under the radar report
SMALL CAPS

ISSUE 241
11 MAY 2017

UNIVERSAL VALUE

Universal Biosensors (UBI) and Universal Coal (UNV) have more in common than their names. They're both special situation stocks because there are catalysts just around the corner that have big potential to release value for shareholders. Their near-term returns are unlikely to be affected by a strong or weak market. They are worth looking at.

As you will be aware, the shares in Murray River Organics (MRG) fell 40% on the day it announced a profit downgrade. The company committed the cardinal sin of downgrading within six months of its prospectus.

We released advice to our subscribers on the same day and we've run the ruler over it again and we're delivering more analysis in today's issue.

As we consistently say, investing can be a volatile game, which is why we emphasise a diversified approach.

This was a disappointing recommendation but we've had some recent successes too, which also serves to illustrate the importance of diversification.

Our past two tips Capitol Health (CAJ) and Millennium Services (MIL) have got off to flying starts, having appreciated some 17% and 7%. There were takeover offers for Tower (TWR) and Seymour Whyte (SWL) soon after we commenced coverage and these have appreciated more than 40%. The gold miner OceanaGold (OGC) is up 15% and Tassal (TGR) has appreciated 18%.

This is all in the past two months! ■

Richard Hemming
Editor

the issue

SHARE RESEARCH TIP 1 02

Universal Coal (UNV)
We think that there is money to be made as the South African coal producer ramps up its second mine which delivers the potential for a capital return.

SHARE RESEARCH TIP 2 04

Universal Biosensors (UBI)
The blood testing device company faces an inflexion point, because Johnson & Johnson owned LifeScan has the option to terminate the profit-share agreement and pay as much as $90m.

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Small Talk

"You could describe Universal Biosensor's business as the razor-blade model: it takes a small cut on billions of single-use low-value items."
UNDER THE RADAR REPORT

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UNIVERSAL COAL

We think that there is money to be made as the South African coal producer ramps up its second mine which delivers the potential for a capital return. This stock is not for the faint of heart.

THE END OF THE AFRICAN DISCOUNT IN SIGHT

We believe that the "Africa discount" or an investor aversion to ASX companies operating in the Dark Continent has weighed on the company's share price, and that this discount could reduce as the lure of a big capital return entices investors into Universal Coal.

In particular, the South African political environment is considered shaky post the unifying force of the great Nelson Mandela. A delayed start to the company's second mine, the New Clydesdale Colliery (NCC) didn't help, either.

UNV shares have traded well below the value ascribed to the stock by two parties who launched takeover offers in 2015. In a hostile move UNV's biggest shareholder, South Africa's biggest coal miner Ichor Coal offered 16c a share. In an agreed offer Coal of Africa (ASX code CZA) bid 25c a share, 20c in cash. A mystery party also presented an indicative cash offer of 20c a share. In the event, the Ichor bid lapsed and the NCC delay plus the bidder's deficient working capital led to the CoA offer being stymied at the last moment, leading to UNV shares collapsing from 20c to the current levels in July 2016.

EXPANDING ITS OPERATIONS

Since then, UNV has commissioned the underground phase of NCC. The company owns 70.5% of Kangala, a greenfields development that started producing in April 2014. UNV also owns 49% of NCC, acquired from Exxaro Resources in 2015 for $17m. UNV is the operator, with Black Empowerment Enterprises (BEEs) owning the remainder. By law, BEEs must have a minimum 26% stake in such projects.

As well as the domestic output, UNV is contracted for 650,000 tonnes of export output from NCC, with an additional ad hoc 50-100,000 tonnes a year from Kangala.

While the company is cash flow positive, UNV should need to draw down roughly half of a $20m debt facility to fund the open cut phase, although this also includes upgrading the existing processing plant. This will take debt to $35-40m, with no more capital requirements.

The state-owned utility Eskom purchases most of UNV's output on a 'take or pay' basis. The company also sells on the export market via traders and has benefited from the depreciating rand and firmer prices for both thermal and metallurgical coal.

CAPITAL RETURN?

Under the Radar is conscious of the tendency of miners to expend free cash on the next project at the top of the cycle, which can have disastrous results. Look no further than BHP Billiton with US shale gas and the Ravensthorpe nickel disaster, or Rio Tinto's near fatal purchase of Alcan.

