Australia Small Cap Income Unit Class
TAMIM Fund

At 28 February 2022

During the month, the ASX300 was up +2.09% while the Small Ords Accumulation index was flat. To break this down further, the Small Resources index was up +7.60%, significantly outperforming the Small Industrials index which was down -2.30%.

The TAMIM Fund: Small Cap Income portfolio has greater exposure to the Information Technology and Telco Services sectors, where both fell -12.8% and -4.7% respectively during the month. Sectors which we have no exposure to, such as Energy and Materials, were up massively (+10.20% and +7.10% respectively).

In the context of the above we are extremely pleased that the TAMIM Fund: Small Cap Income portfolio finished the month up +1.25% net of fees.

The reason we are breaking this down by sector is to highlight the dynamics currently in play within markets. Where profitable growth companies, that ultimately have pricing power and longevity, are persistently being sold down by investors and commodity producers, with zero pricing power and limited mine lives, are being bid up due to short term fluctuations in commodity markets.

In the current environment, where inflation is high and may persist in the short term, we feel much more comfortable owning businesses with strong growth in revenue, profits and, more importantly, pricing power. These are the companies that will sustain their earnings (in real terms) over time.

During the month we were extremely busy with reporting season, meeting with and analysing over 100 companies that we own or are interested in. The common theme from 1H of FY22 across the board: supply chain bottle necks, cost pressures and wage inflation due to difficulty in finding skilled labour. The four month lockdown in Sydney didn't help either, especially for retail and IT services providers (who can't access sites for sales and installations).

As we go to print in March, the war between Russia and Ukraine is another concern on investor minds. The global sanctions against Russia are adding fuel to the so called inflationary fire. With the cost of living increasing and petrol prices at record levels, there is some short term risk of a recession. Unlike past inflationary shocks, this time around unemployment levels here

Key Facts

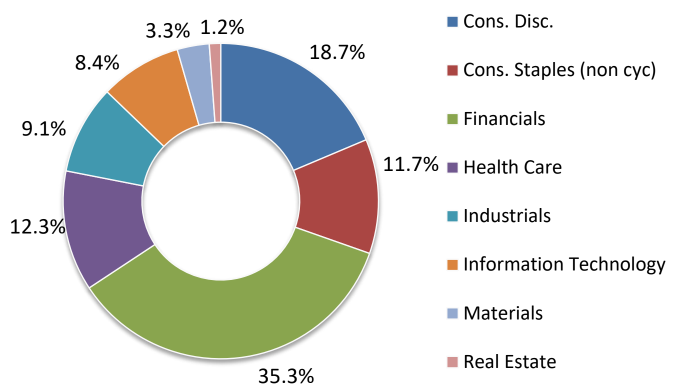
Investment Structure:	Unlisted unit trust
Minimum investment:	A$250,000
Applications:	Monthly
Redemptions:	Monthly, with 30 days notice
Unit pricing frequency:	Monthly
Distribution frequency:	Semi-annual
Management fee:	1.25% p.a.
Performance fee:	20% of performance in excess of hurdle
Hurdle:	Greater of: RBA Cash Rate + 2.5% or 4%
Lock up period:	Nil
Buy/Sell Spread:	+0.25%/-0.25%
Exit fee:	Nil
Administration & expense recovery fee:	Up to 0.35%
APIR code:	CTS8008AU

NAV

	Buy Price	Mid Price	Redemption Price
AU$	$1.6237	$1.6197	$1.6156

Portfolio Allocation

Equity	94.83%
Cash	5.17%



Portfolio Performance

Inception: 1/1/2019	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception (p.a.)	Since inception (total)
Small Cap Income	1.25%	-1.61%	3.58%	21.94%	18.44%	19.43%	20.91%	82.19%
ASX 300	2.09%	-1.96%	-4.23%	10.27%	8.65%	8.69%	11.58%	41.38%
Cash	0.01%	0.02%	0.05%	0.10%	0.15%	0.43%	0.49%	1.56%

Note: Portfolio returns are quoted net of fees. Returns shown for longer than 1 year (other than "Since inception (total)") are annualised. The information provided in this factsheet is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Please consider our Information Memorandum and Services Guide before investing in any of our products. Past performance is no guarantee of future returns. Returns displayed in this document are unaudited. For wholesale and sophisticated investors only. ASX300 refers to the S&P/ASX 300 Accumulation Index.

and in the US are close to all-time lows and, more importantly, job openings are at record highs.

