



MACQUARIE  
ACN 002 574 923

# Macquarie Private Wealth



## AWB Ltd

### Business Description

AWB Limited (AWB) is an Australian agribusiness company which offers a full range of services to the rural community. The company has two core business streams: Rural Services and Commodity Management. AWB Ltd has a presence in Australia, India, Brazil, Switzerland, Singapore, Japan and China.

### Strategy Analysis

AWB has a growth strategy around its core activities while diversifying and increasing market share across the grain value chain. Growth is likely to be achieved organically and via acquisitions. If the proposed merger with GNC proceeds, AWB will become part of a larger, diversified agribusiness with greater scale and balance sheet strength. AWB reported NPAT down 61.6% to \$8.54m for the half-year ended 31 March 2009. Revenue from ordinary activities were \$3.5bn, up 9.3% from the same period last year. Diluted EPS was 2.42 cents compared to 6.39 cents last year. The net operating cash inflow was \$190.78m compared to an outflow of \$298.82m in the pcp. No dividend was declared.

06 September 2010

### Recommendation

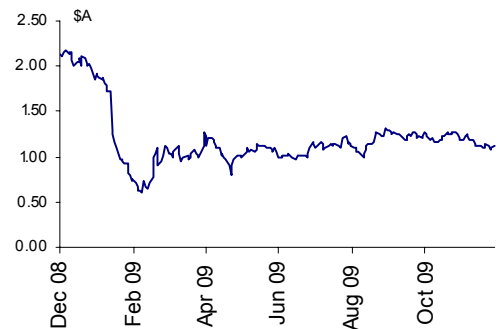
Recommendation: Neutral  
Relative to: All Ind (ex Fins)

### Investment Fundamentals

ASX code: AWB  
Stock price: \$1.47  
Market cap: \$1,197m

	Y/E 30/09/2010	2010e	2011e	2012e	2013e
Reported e	\$m	-34.3	92.4	95.5	98.7
Adjusted e	\$m	60.5	92.4	95.5	98.7
EPS adjusted	¢	7.4	11.2	11.1	10.9
EPS growth	%	-62.3	51.9	-1.3	-1.8
PE	x	19.8	13.0	13.2	13.4
PE relative	x	1.3	1.1	1.3	1.4
DPS	¢	0.0	5.0	5.0	5.0
Yield	%		3.4	3.4	3.4
Franking	%	0.0	100.0	100.0	100.0

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
International Commodity Management	34.4	-0.9	-0.3	14.0%	-9.0%
Grain Marketing	27.6	-3.9	-0.7	-17.0%	0.0%
Rural Services	27.0	5.5	1.8		
Other	6.4	-3.4	-21.8		
Logistics & Other Investments	4.5	9.2	4.3		
<b>Total</b>	<b>99.9</b>	<b>6.5</b>	<b>-16.7</b>		
<b>Results by Geography</b>					
Australia	94.8	0.0	0.0		
Switzerland	5.2	0.0	0.0		
<b>Total</b>	<b>100.0</b>				

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