The company says that UNV is eyeing other existing operations and looking at acquiring in Australia or South Africa. Such brownfields opportunities are cheaper and faster to generate returns than doing it from scratch in greenfields developments.

Alternatively, a maiden dividend might not be too far off, judging from the company's comments in its recent quarterly report about sustainable cash flows paving the way for "continued growth and initiating shareholder returns."

RADAR RATING **SPEC BUY**

ASX CODE **UNV**

SHARE PRICE **$0.13**

MARKET CAP **$68M**

NET DEBT **$10M**

BULL POINTS

- TWO CASH PRODUCING MINES
- TRADES ON EARNINGS MULTIPLE OF LESS THAN THREE TIMES
- DIVIDEND POTENTIAL

BEAR POINTS

- SOUTH AFRICAN ECONOMY IS SLUGGISH
- COUNTRY POLITICAL RISKS
- RISK OF EASING EXPORT COAL PRICE
- RISK OF PRODUCTION DISRUPTION

WHY WE LIKE IT

We think UNV shares are way undervalued, but with output ramping up in the 2017-18 year this situation won't last for long. The South African coal producer recently started production at its second mine, the New Clydesdale Colliery and the operation is running smoothly. Output from the company's first mine, Kangala, is underpinned by a 'take or pay' agreement with the state-owned utility Eskom. On current trends, UNV should be in a position to start paying dividends and/or return capital to shareholders.

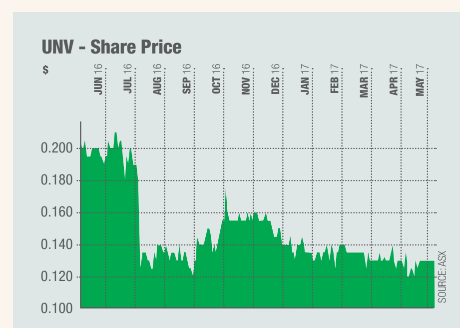
WHAT'S NEW

After a poor December quarter, UNV reported total March quarter sales of 729,000 tonnes, 7% higher. This resulted in revenue of $43.5m and operating cash flow of $9.2m; its cash on hand is $7.9m. Kangala is humming along, producing an annualised 2.4mt but has room for improvement; while its NCC underground operation are doing a 'steady state' 900,000 tonnes a year. But with the open pit expansion the company is targeting an annualised rate of over 3m tonnes a year. UNV expects to be a substantive miner with annual output of 4-4.5m tonnes in 2017-18.

CORPORATE & BALANCE SHEET INTRIGUE

UNV's appeal is complicated by management fees received from the operating entity as compensation for managing the mines. These fees, as well as loan repayments from UNV's BEE partners are an asset but are not apparent in the accounts.

Meanwhile, Ichor continues to sit on UNV's register with a 30% stake. It's possible Ichor could mount another takeover attempt, but it is cash constrained. A more likely prospect is that another predator acquires the stake as a beachhead for a full takeover.



> **A MAIDEN DIVIDEND MIGHT NOT BE TOO FAR OFF, JUDGING FROM THE COMPANY'S COMMENTS IN ITS RECENT QUARTERLY REPORT ABOUT SUSTAINABLE CASH FLOWS PAVING THE WAY FOR "CONTINUED GROWTH AND INITIATING SHAREHOLDER RETURNS."**

UNIVERSAL BIOSENSORS

The blood testing device company faces an inflexion point, because Johnson & Johnson owned LifeScan has the option to terminate the profit-share agreement and pay as much as $90m. In valuing UBI at $70m, arguably investors have not taken this into account.

THE REMINGTON MODEL

You could describe Universal Biosensor's business as the razor-blade model: it takes a small cut on billions of single-use low-value items.

UBI's technology is based on multilayer test strips with a proprietary electrochemical sensing system to measure blood sugar and coagulation factors. Strictly speaking, the company owns the rights to commercialise the IP and not the technology itself, which LifeScan owns, which is in turn owned by the consumer health giant Johnson & Johnson.

