

Result Focus

The Citadel Group Limited (CGL.ASX)



Monday, 19 February 2018

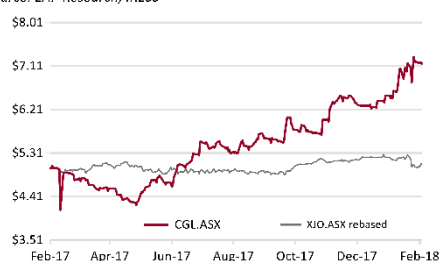
GOVERNMENT LAG A CALL FOR DIVERSITY

Recommendation: Positive

Last price \$6.78
Valuation \$7.00

TSR	
Upside to valuation	3.3%
Dividend yield	2.2%
Expected total SH return	5.5%

CGL.ASX share price history v XJO.ASX
Source: EAP Research, IRESS



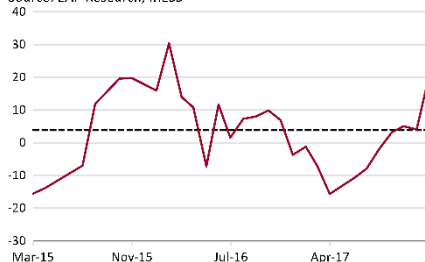
Trading Data

Last Price	\$6.78
Valuation	\$7.00
12 month range	\$4.13 - \$7.30
Market Cap	\$327m
Free Float	\$115m (35%)
12 month return (historical)	35.6%

Earnings revisions

	FY18	% chg	FY19	% chg
REVENUE (\$m)	118	(7.1%)	135	-
EBITDA (\$m)	33	(7.3%)	40	(2.9%)
EPS (c)	29.2	(10.2%)	37.3	(4.8%)
DPS (c)	15.0	(6.3%)	19.0	(13.6%)
Val	\$7.00	8.4%		

CGL.ASX PE relative S&P/ASX 200
Source: EAP Research, IRESS



KEY OBSERVATIONS

Citadel reported a mixed 1H result - solid operationally with EBITDA margins sustained, but on subdued revenue growth. The focus shifts to second half execution and revenue conversion from pending contract wins. 1H18 EBITDA rose +11.7% to \$13.1m, on Sales +12.7% to \$47.3m and steady EBITDA margins (27.7%).

The seasonal revenue, earnings and cash flow skew to 2H is a reflection of Government spending, but was compounded in 1H18 by delays in the signing of new Government contracts. We expect growth to accelerate in 2H18, underpinned by \$6m in work for Federal Agencies to be delivered by year end.

Gross margins continue to rise as Citadel scales on incremental contract expansion (to 49.7% from 47.5%). Gross margin efficiencies were offset by elevated product development spend, capping EBITDA margins as Citadel adds the necessary internal resources to drive future growth.

Citadel signed \$62m in contract renewals and new business through the half, which bodes well for the medium term growth outlook. A little disappointing was a lost customer opportunity in the Charm business through the integration period. But overall significant progress is being made with key private hospital operators.

EARNINGS & VALUATION

We moderate our FY18 revenue (-4% to \$118m) & EBITDA (-7% to \$33m), reflecting delayed contract wins. FY19/20 EBITDA is revised -1-3%, while long-term changes negligible. Valuation rises +8% to \$7.00, on a multiple roll forward to FY19.

OUR THINKING

We stay Positive. With revenues skewed to the second half, execution risk can be elevated. Importantly for Citadel, new business momentum continues to build across strategic customer relationships and IP development. Furthermore, despite a multiple re-rate the past 6 months, valuation metrics are undemanding assuming management deliver on FY18/19 expectations.

The key business attributes that underpin our positive thesis include: i) Industry investment towards digital transformation (national security, defence, e-health and tertiary education), ii) Recurring revenue base & high renewal rates, iii) Strategic & trusted advisor relationships, and iv) Scalable IP & sustainable margins.

