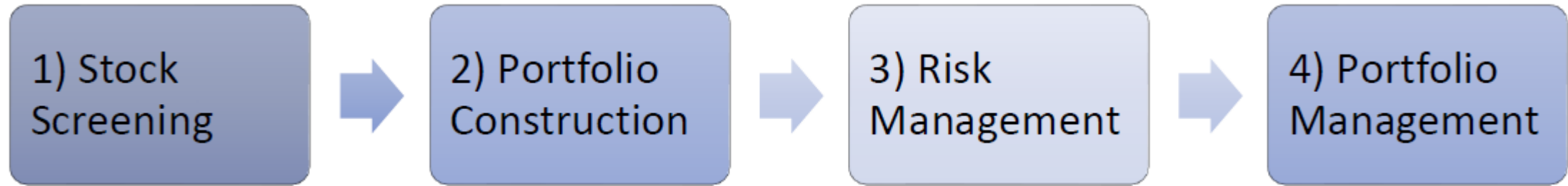
When the US market cycle looks to be mature and market volatility is increasing, Bluebird will tend to hold some gold equity exposure (10% limit). Gold will outperform in volatile market conditions and when US interest rates are falling.

Cash weighting

Our policy is to generally remain 100% invested and let the adviser choose when to adjust their SAA. However, we can go up to 10% cash in volatile and highly uncertain conditions.