Under the LifeScan tie up, UBI receives a fee of US1.25c for the first 500m strips sold every year and then US0.75c for every strip thereafter for that year. UBI has a 31 December year end and in calendar 2016 LifeScan sold just over 1.4bn of UBI's diagnostic strips, branded "Verio strips". This delivered quarterly service fees (QSFs) from J&J to UBI of US$13.5m ($17.9m) in FY16.

Sales of Verio strips have been growing at 33% per annum, so this year UBI expects close to 2bn to be sold, and in the March quarter UBI reported US$5.19m ($6.78m) of Verio QSFs, 38% higher on the same period last year. The trend is UBI's friend, as they say.

LIFESCAN'S DILEMMA

LifeScan can elect to terminate the partnership when cumulative QSFs to Universal reach US$45m, which at the current rate of growth, should be breached in the September quarter. This should trigger a decision by LifeScan in 2018. If it decides to go, LifeScan must pay two times the value of the previous year's QSFs, plus previous QSFs earned by UBI but not yet paid. The deferred payment structure where UBI receives the money 60 days after the end of the quarter makes calculations somewhat complicated.

UBI presents a scenario by which the company is entitled to a total payment of the QSF plus the lump sum of US$70m ($85m) worth 54c a share. Although this assumes LifeScan announces its "notice of conversion" in the first quarter of 2018.

On face value it makes commercial sense for LifeScan to terminate the agreement and pay up. If it doesn't, LifeScan faces ratcheting QSFs if Verio sales continue to grow at the same trajectory. Given LifeScan is free to decide any time in 2018, any payment may not be received until 2019.

COAGULATION MONITORING

There is also the Siemens relationship that relates to the Xprecia Stride product which is also a diagnostic strip. This monitors patients on Warfarin or blood thinning medication. Typically these patients suffer from atrial fibrillation, which causes blood to pool in the heart and cause clots.

Other common anti coagulation treatments are for mechanical heart valve recipients and deep vein thrombosis sufferers.

The Siemens deal is structured differently to the LifeScan tie-up because UBI retains the IP. In this case UBI generates revenue by manufacturing and selling the strips to Siemens. Because the Xprecia Stride only received approval from the US Food & Drug Administration in October last year, revenues are currently modest at $600,000 in CY2016, which came from the sale of 300,000 strips at US1.3c per strip.

RADAR RATING **SPEC BUY**

ASX CODE **UBI**

SHARE PRICE **$0.43**

MARKET CAP **$76M**

NET DEBT **$1.5M**

BULL POINTS

- INNOVATOR IN BLOOD TESTING STRIPS
- POTENTIAL FOR LARGE PAYMENT
- NEW BUSINESS PRODUCT

BEAR POINTS

- RECENT SHARE PRICE GAINS
- BLUE-CHIP COMPETITION
- COAGULATION PRODUCT SLOW TO TAKE OFF

WHY WE LIKE IT

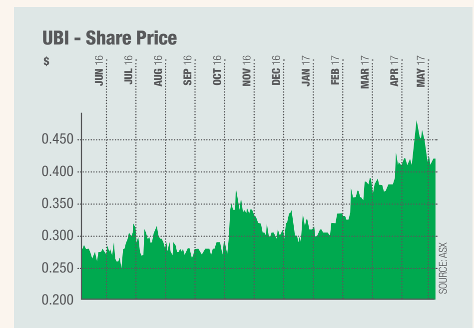
The blood testing device company faces an inflexion point, because Johnson & Johnson owned LifeScan has the option to terminate the profit-share agreement and cease paying Universal Biosensors a quarterly service fee (QSF) on all strips sold. UBI's revenues are derived from agreements with two giant healthcare partners, LifeScan on the diabetes side and Siemens on the coagulation, or blood thinning testing, side. Including lagged payments on past sales, this lump sum payment is estimated at $80-90m. In valuing UBI at $70m, arguably investors have not taken this into account.

WHAT'S NEW

After a slow start to its corporate life, UBI is enjoying an uptick in demand for its single-use test strips for diabetics. This week, partner Siemens began selling Xprecia Stride, a device to monitor those on blood-thinning medication in the US. UBI shares have eased from their April 20 peak of 48c, partly because Xprecia Stride sales have been slower than expected. The coagulation business is valued at up to $98m, or 56c a share. This means that if the market is taking a lump sum payment from LifeScan into account, it is ascribing no value to the coagulation side.