Earnings Forecasts

Yr to June	15A	16A	17A	18E	19E	20E
EBITDA (\$m)	12	20	30	33	40	43
Rep NPAT (\$m)	7	9	9	13	18	20
Adj NPAT (\$m)	8	8	11	14	18	20
EPS (c)	19.7	17.0	23.6	29.2	37.3	40.6
EPS Gth (%)	130.7	(13.6)	38.9	23.5	27.9	8.8
PER (x)	34.4	39.8	28.7	23.2	18.2	16.7
PEG Ratio (x)	0.3	NM	0.7	1.0	0.7	1.9
DPS (c)	5.8	9.6	12.8	15.0	19.0	20.0
Yield (%)	0.9	1.4	1.9	2.2	2.8	2.9
ROE (%)	15.7	13.5	16.3	17.4	19.5	18.4
EV/EBITDA (x)	25.2	15.0	10.2	9.6	7.5	6.5
Net Debt/EBITDA (x)	(3.1)	(1.7)	(0.7)	(0.3)	(0.7)	(1.0)
Valuation (blended)						\$7.00

KEY OBSERVATIONS

Growing sales pipeline & improving revenue realisation: Citadel operates across high-growth, niche end-markets - Enterprise Content Management (ECM), cyber security & e-Health investment is on the rise. One of the near term challenges however remains the revenue concentration to large government contracts.

- Pleasingly, Citadel signed over \$62m in renewals and new contracts since July 2017 across all key customer segments – e-Health, Defence & National Security. These new contracts are estimated to total +\$5-10m p.a. in additional contracted revenues (over multiple years), plus an additional +\$6m in work for Federal Agencies to be delivered in the next 3 months.
- The challenge is managing investor expectations on the timing of new contracts/implementation and executing in the best interests of the customer.
- The offset to recent contract wins is the expected loss of the Queensland Health Laboratory Information Systems (LIS) contract which expires in 2022. Importantly, QLD Health will remain a key customer across other managed service offerings and we expect contract diversification to more than mitigate this risk over the next 12-24 months.

M&A, including the integration of Charm Health: Acquisitions remain high on the agenda with a key focus is to add new IP or new clients that support the strategy of providing scalable information management solutions into complex environments. Charm’s key product attributes are closely aligned to Citadel’s focus of delivering secure information management solutions, including “cloud first” eHealth initiatives.

- While early days and including a lost customer opportunity during the integration process, the Charm Health acquisition makes strategic sense for Citadel. Charm Health expands Citadel’s Health clientele to include large private sector health providers with established international operations.

EARNINGS & VALUATION

Our FY18 revenue (-4% to \$118m) & EBITDA (-7% to \$33m) forecasts have been revised to reflect delayed contract wins. Longer term, our forecast changes are negligible, with EBITDA margins to be sustained around 28% on modest +5% revenue growth in outer years. Our blended valuation rises +8% to \$7/share as we roll forward base year multiples to FY19.

Chart 1. CGL Revenues (\$m)

Source: Company

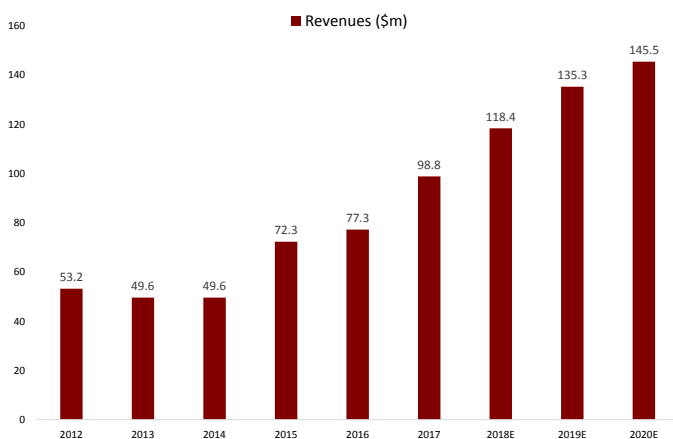
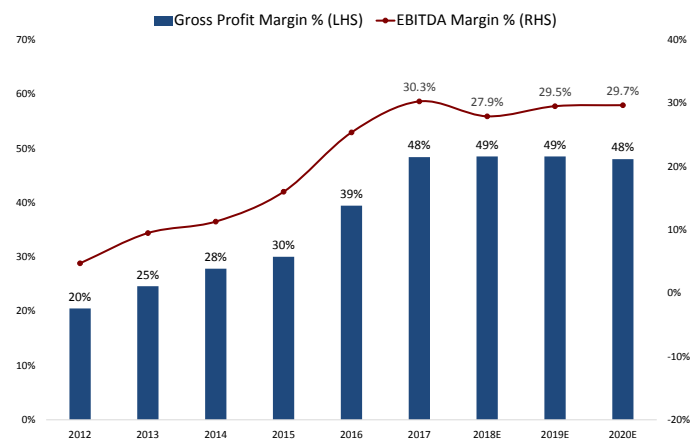


