

101 REASONS TO READ THIS ISSUE

This week's issue is a special one for subscribers because we deliver our entire coverage of 101 Small Cap Stocks in our highly regarded (if I don't say so myself) Research Rundown. We give subscribers investment metrics; our returns; our current rating and our latest comment.

We have revamped our Best Ideas list after the reporting season, and we cover six Small Caps that we believe have great prospects. And next week in Part II we give you another five.

There has been a notable shift towards value investing, which is what we specialise in at Under the Radar Report. We are looking for stocks that are cheap whether it's by assets, current earnings or future potential.

Moreover, this is evident in our average return per stock over the past six years of just under 30%. Stocks such as [Northern Star Resources \(NST\)](#), [Nick Scali \(NCK\)](#), [Medical Developments \(MVP\)](#) and [Freedom Foods \(FNP\)](#) have delivered big multiples on our original buy recommendations. But many which we've tipped in the past six months are already delivering outstanding performance, and include [Kogan.com \(KGN\)](#), [Hills \(HIL\)](#), [LBT Innovations \(LBT\)](#), [Programmed \(PRG\)](#) (taken over), [Capitol Health \(CAJ\)](#), [Tower \(TWR\)](#), [Alliance Aviation \(AQZ\)](#) and more.

It is no accident that the fund managers that are now producing the best returns are also at the value end of the spectrum. These funds are outstripping the momentum orientated funds which call themselves "growth". While every style has its time in the sun, we think that over time value produces the most consistent returns, and this is proven by the data (fact checkers out there, go to work). ■



Richard Hemming
Editor

the issue

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[Ingenia Communities \(INA\)](#)
[Mayne Pharma \(MYX\)](#)
[Millenium Services \(MIL\)](#)
[Money3 \(MNY\)](#)
[Pharmaxis \(PXS\)](#)
[Village Roadshow \(VRL\)](#)

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[Evolution Mining \(EVN\)](#)
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RESEARCH RUNDOWN 07

How to use this report .

The companies are listed in alphabetic order. If you find a stock you are interested in, go into our website and search for it. This provides you with all the reports we have written on the stock.

Small Talk

"The taxi operator and payments group still suffers from Uber's competition. But if Cabcharge can staunch market share losses in payments with initiatives such as hand held driver terminals and booking apps, the share price will look after itself."

UNDER THE RADAR REPORT

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

BEST MONEY MAKING IDEAS

AS AT 21 SEPTEMBER 2017

**Return includes dividends and is after brokerage*

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

COMPANY	ASX CODE	INDUSTRY	MARKET CAP \$M	DIVIDEND YIELD (%)	LAST PRICE \$	RETURN %	WHY WE LIKE IT
INGENIA COMMUNITIES	INA	Property	524.5	4.0	2.53	0.9	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 4.5% and it continues to justify a place on our Best Ideas.
MAYNE PHARMA	MYX	Pharmaceuticals	1061.2	-	0.69	109.1	This is a well run company which expanded quickly at the top of the cycle. The shares have more than halved, which is why we see value. The group's balance sheet is not stretched because of capital raisings but it does have some 1.5bn shares on issue. We think it's speculative but very cheap.
MILLENNIUM SERVICES	MIL	Services	75.0	4.8	1.64	3.5	The contract cleaning group is delivering strong earnings growth based on its shopping centre clients. The next stage of evolution is a concerted push into security services, either stand alone or through integrated (security and cleaning) contracts. The company does not seem to have suffered from June's abrupt management change that saw the departure of managing director Mark Baldwin. Millennium trades on a low earnings multiple and is a strong dividend performer, while the services on offer are resilient to a downturn.
MONEY3	MNY	Financial services	224.4	3.9	1.45	0.3	Once well known as a "payday" lender, Money3 has been through a painful process of transforming its business to a predominantly secured lender, focused on financing used cars by purchasers with blemished credit histories. Money3 trades at a deep discount to the financial sector, a legacy of past issues that have largely been resolved. We see no reason why the group should not continue to generate strong auto earnings, either from its direct business or brokered operation. The stock looks cheap on a multiple of eight times and a yield of 3.7%, fully franked.