European distribution has only just begun in earnest, while the company on Monday said Siemens had started selling to the US professional market. The global coagulation blood testing market is estimated to be worth around US$1.4bn.

In conjunction with Siemens, UBI is developing two additional products. Crucially, Universal is targeting the home-care sector in its own right and this segment accounts for about one-third of the total market. Only two companies, Roche and UBI, have produced a self-coagulation test. We believe that UBI's product will be firmly entrenched in the number two position.



MORE CORPORATE INTRIGUE

In January J&J said it was evaluating "potential strategic options" for its LifeScan business, including joint ventures, operating partnerships or an outright sale. This implies a lack of devotion to the blood testing business, but it's a moot point whether this supports or detracts from an exit decision.

Also, money is tight at LifeScan, with competition from generic products eroding profits on its original strip products. Another factor is that new European testing accuracy standards may work in the Verio strip product's favour because it meets the standards. Yet another consideration is that market leader Roche tried to sell its blood glucose monitoring business four years ago, but there were no takers, although this isn't to say a deal can't be done. In 2015, German giant Bayer sold its blood monitoring business to private equity firm KKR and Panasonic for US$1.3bn. ■

> **UBI PRESENTS A SCENARIO BY WHICH THE COMPANY IS ENTITLED TO A TOTAL PAYMENT OF THE QSF PLUS THE LUMP SUM OF US$70M ($85M) WORTH 54C A SHARE.**

INGENIA COMMUNITIES

Manufactured Home community operator

The retirement communities group is buying five new lifestyle communities to add over 700 new income generating homesites for $96m. It increases the group's portfolio to 36 separate communities. To partly fund this it's raising some $74m; $42m from a one for 11 rights issue at $2.60 a share; and a $32m placement.

The deal increases income producing sites by over 15%, leaving Ingenia with just over 5,600 income producing properties, of which about 40% are permanent. The permanent rentals produce relatively low income, say $150-$200 a week, while the rest have more income potential, but may suffer from seasonal and location factors.

This existing establishment of built properties is complemented by an addition of almost 2,700 development sites enabling Ingenia to increase its throughput to 350 sites for sale annually from FY19.

Ingenia's strategy is to offer affordable permanent and tourism rental accommodation with a focus on the senior demographic. The benefits of scale in this business include optionality over scheduling development expenditure across the portfolio, as well as allowing resources such as maintenance and administrative staff to work across multiple sites in clusters. The company is also exposed to a broad mix of permanent and temporary income from a range of different sources. Developments on average cost $100,000 per home, with profits of around the same amount when the property is sold. A FY17 EBIT forecast of $30m delivers earnings that benefit from low tax expense, but we are not sure how long this tax protection will last. Although dollar earnings should grow substantially over the next two years.

We have previously pointed out the attractions of the Ingenia business model, based on the expectation that further development would not require too much additional equity. While a one for 11 issue is not a huge amount, there has already been a substantial amount of equity raised at or around the current share price ($60m last June at $2.80) and these additional shares are likely to be a medium-term collar on the share price. Over time, given the scale of the current portfolio, we would now expect the company to be able to finance its ongoing development activity, which will produce better financial returns for existing shareholders.

The number of equity units issued below $3 means that subscribers should have some time to establish positions at or around current levels. But in a few years, the company's underlying business strength and sales growth profile should flow through to markedly better bottom line and per share results. ■

RADAR RATING: With a 10.2c distribution, representing annual growth of almost 10%, the business should have a platform for medium term growth, but unit holders will want to see the company delivering on its operational potential before funding further capital raisings. BUY.

RADAR RATING **BUY**

ASX CODE **INA**

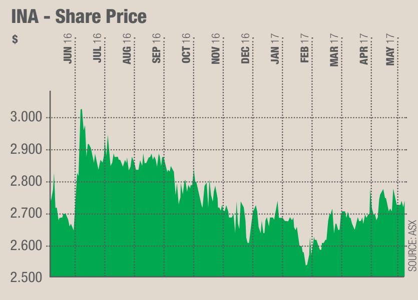
CURRENT PRICE **$2.76**

MARKET CAP **$570M**

NET DEBT **$224M**

TIP DATE **21 JAN 2013**

TIP PRICE **$1.62**



RESEARCH TIP UPDATES

11 MAY 2017

SOUTHERN CROSS ELECTRICAL

Electrical contractor

In February the West Australian based electrical contractor made great strides to diversify away from resources by acquiring the Sydney-based Heyday 5. But that hasn't stopped the company from winning new resources work, this week announcing $30m of additional orders relating to the Wheatstone LNG project.