Chart 2. CGL Gross Profit Margin % & EBITDA Margin %

Source: Company



Result Focus – The Citadel Group Limited (CGL.ASX)



FINANCIAL SUMMARY

The Citadel Group Limited						CGL.ASX						
As at:		19/02/2018				Recommendation:		Positive		Share Price:		\$6.78
Year end	June	2017A	2018E	2019E	2020E	Year end	June	2017A	2018E	2019E	2020E	
INCOME STATEMENT						VALUATION METRICS						
Sales revenue	\$m	99	118	135	145	PER	x	28.7	23.2	18.2	16.7	
EBITDA	\$m	30	33	40	43	Dividend Yield	%	1.9	2.2	2.8	2.9	
Depreciation	\$m	(6)	(7)	(7)	(8)	EV/EBITDA	x	10.2	9.6	7.5	6.5	
EBIT (ex associates)	\$m	24	26	32	35	EV/EBIT	x	12.7	12.1	9.3	8.0	
Equity accounted profits	\$m	0	0	0	0	P/FCF	x	14.2	17.7	12.8	11.6	
EBIT (incl associates)	\$m	24	26	32	35	P/BV	x	4.3	3.8	3.3	2.9	
Net interest	\$m	(3)	(1)	(1)	(1)	BLENDED VALUATION						
Pre-tax profit	\$m	21	25	31	34	Discounted Cash Flow	\$/sh	7.05	50.0%			
Tax expense	\$m	(6)	(7)	(8)	(9)	Capitalisation of Earnings	\$/sh	6.96	50.0%			
Net profit	\$m	15	18	23	25	Blended Valuation	\$/sh	7.00	100.0%			
Oth./Outside equity interests	\$m	-	-	-	-	EARNINGS						
NPAT attributable to s'hers	\$m	11	14	18	20	Closing shares on issue	m	48	48	48	48	
Net abnormal items	\$m	(3)	(1)	0	0	EFPOWA	m	48	48	48	48	
Reported NPAT	\$m	9	13	18	20	EPS pre abnormals	¢	23.6	29.2	37.3	40.6	
BALANCE SHEET						DPS	¢	12.8	15.0	19.0	20.0	
Assets						Franking	%	-	-	-	-	
Cash	\$m	30	19	35	54	FINANCIAL RATIOS						
Working Capital	\$m	19	21	24	26	Sales Growth	%	19.9	19.4	14.3	7.5	
PP&E	\$m	6	10	14	18	EBITDA Growth	%	52.7	10.5	20.8	8.1	
Intangibles	\$m	68	83	75	67	EBIT Growth	%	66.2	8.4	23.8	8.2	
Investments	\$m	-	-	-	-	EPS Growth	%	38.9	23.5	27.9	8.8	
Other	\$m	7	7	7	7	Tax Rate	%	27.7	26.3	27.0	27.5	
Total Assets	\$m	131	140	156	173	EBITDA Margin	%	30.2	27.9	29.5	29.7	
Liabilities						EBIT Margin	%	24.4	22.2	24.0	24.2	
Debt	\$m	9	9	9	9	ROA	%	19.5	19.4	21.9	21.4	
Working Capital	\$m	17	16	19	20	ROE	%	16.3	17.4	19.5	18.4	
Other	\$m	30	30	30	30	ROCE	%	56.4	40.3	43.7	49.3	
Total Liabilities	\$m	55	55	57	58	Net Debt (cash)	\$m	(21)	(10)	(26)	(45)	
Net Assets	\$m	75	85	99	114	Net Debt/Equity	%	(27.8)	(11.5)	(26.6)	(39.1)	
Ordinary Equity	\$m	71	77	86	96	Net Debt/Debt + Equity	%	(38.5)	(13.0)	(36.2)	(64.3)	
Minority Interests	\$m	4	9	13	19	Net Debt/EBITDA	x	(0.7)	(0.3)	(0.7)	(1.0)	
Total Shareholders' Funds	\$m	75	85	99	114	Working Capital/Sales	%	2.3	4.4	4.4	4.4	
Capital Employed	\$m	55	76	73	70	D&A/PP&E	%	92.1	68.6	53.5	44.0	
CASH FLOW						EBIT Interest Cover	x	-	-	-	-	
EBITDA	\$m	30	33	40	43	DIVISIONAL SUMMARY						
Change in Working Capital	\$m	1	(3)	(1)	0	Revenue						
Other	\$m	0	0	0	0	Education	\$m	2	0	0	0	
Gross Operating Cash Flow	\$m	31	30	39	43	Technology	\$m	97	116	131	141	
Net interest paid	\$m	(1)	(1)	(1)	(1)	CHARM	\$m	0	3	4	4	
Tax paid	\$m	(5)	(7)	(8)	(9)							
Net Operating Cash Flow	\$m	25	22	30	32							
Maintenance capex	\$m	(2)	(4)	(4)	(4)							
Free Cash Flow	\$m	23	18	26	28							
Dividends paid	\$m	(8)	(7)	(9)	(10)							
Net acquisitions/Growth capex	\$m	(23)	(23)	0	0							
Equity raisings/Buybacks	\$m	0	0	0	0							
Net borrowings	\$m	8	11	(17)	(18)							
Other	\$m	0	0	0	0							
Net change in cash	\$m	0	0	0	0							
GOCF/EBITDA	%	103.2	91.1	98.1	99.0							
Total Capex/Sales	%	25.3	22.1	2.9	2.9							
Total Capex/Depreciation	x	4.4	3.8	0.5	0.5							