Couple the above with a consumer that has managed to reduce their personal debt during the last two years and we believe any interest rates rises to tame inflation will be offset by wage inflation, which should see consumers manage their mortgage debt repayments accordingly. With global travel and tourism reopening, we see the resumption in consumer spending being diverted from retail spending to travel once confidence returns.

Finally, as we write, we see valuations as extremely attractive. Unlike some market observers, we do not see an imminent market crash. In fact, with the current bearish sentiment and the current drawdowns being some of the worst in history to start a year, we are starting to feel cautiously bullish.

As an example, the S&P500 is down -12.4% for the first 49 days of 2022, the fourth worst start to a year on record. The table below highlights what historically happens next: incredible returns for investors who defy sentiment and buy oversold stocks.

S&P 500: Worst Performance through 49 Trading Days (1928 - 2022)

Rank	Year	Price Return: First 49 Trading Days	Price Return: Day 50 to Year-End	Price Return: Full Year
1	2020	-23.2%	51.4%	16.3%
2	2009	-16.2%	47.4%	23.5%
3	1935	-13.8%	64.0%	41.4%
4	2022	-12.4%	?	?
5	1982	-11.4%	29.2%	14.5%
6	2008	-10.9%	-31.9%	-39.3%
7	1933	-9.7%	59.5%	44.1%
8	1960	-9.4%	7.1%	-3.0%
9	2001	-9.3%	-4.1%	-13.0%
10	1948	-8.6%	8.6%	-0.7%
11	1942	-7.6%	21.7%	12.4%
12	1968	-6.5%	15.1%	7.7%
13	1978	-6.5%	8.0%	1.1%
14	1977	-6.3%	-5.5%	-11.5%
15	1957	-6.3%	-8.6%	-14.3%

Source: Compound Capital Advisors

In addition, the current -13% intra year max drawdown for the S&P500 is equivalent to the average annual drawdown since 1928:

S&P 500 Index: Max Intra-Year Drawdowns vs. End of Year Total Returns (1928 - 2022)

Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR
1928	-10.3%	43.8%	1947	-14.7%	5.2%	1966	-22.2%	-10.0%	1985	-7.7%	31.2%	2004	-8.2%	10.9%
1929	-44.6%	-8.3%	1948	-13.5%	5.7%	1967	-6.6%	23.8%	1986	-9.4%	18.5%	2005	-7.2%	4.9%
1930	-44.3%	-25.1%	1949	-13.2%	18.3%	1968	-9.3%	10.8%	1987	-33.5%	5.8%	2006	-7.7%	15.8%
1931	-57.5%	-43.8%	1950	-14.0%	30.8%	1969	-16.0%	-8.2%	1988	-7.6%	16.6%	2007	-10.1%	5.5%
1932	-51.0%	-8.6%	1951	-8.1%	23.7%	1970	-25.9%	3.6%	1989	-7.6%	31.7%	2008	-48.8%	-37.0%
1933	-29.4%	50.0%	1952	-6.8%	18.2%	1971	-13.9%	14.2%	1990	-19.9%	-3.1%	2009	-27.6%	26.5%
1934	-29.3%	-1.2%	1953	-14.8%	-1.2%	1972	-5.1%	18.8%	1991	-5.7%	30.5%	2010	-16.0%	15.1%
1935	-15.9%	46.7%	1954	-4.4%	52.6%	1973	-23.4%	-14.3%	1992	-6.2%	7.6%	2011	-19.4%	2.1%
1936	-12.8%	31.9%	1955	-10.6%	32.6%	1974	-37.6%	-25.9%	1993	-5.0%	10.1%	2012	-9.9%	16.0%
1937	-45.5%	-35.3%	1956	-10.8%	7.4%	1975	-14.1%	37.0%	1994	-8.9%	1.3%	2013	-5.8%	32.4%
1938	-28.9%	29.3%	1957	-20.7%	-10.5%	1976	-8.4%	23.8%	1995	-2.5%	37.6%	2014	-7.4%	13.7%
1939	-21.2%	-1.1%	1958	-4.4%	43.7%	1977	-15.6%	-7.0%	1996	-7.6%	23.0%	2015	-12.4%	1.4%
1940	-29.6%	-10.7%	1959	-9.2%	12.1%	1978	-13.6%	6.5%	1997	-10.8%	33.4%	2016	-10.5%	12.0%
1941	-22.9%	-12.8%	1960	-13.4%	0.3%	1979	-10.2%	18.5%	1998	-19.3%	28.6%	2017	-2.8%	21.8%
1942	-17.8%	19.2%	1961	-4.4%	26.6%	1980	-17.1%	31.7%	1999	-12.1%	21.0%	2018	-19.8%	-4.4%
1943	-13.1%	25.1%	1962	-26.9%	-8.8%	1981	-18.4%	-4.7%	2000	-17.2%	-9.1%	2019	-6.8%	31.5%
1944	-6.9%	19.0%	1963	-6.5%	22.6%	1982	-16.6%	20.4%	2001	-29.7%	-11.9%	2020	-33.9%	18.4%
1945	-6.9%	35.8%	1964	-3.5%	16.4%	1983	-6.9%	22.3%	2002	-33.8%	-22.1%	2021	-5.2%	28.7%
1946	-26.6%	-8.4%	1965	-9.6%	12.4%	1984	-12.7%	6.1%	2003	-14.1%	28.7%	2022	-13.0%	?