Investment Process

4-step investment process

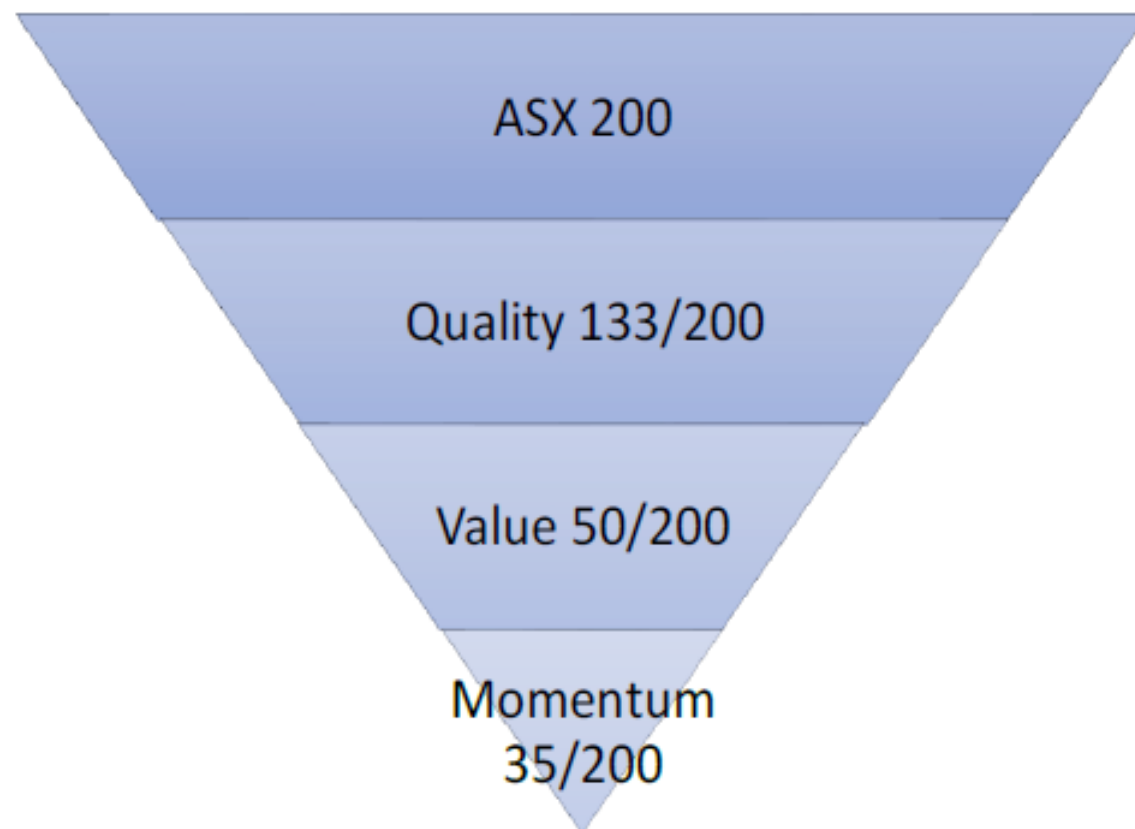


Stock Screening

Quality, Value and then Momentum

Bluebird runs three screens across the ASX 200 universe. Firstly, a **Quality** screen which assesses each company across 9 quality factors. A company needs to score 70% or above to meet our definition of quality. This screen typically reduces the universe by one third to around 133 stocks.

These 133 stocks are then assessed for **Value**. To determine value, a company must be able to deliver an expected return greater than its minimum required return. This process typically reduces the universe down to 50 stocks or 25% of the original universe. Our final screen, seeks to eliminate stocks that are in down-trend or underperforming, we prefer to see some positive **Momentum** before investing. This screen further reduces the sample size down to 35 stocks or 18% of the original universe.



Quality and Risk assessment

Every company in the universe has been assessed by Bluebird and given a quality score (>70% = quality) and a risk score

Industry /10	Macro drivers, Market size, Growth rate, Life-cycle, Industry profitability, Industry structure, Barriers to entry, Competition intensity, Government regulation and taxes
Competitive Advantages /10	Product, Price, Distribution, Location, Marketing, Brands, Service, Reputation, Patents, Licenses, Market share, Assets, Productivity, Technology, Management, Corporate culture, Scale, Capital strength
Profitability /10	Profit margins, ROE, ROA, ROCE
Earnings quality /10	Track record, Volatility of revenue & earnings, EBITDA cash conversion, Sustainability of revenue, Key customer risk, Contract risk
Sustainable Growth /10	Past growth, guided growth, consensus growth, theoretical growth rate (ROE x retention rate), industry/peer growth
Gearing /10	Net Debt/EBITDA, Net Debt/ND+E, Net debt/market cap, Interest cover
ESG /5	Thomson Reuters Environmental, Social, Governance and Controversies scores combined and converted to a score out of 5
Volatility /5	Lower vol = higher score, Short term volatility and long-term beta scores combined and converted to a score out of 5
Company risk /10	Lower risk = higher score Macro risks, Industry risks, Regulatory risks, Company-specific risks

Proprietary Quality Rating database

Bluebird has a database of quality and risk ratings on 227 stocks (and counting).....