Source: Company data, E&P estimates

RESEARCH RECOMMENDATION DEFINITIONS

Positive	Stock is expected to outperform the S&P/ASX 200 over the coming 24 months
Neutral	Stock expected to perform in line with the S&P/ASX 200 over the coming 24 months
Negative	Stock is expected to underperform the S&P/ASX 200 over the coming 24 months
Speculative Buy	Stock has limited history from which to derive a fundamental investment view or its prospects are highly dependent on event risk, <i>eg.</i> Successful exploration, scientific breakthrough, high commodity prices, regulatory change, etc.
Suspended	Stock is temporarily suspended due to compliance with applicable regulatory and/or Evans & Partners policies in circumstances where Evans & Partners is acting in an advisory capacity.
Not Rated	Stock is not included in our investment research universe.

Research Criteria Definitions

Recommendations are primarily determined with reference to how a stock ranks relative to the S&P/ASX 200 on the following criteria:

Valuation	Composite of Rolling 12 month prospective multiples and discounted cash flow (DCF), or DCF for resource stocks.
Earnings Outlook	Forecast 2 year EPS growth.
Earnings Momentum	Percentage change in the current consensus EPS estimate for the stock (rolling 1 year forward basis) over the consensus EPS estimate for the stock 3 months ago.
Shareholder Returns	Composite of forecast ROE (rolling 1 year forward basis) and the percentage change in ROE over 2 years.
Debt Servicing Capacity	Rolling 12 month EBIT Interest Cover ratio.
Cyclical Risk	Qualitative assessment of the 2 year outlook for a stock/industry's profit cycle.
Industry Quality	Qualitative assessment of an industry's growth/returns potential and company specific management capability.
Financial Transparency	If we don't understand it, we won't recommend it.