Note: Closing Prices (does not include intra-day or dividends)

Source: Compound Capital Advisors

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Looking across at the Nasdaq, the current selloff of -22% (which is in a technical bear market) is now at 115 days (see below) which is about as long as the longest correction since the GFC and should eclipse it shortly. It's important to note (unlike the GFC) there is little risk of a financial crisis on the horizon and technology companies are at their best ever period of growth, profitability and market adoption:

Nasdaq 10%+ Corrections*

Start	End	% Chg	Days
4/23/2010	7/2/2010	-17.3%	70
4/29/2011	8/19/2011	-18.5%	112
9/16/2011	10/3/2011	-10.9%	17
10/27/2011	11/25/2011	-10.8%	29
3/26/2012	6/1/2012	-12.0%	67
9/14/2012	11/15/2012	-10.9%	62
7/20/2015	8/25/2015	-13.6%	36
12/1/2015	2/11/2016	-17.3%	72
8/29/2018	12/24/2018	-23.6%	117
5/3/2019	6/3/2019	-10.2%	31
2/19/2020	3/23/2020	-30.1%	33
9/2/2020	9/23/2020	-11.8%	21
2/12/2021	3/8/2021	-10.5%	24
11/19/2021	*3/14/2022*	*-21.6%*	*115*
	Avg. Post-GFC	**-15.2%**	**53**
	Avg. All (Since 1970)	**-19.5%**	**75**
	Median Post-GFC	**-12.0%**	**36**
	Median All (Since 1970)	**-16.6%**	**60**

We encourage investors take this opportunity to capitalise on short term market volatility and consider adding to their position. The Small Cap Income portfolio is trading at an attractive valuation for a collection of profitable value and growth businesses. In terms of averages across the portfolio: a multiple of 5.1x EV/EBITDA and 9.5x PE along with an average dividend yield in excess of 6% fully franked.

We remind investors that savvy clients who topped up with us during the December 2018 quarter selloff and the March 2020 crash have earned an incredible return on their investment since. Now is as good an entry point as we have seen over the last two years.

Sincerely yours,

Ron Shamgar and the TAMIM Team.

Portfolio Update

Seven West Media (SWM.ASX)

Published: 16 February 2022

Seven West Media Limited is a national multi-platform media business based in Australia. SWM's media comprises of Seven Television, The West Australian newspaper and associated WA regional newspapers and radio stations. Media companies like SWM have been overlooked by the market even though they are undergoing significant business transformations and generating lots of cash flow.