Company Profile							Quality rating											Risk rating	
Code	Company Name	Share price	Market cap	Market Weight	GICS Sector	GICS Industry	Industry /10	Competitive advantages /10	Profitability /10	Earnings quality /10	Sustainable growth /10	Gearing /10	ESG/5	Share volatility /5	Company Risk /10	Score out of 80	Quality Score /100%	Risk factor	Required Return (% p.a.)
LNK.AX	Link Administration Holdings	5.26	2,812,172,705	0.13%	Information Technolo	Software & Services	7.0	7.0	8.0	7.0	7.0	7.0	3.3	3.5	6.5	56.3	70.3%	1.10	9.4%
GWA.AX	GWA Group	3.57	935,569,765	0.04%	Industrials	Capital Goods	7.0	7.0	7.0	6.5	6.5	9.0	2.7	4.0	6.5	56.2	70.2%	1.10	9.4%
NCM.AX	Newcrest Mining Ltd	32.06	24,891,977,452	1.12%	Materials	Gold	6.0	8.0	6.5	7.0	6.0	8.5	3.9	4.3	6.0	56.2	70.2%	1.10	9.4%
SBM.AX	St Barbara Ltd	3.12	2,173,215,844	0.10%	Materials	Gold	6.0	7.0	7.0	6.5	6.0	10.0	3.6	4.0	6.0	56.1	70.1%	1.10	9.4%
SFR.AX	Sandfire Resources NL	6.85	1,102,363,900	0.05%	Materials	Copper/Gold	6.0	7.0	6.5	6.5	7.0	10.0	3.4	3.6	6.0	56.0	70.0%	1.10	9.4%
MMS.AX	Mcmillan Shakespeare Ltd	12.84	1,063,883,345	0.05%	Industrials	Commercial & Profes	8.0	7.0	8.0	7.0	7.0	7.0	1.4	3.6	7.0	56.0	70.0%	1.00	8.5%
REH.AX	Reece Ltd	9.79	5,486,247,766	0.25%	Industrials	Capital Goods	8.0	8.0	7.0	7.0	7.0	6.0	2.5	4.4	6.0	55.9	69.8%	1.10	9.4%
ORG.AX	Origin Energy Ltd	7.64	13,173,074,802	0.59%	Energy	Energy	7.0	8.5	7.0	7.0	7.0	7.0	2.3	3.6	6.5	55.9	69.8%	1.10	9.4%
CSR.AX	CSR Ltd	4.26	2,059,083,990	0.09%	Materials	Construction Material	6.0	7.0	7.0	6.5	6.0	10.0	3.8	3.5	6.0	55.8	69.8%	1.10	9.4%
MOE.AX	Moelis Australia Ltd	4.00	615,568,592	0.03%	Financials	Diversified Financials	7.0	7.0	7.5	6.5	7.0	8.0	2.5	3.3	7.0	55.8	69.7%	1.10	9.4%
ABC.AX	Adelaide Brighton Ltd	4.30	2,792,942,862	0.13%	Materials	Construction Material	6.0	8.0	8.0	7.0	6.5	8.0	2.2	3.6	6.5	55.8	69.7%	1.10	9.4%
BLD.AX	Boral Ltd	5.47	6,303,474,881	0.28%	Materials	Construction Material	6.0	8.0	7.0	6.5	7.0	7.0	4.0	3.7	6.5	55.8	69.7%	1.10	9.4%
DHG.AX	Domain Holdings Australia Lt	3.16	1,856,559,053	0.08%	Communication Servi	Software & Services	7.5	7.5	7.0	7.0	7.0	8.0	1.4	3.2	7.0	55.5	69.4%	1.10	9.4%
ING.AX	Inghams Group Ltd	4.14	1,537,000,211	0.07%	Consumer Staples	Food, Beverage & Tob	7.0	8.0	7.0	7.0	7.0	7.0	1.5	3.8	7.0	55.3	69.1%	1.00	8.5%
LLC.AX	LendLease Group	14.03	7,806,263,620	0.35%	Real Estate	Developer Global	7.0	8.0	7.0	7.0	6.0	8.0	2.3	3.5	6.5	55.3	69.1%	1.10	9.4%
AST.AX	AusNet Services Ltd	1.93	7,130,444,551	0.32%	Utilities	Utilities	7.0	8.0	7.0	8.0	6.0	6.0	3.0	4.2	6.0	55.2	69.0%	1.10	9.4%
VEA.AX	Viva Energy Group Ltd	2.15	4,088,747,071	0.18%	Energy	Energy	7.0	7.0	7.0	7.0	6.0	8.0	3.0	3.7	6.5	55.2	69.0%	1.10	9.4%
MIN.AX	Mineral Resources Ltd	15.71	2,985,175,799	0.13%	Materials	Iron ore/Lithium	6.0	7.0	8.0	6.0	7.0	9.0	2.8	3.4	6.0	55.2	69.0%	1.10	9.4%
BOQ.AX	Bank of Queensland Ltd	9.54	3,859,886,544	0.17%	Financials	Banks	7.0	7.5	6.0	7.0	6.5	7.0	3.3	3.9	7.0	55.1	68.9%	1.00	8.5%
SOL.AX	Washington Soul	22.44	5,306,991,865	0.24%	Industrials	LIC	7.0	7.0	7.0	6.0	6.0	10.0	1.1	4.0	7.0	55.1	68.9%	1.00	8.5%
VVR.AX	Viva Energy REIT Ltd	2.66	2,065,939,420	0.09%	Real Estate	Retail Petrol Australia	7.0	7.0	7.0	7.0	7.0	6.5	2.3	4.2	7.0	55.0	68.7%	1.00	8.5%
WHC.AX	Whitehaven Coal Ltd	3.63	3,811,499,279	0.17%	Energy	Energy	6.0	7.0	7.0	7.0	6.0	9.5	3.1	3.4	6.0	55.0	68.7%	1.10	9.4%
AVN.AX	Aventus Retail Property Fund	2.44	1,296,971,348	0.06%	Real Estate	Retail Australia	8.0	7.0	7.0	7.0	6.5	6.0	2.3	4.2	7.0	54.9	68.7%	1.00	8.5%