The work has been won by Southern Cross's 50% owned joint venture KSJV, under contract from the project's lead contractor Bechtel and involves delivering electrical and instrumentation services on the Chevron-operated project.

In its first foray into the renewables sector Southern Cross has also won $10m of work relating to four solar farms in NSW. Awarded by Bouygues Construction Australia, this work is designing and constructing the downstream photovoltaic electric packages.

The Heyday purchase means SXE derives about 19% of revenue from mining and 13% from oil and gas, compared with 70% from resources previously.

Given Southern Cross's $300m order book as of the February half year, the latest contract wins aren't going to 'move the dial' overnight. But they highlight the diverse range of the company's capabilities in both its traditional and emerging markets.

The $54m Heyday purchase (including earn outs) meant there was no interim dividend, but we'll assume a full-year payout of 2.7c a share next year. ■

RADAR RATING: We are pleased that management are sticking by its current earnings guidance in light of its disappointing half year loss of $2.8m. Based on the group achieving its second half earnings target of $4m we are maintaining our BUY rating.

RADAR RATING **BUY**

ASX CODE **SXE**

CURRENT PRICE **$0.49**

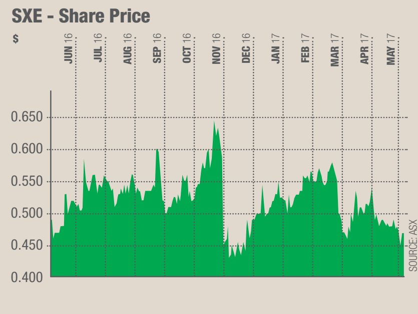
MARKET CAP **$79M**

NET CASH **$25M**

DIVIDEND YIELD **5%**

TIP DATE **9 MAR 2016**

TIP PRICE **$0.365**



TASSAL

Salmon harvester and seafood distributor

The Tasmanian salmon producer has had a win in relation to the environmentally sensitive Macquarie Harbour, home not just to Tassal but also to the other big producers Huon Aquaculture and Petunia. The State's Environmental Protection Authority has allowed Tassal to keep 4000 tonnes of fish worth $60m in the harbour until they have reached marketable size, despite ongoing water quality concerns.

But there's a condition: the company collects the fish poo. To do this, Tassal will use an untried method of laying sloping tarpaulins in the pen, with the faeces periodically vacuumed out. This waste will be used as fertiliser.

The concession, which appears to have been grudgingly granted, has been condemned by environmentalists who maintain that 'Poovering' up the waste will not help deficient oxygen levels in the harbour. For its part, Tassal "welcomes regulatory decisions which balance sound science and social and economic outcomes."

While the company doesn't spell out the financial impact, not having to relocate so much stock can only be a positive. In the longer term, Tassal will need to reduce its Macquarie harbour usage despite its claims the waterway is sustainable for salmon husbandry. The company plans to start stocking an alternative site, at Okehampton Bay on the east coast of the state, by August. ■

RADAR RATING **BUY**

ASX CODE **TGR**

CURRENT PRICE **$4.55**

MARKET CAP **$789M**

NET DEBT **$150M**

DIVIDEND YIELD **3%**

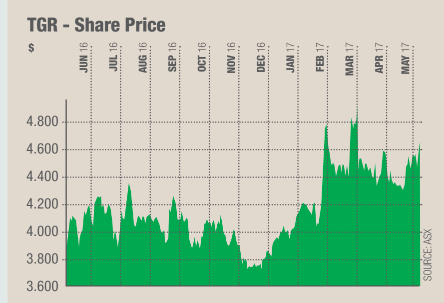
TIP DATE **25 OCT 2016**

TIP PRICE **$3.93**

RESEARCH TIP UPDATES

11 MAY 2017

RADAR RATING: With demand for farmed salmon remaining robust, we're happy to maintain Tassal as a buy and – furthermore – on our Best Ideas list. Tassal's greater potential arguably lies with its acquired seafood wholesale operation De Costi Seafood. BUY.