For stocks where Evans & Partners does not generate its own forecasts, Bloomberg consensus data is used. Analysts can introduce other factors when determining their recommendation, with any material factors stated in the written research where appropriate.

Australian Equity Research Team

Lorraine Robinson – Head of Research

P: +61 3 9631 9838
E: lrobinson@eandp.com.au



Steve Wheen - Senior Analyst

Healthcare
P: +61 2 8070 6654
E: swheen@eandp.com.au



Andrew Hines – Senior Analyst

Bulks, Metals, Energy
P: +61 3 9631 9849
E: ahines@eandp.com.au



Phillip Kimber – Senior Analyst

Retail
P: +61 3 9631 9873
E: pkimber@eandp.com.au



Keith Chau – Senior Analyst

Building Materials, Steel, Chem, Packaging
P: +61 2 8070 6616
E: kchau@eandp.com.au



Chris Hernandez – Research Analyst

REITs, Infrastructure, Retail, Consumer
P: +61 3 9631 9807
E: chernandez@eandp.com.au



Davin Thillainathan - Associate

Healthcare
P: +61 2 8070 6645
E: dthillainathan@eandp.com.au



James Holston - Associate

Telco, Media, Technology
P: +61 3 9235 9716
E: jholston@eandp.com.au



Raymond Tong – Senior Analyst

Telco, Media, Technology
P: +61 3 9235 9715
E: rtong@eandp.com.au



Simon Fitzgerald - Senior Analyst

Diversified Financials
P: +61 2 8070 6634
E: sfitzgerald@eandp.com.au



Julian Mulcahy – Senior Analyst

Small Caps
P: +61 3 9235 9713
E: jmulcahy@eandp.com.au



Robin Young - Senior Analyst

Banks, TCL, WFD
P: +61 3 9235 9730
E: RYoung@evansandpartners.com.au



Peter Stamoulis - Research Analyst

Small Caps
P: +61 3 9631 9841
E: pstamoulis@eandp.com.au



Rushil Paiva - Associate

Diversified Financials, Small Caps
P: +61 2 8070 6641
E: rpaiva@eandp.com.au



Michael Clark - Associate

Bulks, Metals, Energy
P: +61 3 9631 9848
E: mclark@eandp.com.au



GENERAL RESEARCH DISCLAIMER, WARNING & DISCLOSURES

This document is provided by Evans and Partners Pty Ltd (Evans and Partners) ABN 85 125 338 785, holder of AFSL 318075.

Please refer to the document entitled 'Research Conflicts of Interest Disclosure' available for download from the Important Disclosures section of our website (eandp.com.au).

The information is **general advice only** and does not take into consideration an investor's objectives, financial situation or needs. Before acting on the advice, investors should consider the appropriateness of the advice, having regard to the investor's objectives, financial situation and needs. If the advice relates to a financial product that is the subject of a [Product Disclosure Statement](#) (e.g. unlisted managed funds) investors should obtain the PDS and consider it before making any [decision](#) about whether to [acquire](#) the product.

The material contained in this document is for information purposes only and does not constitute an offer, solicitation or recommendation with respect to the purchase or sale of securities. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Investors should be aware that past performance is **not an infallible indicator** of future performance and future returns are not guaranteed.

Any opinions and/or recommendations expressed in this material are subject to change without notice and Evans and Partners is not under any obligation to update or keep current the information contained herein. References made to third parties are based on information believed to be reliable but are not guaranteed as being accurate.

This document is provided to the recipient only and is not to be distributed to third parties without the prior consent of Evans and Partners.

EVANS AND PARTNERS DISCLOSURE OF INTERESTS

Evans and Partners and its respective officers and associates may have an interest in the securities or derivatives of any entities referred to in this material. Evans and Partners does, and seeks to do, business with companies that are the subject of its research reports.