Quality score	No. of Stocks	% of universe
80-100%	12/227	5%
70-79%	120/227	53%
<70%	95/227	42%



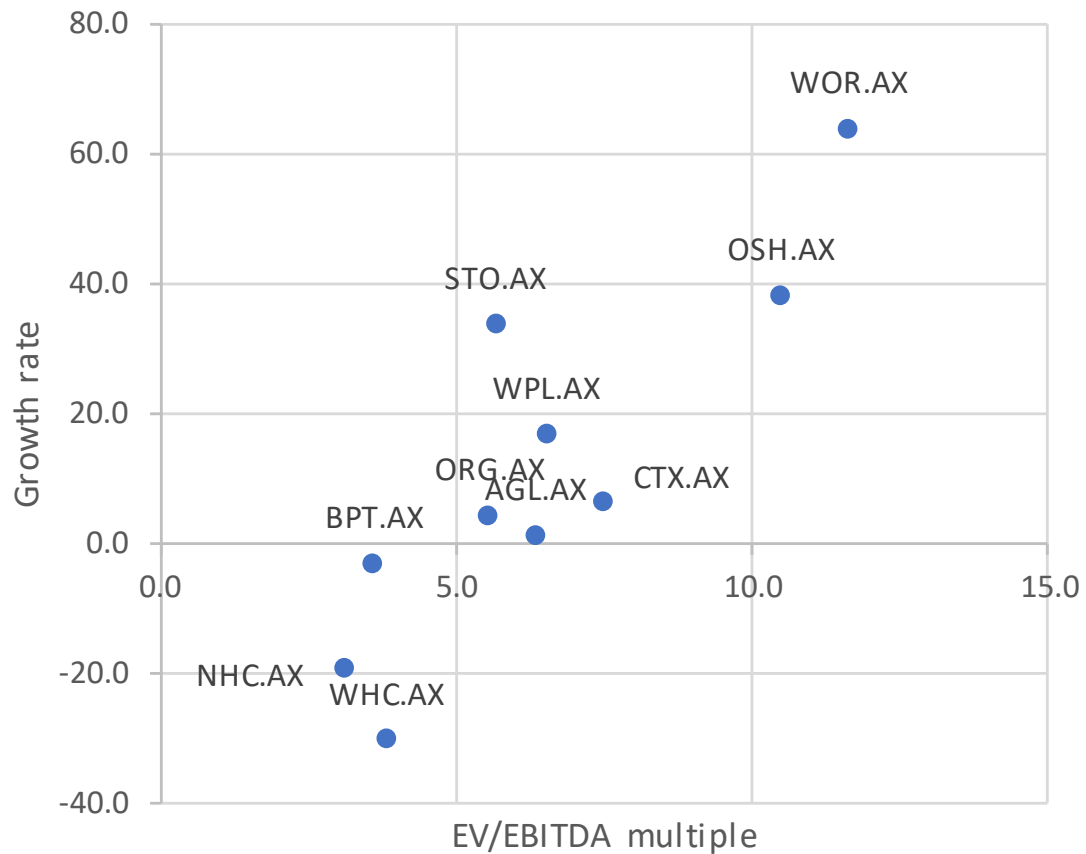
58% of the universe are rated as quality companies