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PHARMAXIS	PXS	Biotech	88.4	-	0.28	91.0	The drug developer's coffers are to be further bolstered with its partner Boehringer Ingelheim confirming a second clinical program for Pharmaxis's anti-inflammatory compound PSX-4728. Having already started trials to treat fatty-liver disease, BI is now also targeting the common vision disorder diabetic retinopathy. The immediate bottom-line benefit for Pharmaxis is a \$15m up-front payment this half, adding to the \$27m due for the first indication. With more than \$50m in the bank, Pharmaxis will be more than adequately funded to pursue its separate promising clinical programs.
VILLAGE ROADSHOW	VRL	Tourism & Leisure	588.4	-	3.63	-8.3	The theme park and cinema owner has been through a tough period where attendances have fallen and profits have declined even further. Cyclone Debbie in North Queensland, the tragedy at Dream World on the Gold Coast and poor weather in Western Sydney have hit the bottom line hard. The proposed sale and leaseback of Gold Coast land is under way for about \$100m to meaningfully reduce debt, which is high relative to depressed earnings in all three main divisions. But with FY17 operating cash flow of \$130m, the earnings power of the operating assets remains intact. Most of its businesses should be able to return to growth in FY18, although there are always likely to be cyclical roadbumps in any consumer facing operations. Once the operations have been stabilised, the stock should (literally) pay dividends again.

EVOLUTION MINING

Diversified Australian gold producer

After mooting the sale for some time, Evolution has offloaded its Edna May gold mine to Ramelius Resources (ASX: RMS) for “up to” \$90m.

The price achieved for the Edna May fell short of market expectations of \$125-135m, especially given that almost half the proceeds depend on the actions of the purchaser over which Evolution has no control. Still, the sale is positive as it allows management to focus on the more profitable and longer-life mines, especially its largest Cowal.

The “up to” qualifier is important, because Evolution receives only \$50m of the proceeds up front, with the remainder a “contingent consideration”. This includes a royalty payment once Edna May has produced 200,000 ounces and a \$20m payment in cash or Ramelius shares, when and if, Ramelius decides on a cut-back extension to the mine.

Highly contingent indeed! But at least Evolution has disposed of its weakest performing mine, a foundation asset acquired via the merger with Catalpa Resources. Now too small to be a core asset for the country’s second biggest gold miner, Edna May operated on an EBITDA margin of 18% compared with 49% for Evolution’s six other mines. Edna May had been guided to produce 90,000-100,000 oz. in the current financial year.

The disposal means that Evolution’s average per-ounce all in sustaining costs are forecast to fall by \$30 an ounce this year, to \$820-870/oz. which is low by industry standards. The company has also lowered current year production guidance to 750,000 to 805,000 oz., from 820,000 to 880,000 oz. previously. ■

RADAR RATING: Evolution is one of the most efficient domestic gold producers at a time when the gold price remains firm, with the prospect of a sharp uptick every time there’s sabre rattling from Pyongyang. In our view, the stock remains good value. BUY.

RATING BUY

ASX CODE EVN

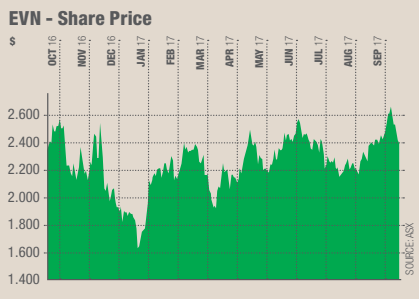
CURRENT PRICE \$2.31

MARKET CAP \$3.95BN

NET DEBT \$399M

TIP DATE 18 MAR 2015

TIP PRICE \$0.72



MONEY3

Consumer lender

Just two weeks after its full-year results, the consumer lender has provided guidance on lending and earnings growth which points to a positive start to the current year. The company said its loan book is expected to be around \$278m by the end of the first (September) quarter, 2% growth on the June 30 tally; while it gave earnings guidance of \$29-30m, 9-12% higher than the \$26.6m achieved in 2016-17.

The guidance adjusts for the adoption of a new accounting rule that requires revenue from lending to be recognised only when the cash is received. The lending growth comes from both the auto book, which is now the company’s main business, as well as its book of unsecured term loans.

While Money3’s profit forecast implies a tapering of the 44% growth achieved last year, the expected increment is encouraging given it’s coming off a larger loan book.