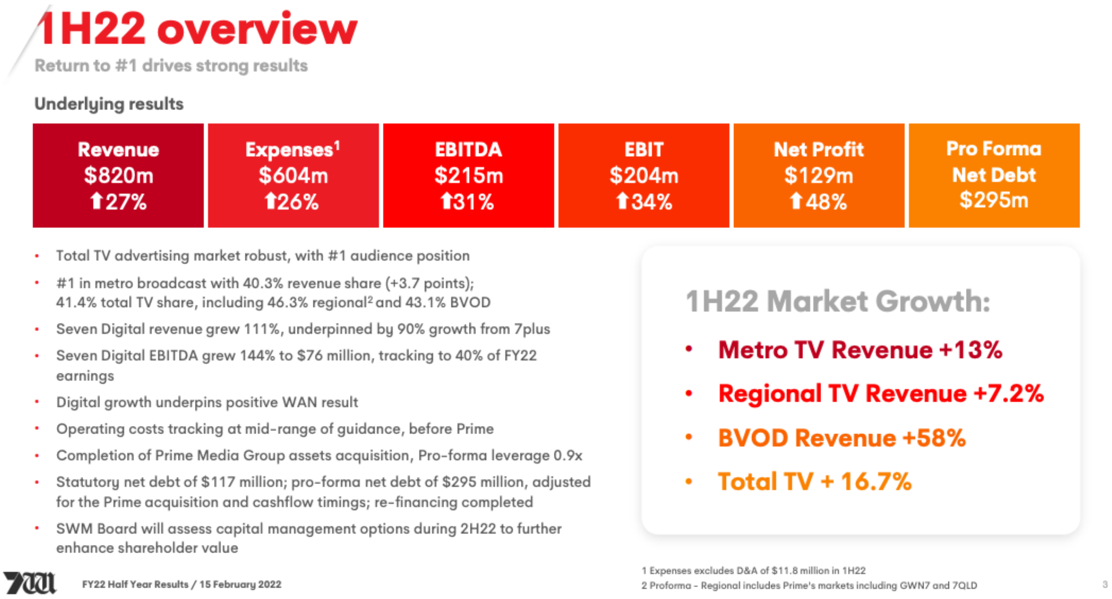
PRT Acquisition

Late last year SWM completed the acquisition of Prime Media Group, formerly Prime Television Limited, for a cash consideration of $121.9m (they also failed to acquire them in 2019). To fund the deal SWM refinanced their debt facilities, halving their interest costs and extending their maturities. PRT did $170m in sales in FY21 and over $30m in EBITDA. The rationale behind the sale is as follows:

- Providing advertisers with a single platform that will deliver superior audience reach across metropolitan and regional markets
- Unlocking the premium and integrated revenue potential of the combined metropolitan and regional audience base across broadcast and digital platforms
- Enhancing the audience proposition through re-investment in content and expanding the digital delivery of SWM's offering in regional markets
- Generating estimated cost synergies of $5m to $10m on an annualised basis. The costs savings are expected to be fully realised within 12-18 months from completion of the acquisition. Revenue upside is also expected but has not been quantified

Results Commentary

We thought SWM reported a strong result with revenue up +27% and NPAT up +48%. Management also upgraded their FY22 EBITDA guidance to $315m-$325m, marking the second time they have upgraded guidance in the past few months. The key driver behind these results was the growth in digital revenue which was up +176% and made up 35% of the group's revenue. This is projected to make up 40% in FY22. They commented on the integration of their PRT acquisition which has already realised $5m in cost synergies. It is important to note that PRT currently has no digital revenue and, seeing how SWM grew their digital EBITDA from $62m in FY21 to $130m



Source: SWM company filings

in FY22F, there is potentially a lot of upside there. SWM had tough starts to the calendar year in CY20 and CY21, losing just about all their ratings weeks. However, in CY22 they have won the first four out of seven weeks and are taking revenue share away from channels Nine and Ten. SWM currently has a 41.4% revenue share of a $3.8bn market and expect to maintain at least 40%. Seven are currently airing the Winter Olympics, boosting their digital numbers, while they also had the Ashes at the back end of last year.

Outlook

Whilst SWM reported a strong result we were a bit disappointed that there weren't any capital management initiatives. They are on a leverage ratio of 0.9, well within their target range of 1-1.5x which means they are planning on returning capital and/or have room to look at more M&A. The board is assessing how they will be returning capital over the next six months and should announce a dividend or buyback in FY22. We think that the reinstatement of dividends is a major catalyst and currently what is holding the share price back. SWM currently has $295m of net debt and, taking their midpoint guidance, they are currently trading at approximately 5x FY22F EBITDA ($320m minus ~$40m of capex). Assuming they do $200m of NPAT for FY22 and they were to payout 30%, that would be a 4 cent dividend. A 5.6% yield at the current share price. Upcoming tailwinds include the return of their number one show, The Voice, as well as the upcoming Federal election. While it is a small piece of the business, Seven West's Ventures portfolio is up +56% to $87m. This portfolio is part of their 'media for equity' strategy where they provide advertising for companies in exchange for equity. Recently they did a deal with Raiz Invest (RZI.ASX) which saw SWM gain a 6.6% stake in the company.