42% of the universe are screened out on quality concerns

Value assessment – initial screen

Holistic sector-by-sector assessment of stock valuation vs forecast growth



Source: Bluebird, Thomson Reuters

Value assessment – IRR model

10 year IRR calculation vs Minimum Required Return (R) for the Company, IRR must be $\geq R$

SDF.AX	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
EPS	0.10	0.11	0.13	0.15	0.17	0.19	0.21	0.23	0.25	0.27	0.28
DPS	0.08	0.09	0.10	0.12	0.13	0.15	0.17	0.19	0.20	0.22	0.23
Payout ratio	77%	78%	78%	79%	79%	80%	80%	81%	81%	82%	82%
EPS growth		18.0%	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%	8.0%	6.0%	5.0%
Share price	3.23										5.32
P/E	33.3										19.1

IRR at current price			Assumptions		
Purchase Price	-	3.23	EPS 10-year CAGR	11.1%	
Dividends Yr 1-10		1.60	Payout ratio increase p.a.	0.5%	
Capital Price Yr10		5.32	Year 10 growth rate	5.0%	
IRR		8.9%	Year 10 P/E ratio	19.1	
Required Return		9.0%	Required return	9.0%	
Fair Value (IRR=R)			Required return calculation		
Purchase Price	-	3.20	10-year bond yield	3.0%	
Dividends Yr 1-10		1.60	Equity Risk Premium	6.0%	
Capital Price Yr10		5.32	Equity market expected return	9.0%	
IRR		9.0%	Stock risk factor (from Quality analysis) (x)	1.0	see table on page 2
Required Return		9.0%	Required return	9.0%	

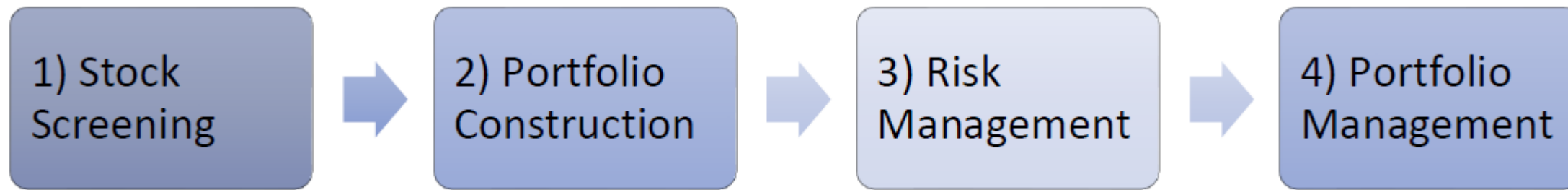
Momentum assessment

Short-term and long-term price trends and relative outperformance vs ASX 200

Example: Brambles regained momentum in August 2018 and was included in the growth portfolio



Investment Process – 3 steps after Stock Screening



Portfolio Construction

- Portfolio objective
- Portfolio strategy/rules/constraints
- Top-down inputs (20%)
- Bottom-up inputs (80%)
- Portfolio weighting considerations – Diversification, Growth vs Income, Defensiveness, Portfolio Yield, Market cap/liquidity, Quality and Risk score, Portfolio manager conviction, Portfolio expected return and risk, stock correlations

Risk Management

- Portfolio strategy/rules/constraints
- Top-down alerts
- Bottom-up screens
- Portfolio weighting considerations
- Risk measurement statistics
- Sell discipline

Portfolio Management

- Monitor portfolio returns and risks
- Review top-down inputs
- Review bottom-up inputs
- Potential Buy and Sell list
- Report to Investment Committee and Investors regularly
- Review and adjust investment process as required



Our Services

Model Portfolios, Company research,
Investment Support

Listed Model Portfolios (x4 Aust. Equity)