NZME*

New Zealand's leading newspaper publisher

The New Zealand competition commission (NZCC) has rejected the proposed tie-up of NZM with Fairfax NZ assets, and NZM's shares fell around 10%. The NZCC decision followed a negative preliminary decision. The shares are still substantially up from that time, as second half results for NZM's existing assets showed a much stronger cash flow and competitive position than investors had feared.

We do not think that the company's future as a standalone business is threatened by this decision. At this stage we don't anticipate that NZME will appeal the ruling, partly because of the news last week that the private equity giant TPG has put an indicative proposal to Fairfax. Fairfax would be unwilling to complicate matters by introducing the uncertainty that an appeal to the courts in relation to the NZ assets would involve. The TPG indicative proposal is relatively silent on the New Zealand assets, so it is too early to tell what the implications might be for NZM if there is a new owner for Fairfax.

As we pointed out at the time of the preliminary rejection by the NZCC, Southern Cross Media (SXL) have indicated an interest in purchasing the radio assets of NZM, if these could be separated from the print assets. We do not know where those discussions may lead, but management will be under pressure to consider such an offer seriously, which could lead to a significant reduction in debt since the radio business represents about 28% of total revenue. The print (59%) and digital (13%) assets alone might then be more attractive for a potential acquirer.

The company has not updated any financials since the full year results, so it is too early to say how its business is going during the first 6 months of the current financial year. ■

RADAR RATING: We continue to expect that NZME delivers its policy of high dividends (NZ9.5c in FY16). It is also boosted by foreign imputation credits, which involves the NZ govt making an extra 18% cash contribution to Australian shareholders. HOLD until we review further financial information.

* The Idle Speculator retains a holding in NZM in his SMSF

RADAR RATING **HOLD**

ASX CODE **NZM**

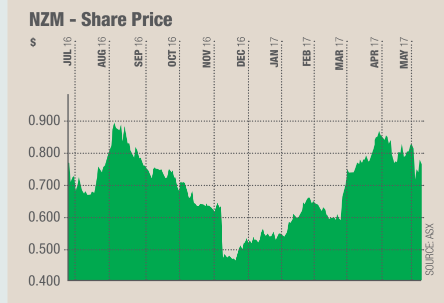
CURRENT PRICE **$0.78**

MARKET CAP **$154M**

NET DEBT **NZ$96M**

TIP DATE **13 JULY 2016**

TIP PRICE **$0.66**



RESEARCH TIP UPDATES

11 MAY 2017

MURRAY RIVER ORGANICS

Organic raisin producer

We covered off on the details of the actual profit miss in our last note immediately after the profit downgrade on Friday 5 May 2017. Since then we've run the ruler more closely over the organic raisin producer, which committed the cardinal sin of downgrading within six months of its prospectus release.

The key question to consider is the company's solvency. As we noted previously, the group has made a $7.5m debt funded acquisition, which does enhance their earnings by $2m at the EBITDA level in FY18.

After the sell off, the market value of the company appears to be so low that it appears the market is expecting a capital raising to fill the gap. If that were to occur management would have to fall on their sword, because in such case, if they could have avoided spending $7.5m on the land, then they should have. If there is an emergency raise, management will suffer along side minority shareholders, as management remain the largest shareholders.

We estimate that the company should have peak debt at about $51m, which is a big increase on its debt as at 31 December 2016 of $29m. Although this includes $12m in trade finance and some $22m or so in finance lease obligations. The latter isn't included in the bank debt lender, NAB's loan covenant, which if breached are cause for a capital raising. We understand that the covenant is in default if EBIT/interest cost (excluding finance lease costs) is less than two times. There is another covenant pertaining to MRG's $12m working capital facility. The company has adequate room to move in both covenants, according to our analysis.

Bearing in mind that EBITDA for FY17 is expected to be $12.5m at the low end; and that there is still a great deal of risk because the harvest is only 20% completed due to the delay, we are confident that the company will not be raising equity capital. Underlying this confidence is a strong asset base, which is worth some 68 cents a share. Also, the company says it is still on track to achieve the yield forecast of about 4,300 tonnes.