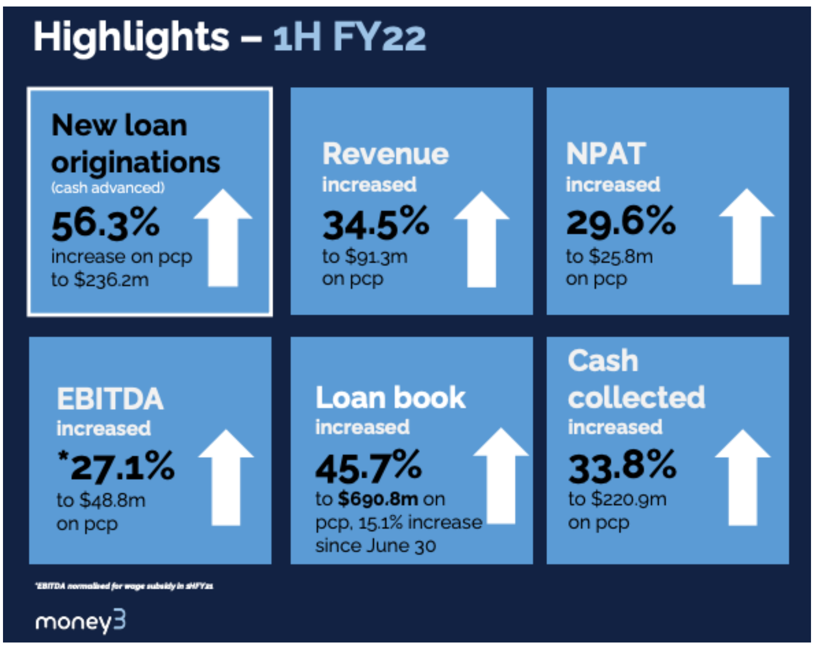
Money3 (MNY.ASX)
16 February 2022

Money3 Corporation Limited is involved in the delivery of secured automotive loans as well as secured and unsecured personal loans. The secured automotive loans relate to the purchase of a vehicle with the vehicle as security for the loan. MNY currently has a loan book of $600m, having grown considerably over the past few years. They operate through three segments:

- Money3, its Australian auto finance business,
- Automotive Financial Services, prime consumer and commercial loans
- GoCar Finance, NZ auto loans business

Results Commentary

MNY also provided a strong update for H122 with revenue up +34.5% and the loan book up +45.7% to $690.8m. MNY are on track to reach an $800m loan book for FY22 and are currently originating around $40m of new loans every month. Their EBITDA margins have been higher as result of artificially low bad debts due to a lot of MNY's clients



Source: MNY company filings

benefiting from the superannuation drawdown. The team still expects to maintain margins above 50%. MNY also saw the credit quality of their loans rise in the half.

Looking at their other businesses, GoCar and AFS, their NZ-based business GoCar has struggled over the past six months as a result of lockdowns, meaning dealerships were closed. Management noted that in September they were operating at 20% of their usual volume. It will take time to rebuild their pipelines but simply reopening is a huge tailwind. Their AFS business has seen strong originations with its loan book up around +80% since MNY acquired them last year. In terms of further M&A transactions, MNY are looking to broaden their addressable market. It would have to be either product expansion (i.e. personal finance) or another loan book that gives them access to more dealers and a larger overall presence.

Rising rates is a huge concern for financing companies like MNY as their cost of funding will rise accordingly. However, MNY believe that their cost of funding will continue to decline even in a rising rate environment. A significant portion of MNY's loan book has been funded through equity; MNY were late to the party in terms of establishing debt facilities which means their funding costs are higher than their competitors. With the credit quality of MNY's loans rising and with the increasing scale of their facilities, MNY expects their funding costs to decrease even as interest rates rise.

Outlook

MNY are forecasting an NPAT of at least $50m for FY22 which currently places them on a PE of around 14x. MNY are well on track to reach their goal of achieving a $1bn loan book by FY23, this should translate to at least $60m of NPAT, putting them on a forward PE of 11x earnings. All while paying out juicy dividends. The semiconductor shortage remains a tailwind for the industry with second hand car prices at all time highs, increasing the value of MNY's loans and reducing bad debts. We also expect to see their NZ business gain momentum coming out of lockdowns.