	High Growth	Growth	Core	Income
Description	A concentrated portfolio focused on capital growth	A concentrated portfolio focused on capital growth first and income second	A concentrated portfolio focused on a balance of income and capital growth	A concentrated portfolio focused on income first and capital growth second
Number of stocks	14	19	20	14
Universe	S&P/ASX 200	S&P/ASX 200	S&P/ASX 200	S&P/ASX 200
Benchmark	S&P/ASX 200 Index Total Return	S&P/ASX 200 Index Total Return	S&P/ASX 200 Index Total Return	S&P/ASX 200 Industrials Total Return
Cash yield	2.0%	3.1%	3.5%	4.5%
Gross yield	2.6%	3.8%	4.5%	5.7%
Long-term total return targets	Benchmark +>5.0% p.a.	Benchmark +3-4% p.a.	Benchmark +1-2% p.a.	Benchmark +1-2% p.a.
Long-term risk targets	Portfolio Beta ~1.2	Portfolio Beta ~1.0	Portfolio Beta <= 1.0	Portfolio Beta <= 1.0

Australian Equity Model Portfolio Performance

Rolling returns to 31 October 2019

Portfolio	1M	3M	6M	9M	12M	Inception	Yield	FY20
Bluebird High Growth TR (%)	3.5	-0.6	12.5	30.0	n/a	35.9	Cash yield (%)	2.2
S&P/ASX 200 TR (%)	-0.4	-0.9	7.6	17.6		22.0	Franking (%)	59
Excess Return (%)	3.9	0.3	4.9	12.4		13.9	Gross yield (%)	2.8
Bluebird Growth TR (%)	3.0	2.6	18.2	29.5	32.7	22.3	Cash yield (%)	3.0
S&P/ASX 200 TR (%)	-0.4	-0.9	7.6	17.6	19.3	10.7	Franking (%)	55
Excess Return (%)	3.4	3.5	10.6	11.9	13.4	11.6	Gross Yield (%)	3.7
Bluebird Core TR (%)	1.9	-0.1	13.5	24.1	n/a	28.2	Cash yield (%)	3.5
S&P/ASX 200 TR (%)	-0.4	-0.9	7.6	17.6		22.0	Franking (%)	58
Excess Return (%)	2.3	0.8	5.9	6.5		6.2	Gross Yield (%)	4.5
Bluebird Income TR (%)	-0.5	-1.3	9.3	27.0	32.1	25.3	Cash yield (%)	4.5
S&P/ASX 200 Industrials TR (%)	0.0	0.4	8.9	19.9	19.9	9.6	Franking (%)	65
Excess Return (%)	-0.5	-1.7	0.4	7.1	12.2	15.7	Gross Yield (%)	5.7

TR = Total Return. Growth and Income inception 31/08/18, Core and High Growth inception 30/11/18. Performance figures are audited annually. Past performance is not a reliable indicator of future performance.

ASX 200 Company Research



Company Research

Company: Seek
ASX code: SEK.AX
Share price: 20.09
Market cap (\$M): 7.0
Market weight: 0.4%
GICS sector: Industrials
GICS industry: Commercial & Professional Services
Report issued: 8-Aug-18

SEEK Limited is engaged in online matching career opportunities and related services, in business and technologies, which are in employment marketplace, and distribution a training and higher education courses. The ASX ANZ Employment, Training, SEEK Asia, Brazil Early Stage Ventures, its ANZ Employment, 2 and GIC segments provide online employees. Education segment is engaged in marketing, education courses, its Early Stage Ventures of Australia and international investments online employment and education marketplace services in new geographical regions. Its ops New Zealand, China, South East Asia, Brazil &



Seek (SEK)

Quality, Value and Momentum (QVM) Factor Analysis

In Bluebird's experience, to be a successful investor you need to invest in quality companies that offer us momentum, because we like to 'get on at the station' rather than 'standing in front of the train and hope we don't want to quality companies that are expensive or poor-quality companies that are cheap. This is wrong. All our focus is on assessing each company for Quality, Value and Momentum. These that get a 4 'gem' of the market and become candidates for the Bluebird portfolio.