MRG raised $35m at the IPO at $1.30 and some $35m pre-IPO at above $1 so we believe that there are probably few left who will cut and run. The two principal vendors into the IPO took out some $5m each in cash, the company says to fund a tax bill, and continue to hold big stakes in the company. ■

RADAR RATING: There will probably be weakness from tax based selling leading into 30 June. For those who need the money we advise to sell. For those who don't we think it's best to hold on. This company will take a while to regain the market's confidence but we don't see too much downside at these levels. HOLD.

RADAR RATING **HOLD**

ASX CODE **MRG**

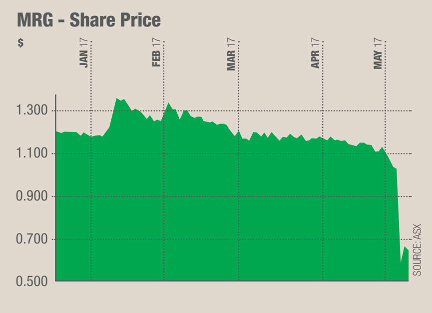
CURRENT PRICE **$0.66**

MARKET CAP **$58M**

NET DEBT **$37M**

TIP DATE **2 FEB 2017**

TIP PRICE **$1.29**



BEST MONEY MAKING IDEAS

AS AT 10 MAY 2017

*Return includes dividends and is after brokerage

THIS LIST IS IN ALPHA ORDER.
PLEASE GO ONLINE TO CHECK OUR FULL COMPANY RESEARCH.

COMPANY	INDUSTRY	MARKET CAP $M	DIVIDEND YIELD (%)	LAST PRICE $	RETURN %	WHY WE LIKE IT
ALLIANCE AVIATION (AQZ)	Aviation	83.5	2.9	0.69	-14.5	The niche airline trades at a 30% plus discount to its net assets and produces good cash returns on its existing fleet of 28 Fokker aircraft. AQZ has abundant tax losses from which to deliver fully franked dividends well into the future. The company is turning its business around which we believe will produce earnings growth and it has a key relationship with Virgin Air.
CAPRAL (CAA)	Manufact.	74.9	8.0	0.16	-7.6	The aluminium products producer is cashed up and delivers a dividend yield of over 6% at current prices (with franking credits to boot). It's been heavily sold down over the years and is cheap, considering its potential growth from a much lower capital base and an easier trading environment. Much of the dumping from Asian competitors into the domestic market has ceased.
GALE PACIFIC (GAP)	Manufact.	122.7	4.9	0.41	82.4	The manufacturer of shade cloth is in the middle of a successful turnaround program under new management. Both its distribution and its production processes are being consolidated to produce a slimmer operating structure. Plus it has big opportunities to increase sales in export markets - the US in particular where it has an American sales force. This stock is trading at below market multiples and is a second half story.
INGENIA COMMUNITIES (INA)	Property	567.6	3.7	2.75	7.2	Because of its use of new technology and an innovative funding scheme for retirees, the retirement community specialist is a value proposition that is almost without peer. The trust continues to be good value because its weakness reflects the market's view that its expansion is limited. We beg to differ. This group is in a sweet spot and trading on a PE of 12 times and on a dividend yield of almost 5% it continues to justify a place on our Best Ideas.
SOUTHERN CROSS ELECTRICAL (SXE)	Mining services	78.4	2.8	0.49	47.7	The electrical instrumentation specialist now has a commanding position in big projects in both the West and East of Australia. Its stock has pulled back after an a $54m acquisition and associated capital raising and no interim dividend. We think it's a buying opportunity because the stock is cheap and management have shown over a long period of time that they have the nous to grow earnings and increase dividends.
TASSAL (TGR)	Food	764.8	3.3	4.56	17.8	The hidden asset in this Tasmanian company is its under appreciated wholesale seafood operation, which it purchased from the Costa family. The company will be working hard to integrate this business but to outsiders it will not appear that much is happening. That is, until the financials start making this stock look really cheap and fund managers hop back in. Managment has performed over a long period of time and we believe that periods of share price weakness should be taken advantage of.

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99% of all financial news relates to the 40 to 50 biggest companies. So what about the rest? They're Under the Radar.

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