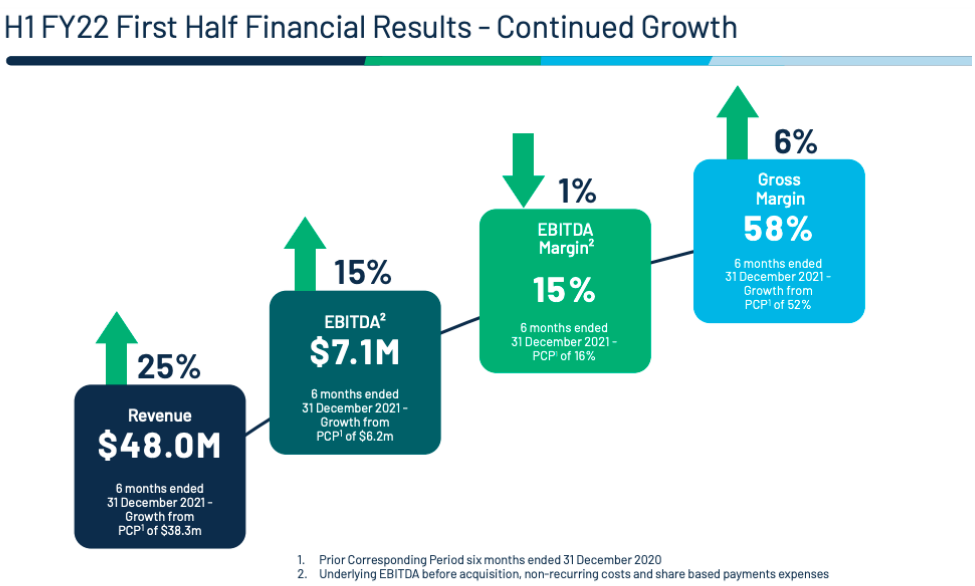
Webcentral (WCG.ASX)

23 February 2022

Webcentral, once Netregistry, is an Australian owned digital services company who empower more than 330,000 customers to grow and thrive in the online world. Their portfolio of digital services is extensive, with market leading offers across domain management, website development and hosting, office and productivity applications and online marketing. Webcentral currently owns and operates its own Nationwide highspeed Data Network with points of presence in all major Australian capital cities.

5GN Acquisition

WCG completed the acquisition of 5GN, a telecommunications carrier providing datacentre and cloud solutions across Australia. Webcentral and 5GN operate in complementary businesses and the merger will result in a market leading, full-service online/digital solution provider that delivers strong value and growth opportunities to shareholders. This will come with synergies. During the half, 5GN saw strong customer growth and completed $12m in contract renewals.



Source: WCG company filings

Results

WCG saw their revenue climb to $48m, up +25% on the previous comparable period (pcp), with EBITDA of $7.1m, up +15%, for the half. They beat guidance on EBITDA while revenue came in at the top end of the range. WCG's gross margin improved to 58% from a combination of organic growth and direct cost synergies. The company experienced a lack of hardware and software orders due to Covid-19 which disrupted installation. They also noted that this segment is skewed towards H2. It was stated on the earnings call that hardware sales are already recovering as we edge into H2. New data centre sales are currently tracking at $100,000 per month and they have seen improved customer retention. Looking to H2, WCG will be launching their domain business on March 24.

They believe that it is a significant market and internal forecasts suggest that WCG will be launching their domain business on March 24. They believe that it is a significant market and internal forecasts suggest that WCG will take approximately 30% of the market. WCG is also expecting 10-20% of their 330,000 strong SME customer base to take up their initial NBN launch in June.

Outlook

We were surprised to see WCG slide down after providing this result. Despite seeing weak hardware and software sales, they are still on track to meet their long terms goals. They are forecasting that they reach $29m in EBITDA in FY23 and are very confident on achieving a 20% EBITDA margin for FY22 There are also a lot of small M&A targets being looked at and they have seen an increased volume of inbound deals from brokers. In terms of their ~18% stake in Cirrus Networks (CNW.ASX), they are waiting to see their results and take action from there. They are also forecasting a gross cash position of $55m in FY23. Right now WCG are trading on an FY23 EV/EBITDA of 3x, a level that we believe is far too cheap given their growth initiatives.

SRG Global Limited (SRG.ASX)

23 February 2022

SRG Global is an engineering-led specialist construction, maintenance and mining services group operating across the entire asset lifecycle. SRG operates three segments, namely Constructions, Asset Services and Mining Services.