Quality	Bluebird assesses each company across 9 quality or above required to meet our definition of quality. SEK's total quality score is 78.9%, which means ranks 1st within its sector and 21st in the ASX 200.
Score	78.9%
Sector rank	5/16
ASX 200 rank	21/200
Quartile rank	1st quartile

Value	To determine value, a stock must deliver an expected return that exceeds its required return. The expected return and capital growth, over a 10-year holding period and expressed as an Internal Rate of Return (IRR). SEK has a required return of 10.2%. At the current IRR of 10.2%, which exceeds its required return of 10.2%, where its IRR-Required Return. See page 21.
Required Return (p.a.)	10.2%
Current price	20.00
Forecast IRR (p.a.)	10.1%
Fair value	21.84
Forecast IRR (p.a.)	9.5%

Momentum	Bluebird also looks for positive momentum (short term and long term price trends, as well as risk to assess market sentiment towards the stock. Despite its recent retreat, SEK is still in short-term outperformance of the ASX 200 over the short and medium term.
2-year price trend	Up
5-year price trend	Up
10-year price trend	Up
2-year relative perf.	Outperforming
5-year relative perf.	Outperforming
10-year relative perf.	Outperforming

Bluebird Portfolio Services Pty Ltd | ABN 91 620 481 218 | AFSL 503266
www.bluebirdps.com.au | 1300 200 200
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Quality Analysis

Bluebird assesses each company across 9 quality factors with a total score of 70%, or at

Quality factors	Score	Comments
Industry/10 Macro drivers, Market size Growth rate, Life-cycle, Industry profitability, Industry structure, Barriers to entry, Competition intensity, Government regulation and taxes.	9.0	On-line job ads driven by economic population growth. Australia is a country that has moved offshore into Asia which competitor is LinkedIn. Barriers to advantage, brand and scale. Job Ad government visa policies.
Competitive advantages /10 Product, Price, Distribution, Location, Marketing, Brands, Service, Reputation, Patents, Licenses, Market share, Assets, Productivity, Technology, Management, Corporate culture, Scale, Capital strength	9.0	SEEK operates leading job ad and platform. Product, Price, Distribution, Location, Marketing, Brands, Service, Reputation, Patents, Licenses, Market share, Assets, Productivity, Technology, Management, Corporate culture, Scale, Capital strength
Profitability /10 Profit margin, ROE, ROA, ROCE	8.0	SEEK has high EBITDA margins (35% ROCE) are at moderate to high level
Earnings quality /10 Track record, Volatility of revenue & earnings, EBITDA cash conversion, Sustainability of revenue, Key customer risk, Contract risk	8.0	SEEK has a strong track record of EBITDA growth fluctuating with long-term international business compared to cashflow leading to a good cash & small and lower quality businesses
Growth prospects /10 Past growth, guided growth, consensus growth, theoretical growth rate (RCE's retention rate), Industry/peer growth	8.0	Past growth has been ~20% p.a. If 5-8%, SEEK's investment in future growth expect growth to accelerate over 1 and EPS growth over the next 10 y growth.
Gearing /10 Net Debt/EBITDA, Net Debt/NOI, Net debt/market cap	8.0	SEEK's gearing ratios are low-to-mid
ESG /5 Thomson Reuters Environmental, Social, Governance and Controversies scores combined and converted to a score out of 5	2.5	SEEK is currently scoring C+ for ESG (news). Both are on the improve.
Volatility /5 Lower vol = higher score Short term volatility and long-term beta scores combined and converted to a score out of 5	3.8	Volatility is low to moderate with term beta is low.
Company risk /10 Lower risk = higher score Macro risks, industry risks, Regulatory risks, Company-specific risks	7.0	Macro risks include economic growth are mainly around competition, as some risk around student visa's in Company risks are investment and poorer quality Asset and Mexico is
Total score /80	63.1	Score out of 80
Quality score /100%	78.9%	Percentage score, >=70% required
Risk factor (0.5, 1.0 or 1.1)	1.0	Similar to a beta score but determined above.