RATING SPEC BUY

ASX CODE MNY

CURRENT PRICE \$1.45

MARKET CAP \$226M

NET DEBT \$58M

DIVIDEND YIELD 4.3%

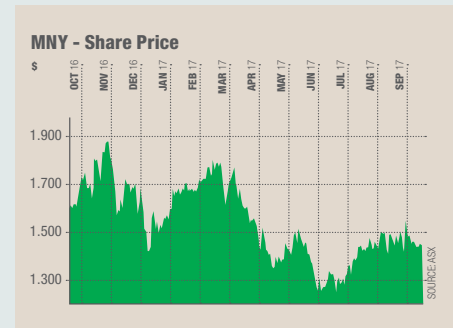
TIP DATE 4 MAY 2017

TIP PRICE \$1.44

The guidance confirms that Money3’s strategy of moving from short-term loans, often referred to as payday lending, is working.

Money3 is focusing on funding purchases of used cars generally three to eight years old and heavily depreciated already. Given the sub-prime nature of the sector it’s one the banks have avoided. But it is lucrative for an operator such as Money3 with established systems for managing debtors and with the ability to keep bad debts under control. On that note, management says it will take a more “predictive” approach to bad debt provisioning, using data on client demographics and the like.

On the valuation front, the stock trades well under seven times projected current year earnings at the midpoint of guidance, which reflects the company’s recently troubled past marked by boardroom disquiet and a regulatory crackdown on payday style loans. But with these issues mainly in the past, Money3 is in a prime position to grow in an underpenetrated pre-loved auto sector. The company financed 14,000 cars last year, which is only 2% of the addressable market of 700,000 vehicles. ■



RADAR RATING: We like the stock because it is cheap and has a sound balance sheet, with the \$79m of borrowings applied to growing the loan book at an attractive margin. The 4% dividend yield is also attractive for a growth stock. SPEC BUY.

CENTREPOINT ALLIANCE

Financial services

Investors seem unfazed by the pending departure of CEO and managing director John de Zwart, who has successfully steered the wealth manager for the last four and a half years. De Zwart’s departure was actually heralded in August and effective from November 2017. But in a curious tweak, the company on Monday said he would retire as managing director next Tuesday and remain as CEO until the advertised time.

De Zwart, who is leaving to spend time with his family and friends and to pursue other opportunities, leaves the financial advisory group on a sound footing as it taps burgeoning demand for independent financial advice.

Full-year net earnings grew 51% to \$6.5m, with revenues up 11% to \$129m. Funds under management and advice grew 19% to \$3.7 billion, with the number of new advice firms under its banner growing by 39 to 489.

Centrepoint provides the underlying platforms to enable the firms to improve their compliance and client service. It is also the largest distributor of life insurance products. Thanks to the sale of a premium funding business for \$21.4m, Centrepoint was able to distribute a special dividend of 7c per share, over and above the 1.2c a share ordinary div. Following this payout, the group will still have \$18m of cash and no debt, with a capacious franking account reserve of \$18m.

The company started out as an insurance funder but its business changed when it acquired Professional Investment Holdings, the country’s biggest independent advice network, in 2010. Centrepoint’s services now include licensee services, research,

RATING HOLD

ASX CODE CAF

CURRENT PRICE \$0.70

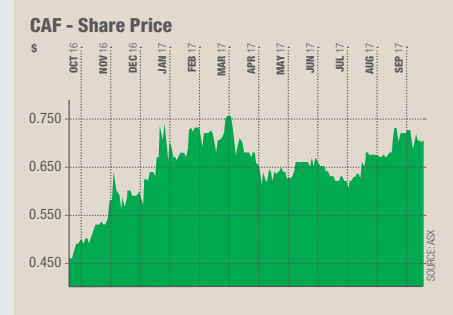
MARKET CAP \$110M

NET CASH \$18M

DIVIDEND YIELD 4%

TIP DATE 18 APR 2013

TIP PRICE \$0.44



administration platform services and lending and financing services. The stock is 26% owned by Tiga Trading, an arm of the Pratt family investment vehicle Thorney Holdings. ■

RADAR RATING: Having originally picked the stock at 44c in April 2013, Under the Rader recommended taking profits at 74c in December last year on the grounds it was looking expensive. Given the subsequent earnings growth we upgrade to a hold. Investors who want to reap the 8.2¢/share final and special div can still do so if they hurry, with the shares going ex dividend on Sep 22. Management has set a new policy of paying out 50% to 80% of earnings as dividends. On our rough numbers, that equates to a yield of 4% in the current year assuming further modest earnings growth. **HOLD.**

FREEDOM FOODS

Healthy foods

The maker of foods based on fruits, vegetables and nuts is on a fast growth trajectory revenue-wise, but its recent full year results were weighed down by the cost of various expansions. The company spent \$130m in FY17, in order to streamline manufacturing operations.