EVANS AND PARTNERS CORPORATE RELATIONSHIP DISCLOSURE

Security	Nature of Relationship
APOF	The Responsible Entity (RE) and Fund Manager of Fort Street Real Estate Capital Fund I (APOF), the Trustee of APOF's primary underlying investment, the Australian Property Opportunities Trust (APOF Trust) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The Investment Manager (IM) of APOF is partially owned by a related body corporate of Evans and Partners. Each of the RE, Fund Manager, Trustee and IM will receive fees for services provided to APOF and/or APOF Trust. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE, Fund Manager, Trustee and/or IM of APOF and/or APOF Trust. Each individual receives remuneration from Evans Dixon and/or its related entities.
APOF II	The Responsible Entity (RE) and Fund Manager of Fort Street Real Estate Capital Fund II (APOF II), the Trustee of APOF II's primary underlying investment, the Australian Property Opportunities Trust II (APOF Trust II) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The Investment Manager (IM) of APOF II is partially owned by a related body corporate of Evans and Partners. Each of the RE, Fund Manager, Trustee and IM will receive fees for services provided to APOF II and/or APOF Trust II. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE, Fund Manager, Trustee and/or IM of APOF II and/or APOF Trust II. Each individual receives remuneration from Evans Dixon and/or its related entities.
APOF III	The Responsible Entity (RE) and Fund Manager of Fort Street Real Estate Capital Fund III (APOF III), the Trustee of APOF III's primary underlying investment, the Australian Property Opportunities Trust III (APOF Trust III) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The Investment Manager (IM) of APOF III is partially owned by a related body corporate of Evans and Partners. Each of the RE, Fund Manager, Trustee and IM will receive fees for services provided to APOF III and/or APOF Trust III. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE, Fund Manager, Trustee and/or IM of APOF III and/or APOF Trust III. Each individual receives remuneration from Evans Dixon and/or its related entities.
AQF	Evans and Partners Pty Ltd and the Investment Manager (IM) of Australian Governance Masters Index Fund Limited (AQF) are wholly owned subsidiaries of Evans Dixon Pty Ltd (Evans Dixon) and related bodies corporate. The IM will receive fees for acting as IM of AQF. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the IM and they each receive remuneration from Evans Dixon and/or its related entities.
AUF	Evans and Partners Pty Ltd and the Investment Manager (IM) of Australian Masters Fund Limited (AUF) are wholly owned subsidiaries of Evans Dixon Pty Ltd (Evans Dixon) and related bodies corporate. The IM will receive fees for acting as IM of AUF. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the IM and they each receive remuneration from Evans Dixon and/or its related entities.
AUI	The Issuer has appointed Evans and Partners as Broker to an on-market buy-back. Accordingly, Evans and Partners is unable to give Sellers advice in respect to a sale of this security.
AWQ	The Issuer has appointed Evans and Partners as Broker to an on-market buy-back. Accordingly, Evans and Partners is unable to give sellers advice in respect to a sale of this security.
AYJ	Evans and Partners Pty Ltd and the Investment Manager (IM) of Australian Masters Yield Fund No 3 Limited (AYJ) are wholly owned subsidiaries of Evans Dixon Pty Ltd (Evans Dixon) and related bodies corporate. The IM will receive fees for acting as IM of AYJ. A director of Evans and Partners is a director of AYJ. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the IM and they each receive remuneration from Evans Dixon and/or its related entities.
AYK	Evans and Partners Pty Ltd and the Investment Manager (IM) of Australian Masters Yield Fund No 4 Limited (AYK) are wholly owned subsidiaries of Evans Dixon Pty Ltd (Evans Dixon) and related bodies corporate. The IM will receive fees for acting as IM of AYK. A director of Evans and Partners is a director of AYK. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the IM and they each receive remuneration from Evans Dixon and/or its related entities.
AYZ	Evans and Partners Pty Ltd and the Investment Manager (IM) of Australian Masters Yield Fund No 5 Limited (AYZ) are wholly owned subsidiaries of Evans Dixon Pty Ltd (Evans Dixon) and related bodies corporate. The IM will receive fees for acting as IM of AYZ. A director of Evans and Partners is a director of AYZ. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the IM and they each receive remuneration from Evans Dixon and/or its related entities.