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Seek (SEK)

Value Analysis - Financials

SEK.AX	Price close 2018	Currency AUD	Issued Shares 30/06/2018	Fiscal Year 2018/2019
Financials				
Revenue	965,400,000	1,053,200,000	1,281,703,993	1,448,210,640
EBITDA	366,700,000	375,800,000	429,910,910	473,227,990
EBIT	213,200,000	202,400,000	248,017,460	278,887,790
NPAT	178,900,000	200,500,000	251,531,980	228,152,550
EPS	0.52	0.58	0.60	0.66
DPS	0.28	0.42	0.45	0.47
Net debt	317,800,000	316,000,000	560,424,670	409,610,500
Net assets	1824,600,000	2,039,600,000	1,934,881,000	1,461,178,170
Capital employed	2,342,400,000	2,355,900,000	1,951,305,670	1,870,988,870
Market cap	7,052,710,669	7,552,710,669	7,552,710,669	7,552,710,669
EV	7,270,512,669	7,268,710,669	7,633,192,339	7,462,323,169
Ratios				
P/E	38.0	34.0	33.6	33.3
EV/EBITDA	20.1	19.6	17.7	15.8
Price/book	3.9	3.5	5.1	4.8
Dividend yield	1.9%	2.1%	2.2%	2.1%
Financial ratio	74%	73%	73%	70%
Growth				
EBITDA growth	2.5%	14.4%	10.1%	10.1%
EBIT growth	2.9%	8.7%	7.8%	7.8%
NPAT growth	0.6%	4.5%	8.8%	8.8%
EPS growth	11.7%	4.1%	10.9%	10.9%
Profitability				
EBITDA margin	38%	36%	34%	33%
EBIT margin	22%	21%	27%	26%
ROE	10%	10%	15%	16%
ROCE	16%	16%	16%	20%
Gearing				
Net debt/EBITDA	0.9	0.8	1.3	0.9
Net debt/Capital	15%	13%	29%	22%

GICS Sector scatterplot - growth vs trading multiple



Data source: Thomson Reuters Company actual and consensus estimates

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www.bluebirdps.com.au | 1300 200 200
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Seek (SEK)

Momentum analysis

Bluebird also looks for positive momentum before investing. We assess short-term, medium-term and long-term price trends, as well as relative performance vs the ASX 200, to assess the stock's momentum. We only show short-term trends below in the interests of space. Ideally, we like to see a combination of short-term and long-term momentum.

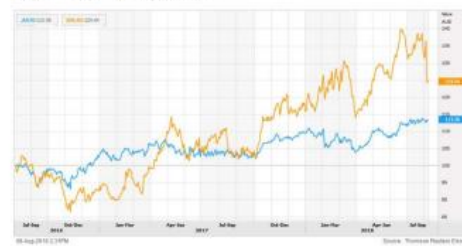
2-year price trend

The SEK share price recently retreated after the company guided for lower EBITDA growth in the short-term, as it invests for long-term growth. However, the stock remains in up-trend and we expect the company to get support around current levels. SEK has a history of lowering guidance during an investment period and then driving strong growth in subsequent years.



2-year relative performance vs ASX 200

SEK has outperformed over the past 2 years and remains above the ASX 200 despite its recent retreat. We also note that SEK has outperformed over short, medium and long term horizons.



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Why Bluebird?

Experienced and independent advice

Bluebird's principal has wide ranging experience across asset classes and securities at Lonsec, TOWER and IOOF

Bluebird can provide you 100% non-conflicted advice totally focused on maximising return and minimising risks

Comprehensive investment process

A 'Quality, Value and Momentum' investment process 20 years' in the making

The process has already established a strong track record at previous firms and has been further improved and enhanced at Bluebird

Quality portfolios and research

Bluebird stands for Quality and Value

Our portfolios and research are 100% focused on Quality and Value and aim to produce strong risk-adjusted returns

Low Cost


Bluebird has been established to offer a quality service to the wholesale market via low cost consulting packages and/or low cost managed accounts at 20-25bps

Daily support as required

Bluebird is your trusted partner that you can email or call to answer any investment-related query that you may have



Thank You

Bill Keenan 

0403534426 

bill.keenan@bluebirdportfolios.com.au 

www.bluebirdportfolios.com.au 