Freedom’s revenue climbed 54% to \$262.4m, but adjusted net profit declined 9% to \$9.85m even though EBITDA rose 23% to \$23.3m. The difference is higher financing and depreciation costs relating to plant upgrades, including a new UHT processing facility at Ingleburn in Sydney and an expanded cereal facility at Melbourne’s Dandenong. The company is also upgrading its Shepparton UHT plant, which led to production disruptions that also weighed on the bottom line.

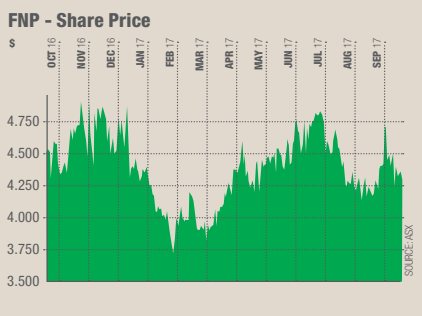
The result was also subdued because the ageing Taren Point in Sydney has reached capacity and will be replaced by Ingleburn. This meant the facility could not produce more goods to offset the higher costs.

There’s always a lot happening at the Perich family controlled Freedom and the company’s update runs to 16 dense pages. The company highlights strong growth in its almond-based products, the success of its cereals under the Arnolds Farm brand and the penetration of its Australia’s Own Kid’s Milk brand into China. The latter is via a recently announced joint venture with Chinese partner Shenzhen JiaLiLe Food. Freedom also reports early success in its food service (café and restaurant channels) that has spurred demand for its coffee based MilkLab and Almond Breeze ranges.

Management reports a strong start to 2017-18 and takes an early stab at new sales revenue of \$340-360m, up 30-37%. The Ingleburn upgrade is expected to benefit sales and earnings in the current year, with the full benefit realised in 2018-2019. ■

RADAR RATING: It’s hard to get excited about a stock trading on an earnings multiple of 65 times, despite the stock retreating 11% since results time. We remain of the view that this stock is overvalued even though it is targeting a fast-growing global market for healthy foods. **TAKE PROFITS.**

RATING TAKE \$\$\$
ASX CODE FNP
CURRENT PRICE \$4.23
MARKET CAP \$849M
NET DEBT \$181M
DIVIDEND YIELD 1%
TIP DATE 4 APR 2013
TIP PRICE \$1.05



	Company	ASX code	Industry	Market cap (\$m)	Net cash or -net debt (\$m)	Div Yield (%)	First tipped	Tip price (\$)	Latest price (\$)	Return (%) incl divs	Rating	Latest comment
1	1300 SMILES	ONT	Services	150.3	6	3.6	31/05/2012	5.26	6.34	41	Hold	On CEO Daryl Holmes assessment, a "pretty ordinary result" with earnings falling 2.3% to \$7.3m. The dental industry is subject to a number of headwinds and we will review this one more closely.
2	ALLIANCE AVIATION	AQZ	Aviation	146.8	(71)	4.2	14/09/2016	0.83	1.20	51	Hold	The company is likely to report further revenue increases in FY18 as the benefit of the recent wet lease deal for Virgin comes through.
3	ATCOR MEDICAL	ACG	Medical technology	5.6	1	0.0	10/12/2015	0.18	0.03	(85)	Sell	We got out after a big fall and this stock has kept falling. Cease Coverage.
4	AUSTAL	ASB	Manufacturing	573.2	(36)	2.4	16/05/2013	0.62	1.64	184	Hold	Austal should continue to show double-digit earnings growth, but there is almost no industry in the world as cyclical as ship building. Demand from defence clients including the US Navy should remain buoyant.
5	AUSWIDE	ABA	Financial services	212.5	0	5.9	25/05/2017	5.12	5.22	5	Buy	Auswide's lending book is growing as it taps consumer discontent with the Big Four. The bank is also enjoying low delinquencies but its net interest margin is down. The bank has been positioning lending away from its central Queensland heartland.
6	BELLAMY'S AUSTRALIA	BAL	Food	860.2	(8)	0.0	12/03/2015	2.80	7.82	185	Avoid	We made some big money on Bellamy's but it's turned into a trader's stock. Because of the big uncertainty we're stepping away.
7	BENTHAM IMF	IMF	Services	379.4	25	3.4	14/11/2013	1.71	2.08	42	Hold	The concentration of the portfolio on larger cases has led to a reduction in net cash, and it is still a year or so before the full impact of a strategic change to smaller cases will be complete.
8	BEYOND INTERNATIONAL	BYI	Media	43.2	2	0.0	30/04/2015	1.25	0.71	(30)	Spec Buy	Beyond will be pleased to put FY17 behind it where it was hit by a one-off change in DVD trading in a market that shrank 17%, but its content production business grew, and that division's prospects remain positive.