CBA	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>
CD1	<p>The Responsible Entity (RE) of CD1, other entities that provide services to Cordish Dixon Private Equity Fund I (CD1) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. Each of the RE and other related entities will receive fees for services provided to CD1. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE of CD1 and/or other related entities that provide services to CD1. A director of Evans and Partners Pty Ltd is a director of the Investment Manager of the Limited Partnership, the investment vehicle through which CD1 invests. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
CD2	<p>The Responsible Entity (RE) of CD2, other entities that provide services to Cordish Dixon Private Equity Fund II (CD2) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. Each of the RE and other related entities will receive fees for services provided to CD2. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE of CD2 and/or other related entities that provide services to CD2. A director of Evans and Partners Pty Ltd is a director of the Investment Manager who provides investment management services to the General Partner for the Limited Partnership, the investment vehicle through which CD2 invests. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
CD3	<p>The Responsible Entity (RE) of CD3, other entities that provide services to Cordish Dixon Private Equity Fund III (CD3) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. Each of the RE and other related entities will receive fees for services provided to CD3. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE of CD3 and/or other related entities that provide services to CD3. A director of Evans and Partners Pty Ltd is a director of the Investment Manager who provides investment management services to the General Partner for the Limited Partnership, the investment vehicle through which CD3 invests. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
CRR	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>
DUI	<p>The Issuer has appointed Evans and Partners as Broker to an on-market buy-back. Accordingly, Evans and Partners is unable to give Sellers advice in respect to a sale of this security.</p>
EGD	<p>The Responsible Entity (RE) and Investment Manager (IM) of Evans and Partners Global Disruption Fund (EGD) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The RE and IM will receive fees for acting as RE and IM of EGD. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE and/or IM of EGD. A Director of Evans and Partners is a member of the EGD Investment Committee and an employee of Evans and Partners is a Portfolio Consultant to the EGD Investment Committee. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
EMF	<p>The Responsible Entity (RE) and the Investment Manager (IM) of Emerging Markets Masters Fund (EMF) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The RE and IM will receive fees for acting as RE and IM of EMF. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE and/or IM of EMF. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
JLG	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>
MGP	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>
NEW	<p>The Responsible Entity (RE) and the Investment Manager (IM) of New Energy Solar (NES) and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. The RE and IM will receive fees for acting as RE and IM of NES. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE and/or IM of NES. Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
OSP	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>
SWM	<p>A director of Evans and Partners Pty Ltd is a director of Seven West Media Limited.</p>
URF	<p>The Responsible Entity (RE) and Investment Manager (IM) of US Masters Residential Property Fund (URF), other entities that provide services to URF and Evans and Partners Pty Ltd are wholly owned subsidiaries of Evans Dixon Pty Ltd and related bodies corporate. Each of the RE, IM and other related entities will receive fees for services provided to URF. Directors or employees of Evans Dixon and/or its related bodies corporate are directors of the RE, IM of URF and/or other related entities that provide services to URF. A director of Evans and Partners Pty Ltd is a director of URF's primary underlying investment, US Masters Residential Property (USA) Fund (US REIT). Each individual receives remuneration from Evans Dixon and/or its related entities.</p>
VLW	<p>Evans and Partners has arranged, managed or co-managed an offering of securities of the company or its affiliates in the past 12 months, for which it received a fee.</p>

RESEARCH ANALYST CERTIFICATION

I, Peter Stamoulis, hereby certify that all the views expressed in this report accurately reflect my personal views about the subject investment theme and/or company securities. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

RESEARCH ANALYST DISCLOSURE OF INTEREST

I, Peter Stamoulis, and/or entities in which I have a pecuniary interest, have an exposure to the following securities and/or managed products: NA.

Result Focus – The Citadel Group Limited (CGL.ASX)



DISCLAIMER

Except for any liability which cannot be excluded, Evans & Partners, its directors, employees & agents accept no liability or responsibility whatsoever for any loss or damage of any kind, direct or indirect, arising out of the use of all or any part of this material. All information is correct at the time of publication; additional information may be available upon request.