	1H FY21	1H FY22	% change
Revenue	$283.0m	$297.0m	▲ 5%
EBITDA	$20.5m	$27.0m	▲ 32%
EBIT(A)	$9.4m	$15.9m	▲ 69%
NPAT(A)	$5.0m	$10.1m	▲ 102%
EBITDA % margin	7.2%	9.1%	▲ 26%
EBIT(A) % margin	3.3%	5.4%	▲ 64%
NPAT(A) % margin	1.7%	3.4%	▲ 100%
Interim Fully Franked Dividend	1.0 cents	1.5 cents	▲ 50%
Net Cash	$5.3m	$28.2m	▲ 432%

Source: SRG company filings

Results

In what has been a tough operational environment for the sector due to Covid disruptions and labour shortages, SRG posted a strong result for the half year. SRG was able to weather the storm and grow revenue by +5% to $297m and EBITDA to $27m, +32%. SRG has seen a $40m swing from net debt to net cash since FY20; net cash now sitting at $28.2m. SRG's strategic plan is to transition the business toward recurring revenues, providing better earnings visibility. Currently recurring revenue makes up 67% and they are hoping to boost this to 80%. SRG launched their Engineering Products segment which SRG are very excited about, believing it could grow to be their fourth operating arm. Alongside this, the revenue is recurring in nature. SRG have built a strong suite of clients, including the likes of Iluka (ILU.ASX), Fortescue (FMG.ASX), and Rio Tinto (RIO.ASX); 70% of these top tier clients weren't there three years ago. SRG have also stressed the cross-selling opportunities of services as well as being able to get more work once they are on site with clients.

Outlook

SRG has a strong pipeline, Work in Hand coming in at $1bn with a broader pipeline of $6bn. Management noted that they believe the business will do significantly better in an easier operating environment; the WA border opening being a tailwind and increased access to labour on the horizon as Covid-19 restrictions ease. SRG have done well in their transition to more of a recurring revenue based strategy; we believe will earn them a higher multiple. We expect SRG to grow through a mixture of M&A and organic growth and they are well funded to do so, being in a strong net cash position. SRG upgraded guidance to $54-57m, putting them at an FY22 EV/EBITDA of around 4x and will be paying a fully franked dividend of around 6% at current prices.

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Probiotec Limited (PBP.ASX)
1 March 2022

SRG Global is an engineering-led specialist construction, maintenance and mining services group operating across the entire asset Probiotec Limited is a manufacturer, packer and distributor of a range of prescription and over-the-counter (OTC) pharmaceuticals, complementary medicines, consumer health products, and fast-moving consumer goods. The company owns six manufacturing facilities in Australia and distributes its products both domestically and internationally. Products are manufactured by Probiotec on behalf of a range of clients, including major international pharmaceutical companies.

Results

Despite a challenging half with supply chain problems, PBP were able to navigate these issues and report a good result. PBP saw their pro forma EBITDA up +24% to $14.9m with pro forma revenue up +3%. PBP's clients are looking to shore up their supply chains as a result of the challenges overseas and are looking for onshore manufacturers, benefitting PBP in the half. Their cold and flu segment took a c.$20m hit in FY21 but they should win back $8-12m in 2H22 and there is potential upside in additional cold and flu revenue in FY23. During the half, PBP were selling additional packaging services to manufacturing clients and vice versa. While it was a small one, their acquisition of H&H Packaging has integrated well and is trading ahead of expectations.

Outlook

PBP has great earnings visibility and were able to provide FY22 guidance of $170-180m in revenue and EBITDA of $32-33m. PBP have been active in the M&A space and will continue to go down that path. They are sitting on a strong balance sheet and only have a net bank debt/underlying EBITDA ratio of 0.75x, leaving them plenty room to grow through M&A. As mentioned, we see further upside in the recovery of their cold and flu segment for FY23. PBP have secured all the contracts required to meet their FY22 guidance so there is a good chance we see them beat that. Currently PBP are trading at an EV/EBITDA of 6.15x. We believe this is too cheap heading into easier 2H trading conditions, we expect to see a number of acquisitions this year.

Revenue

$85.2m Underlying* — +100% on HY21
$85.2m Pro Forma* — +3% on HY21

EBITDA

$14.9m Underlying — +100% on HY21
$14.9m Pro Forma — +24% on HY21

EBIT

$10.0m Underlying — +78% on HY21
$10.0m Pro Forma — +28% on HY21

NPAT

$6.0m Underlying — +66% on HY21
$6.0m Pro Forma — +11% on HY21

Net Bank Debt

$22.0m Net Bank Debt
0.75x Proforma LTM EBITDA

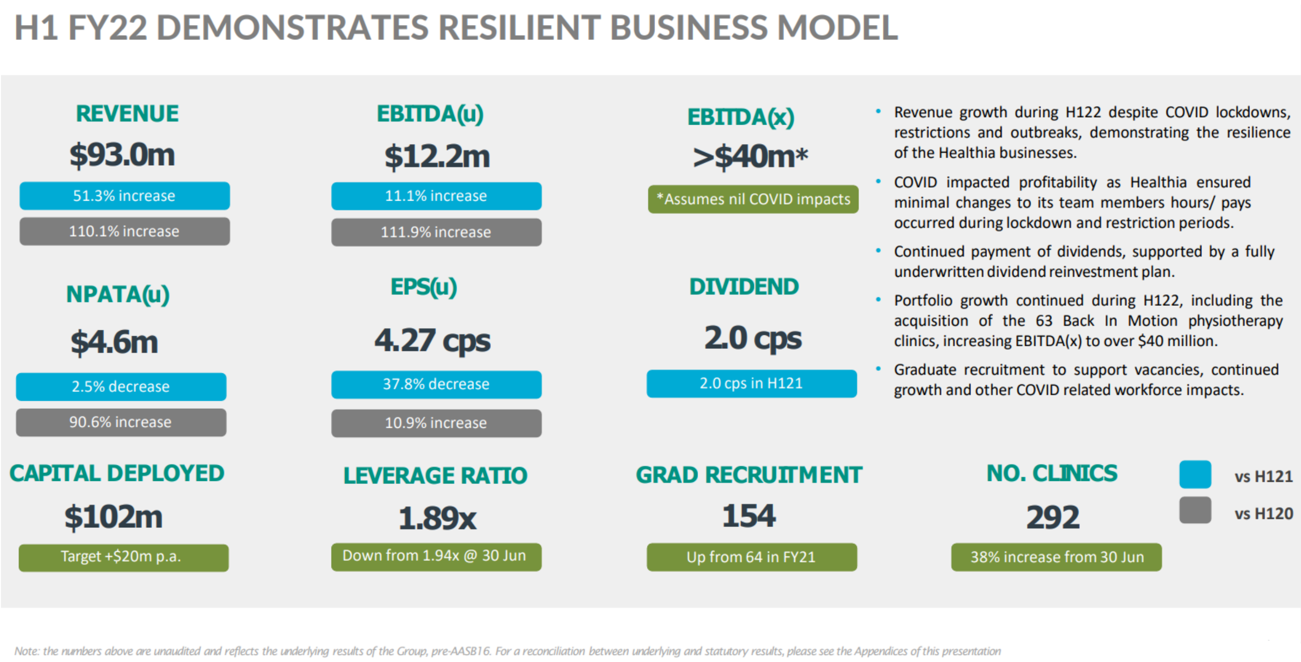
Source: PBP company filings

Healthia (HLA.ASX)
1 March 2022

Healthia is an integrated allied healthcare organisation that includes networks of optometry, podiatry, and physiotherapy clinics across Australia. The physio/podiatry industry in particular is a fragmented one that has allowed Healthia to grow through an aggressive acquisition strategy, giving them a strong presence throughout Australia. HLA currently has 292 clinics across their different businesses.

Results

HLA had a challenging half with lockdowns in NSW and VIC; they had huge staff impacts from Covid-19 and the lockdowns heavily affected their operations. They didn't lay any staff off which led to a higher fixed cost base. Their natural fit stores were mostly closed during Q1, hurting margins. They continued their acquisition strategy during the half, acquiring 76 physio clinics in the period (along with 3 optical stores and a podiatry clinic). Even with all the headwinds during the half, HLA saw a +51.3% increase in revenue to $93m and an +11.1% increase in EBITDA to $12.2m. Their 'Bodies and Mind' stores were minimally impacted and were stable during the half, recording a 19.4% EBITDA margin (still below expectations). 'Eyes and Ears' were the most impacted but there should be plenty of pent up demand for this segment, people still need to get their eyes tested but have just delayed their visit; unlike the physio segment which has very little pent up demand comparably.



Source: HLA company filings

Outlook

HLA had a tough half but, looking forward, they are targeting 3-6% same store growth. As long as they continue to acquire clinics at cheap prices, they are building a super profitable business that is growing rapidly through M&A. There have been some impacts felt in January and February but from here they should be hitting full steam. In November they saw a more normal trading environment, seeing +5% organic growth. The management team knows what the business can do in good operating conditions. Q4 will be a great indicator of what the business will look like moving forward and HLA has provided the market with a FY23 EBITDA target of $40m. Importantly, this number is based on their current portfolio and doesn't account for future acquisitions. Based on their FY23 target, they are trading at a forward EV/EBITDA of 8x.