▼
 under the radar **report**

RESEARCH RUNDOWN

21 SEPTEMBER 2017

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9	BISALLOY STEEL	BIS	Manufacturing	34.0	(5)	3.6	9/02/2012	1.27	0.70	(35)	Spec Buy	The company is well positioned with a strong balance sheet, and offers well managed operating leverage to some interesting opportunities over the next 18 months.
10	BOART LONGYEAR	BLY	Mining services	935.0	(941)	0.0	18/09/2014	0.14	0.04	(73)	Avoid	No longer cheap, and subject to dominant shareholder influence. Best to avoid this stock for a while except for daytrading until the effects of the recapitalisation have settled down.
11	BSA	BSA	Contractor	158.6	14	1.3	9/02/2012	0.24	0.38	69	Hold	The turnaround phase is over and we are expecting dividends. Too risky to buy. Hold.
12	CABCHARGE	CAB	Financial services	239.6	26	10.1	29/10/2015	2.87	1.99	11*	Buy	The taxi operator and payments group still suffers from Uber's competition. But if the company can staunch market share losses in payments with initiatives such as hand held driver terminals and booking apps, the share price will look after itself. *Includes 90c special dividend in March 2017.
13	CAPILANO	CZZ	Food	151.5	(8)	2.5	24/04/2014	5.30	15.95	227	Hold	The stock is fairly priced but there is some currency risk should the Australian dollar keep appreciating.
14	CAPITOL HEALTH	CAJ	Health	227.1	33	0.0	27/04/2017	0.16	0.28	73	Take profits	Investors have made 85% on our buy call on this turnaround diagnostic imaging play, which looks better placed having sold its troublesome NSW operations. But now it's time to take profits.
15	CAPRAL	CAA	Manufacturing	69.2	22	8.6	10/08/2016	0.17	0.15	(15)	Hold	Trading on an earnings multiple of six times, the leading aluminium products maker looks compelling value. But it's impacted by higher aluminium prices, which have climbed 10% in the last month on expectation of a Chinese crackdown of polluting smelters.
16	CENTREPOINT ALLIANCE	CAF	Financial services	109.9	18	4.9	18/04/2013	0.44	0.70	98	Hold	Investors who want to reap the 8.2c/share final and special div can still do so if they hurry, with the shares going ex dividend on Sep 22.

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17	CLEARVIEW WEALTH	CVW	Financial services	947.1	156	3.7	17/04/2013	0.44	1.44	252	Hold	Life insurer is not cheap on fundamentals, but the strong prospect of a takeover means it's well worth hanging on to. Clearview's earnings continue to impress as the group benefits from the scandals surrounding the big banks' life insurance divisions.
18	CLOVER CORP	CLV	Biotech	74.3	9	1.7	12/01/2012	0.30	0.45	64	Hold	Waiting on FY17 results, the stock market has lost some faith, but we are holding on.
19	COOPER ENERGY	COE	Oil and gas	472.9	(96)	0.0	1/11/2012	0.59	0.30	(50)	Spec Buy	Cooper Energy's production and earnings profile will undergo a radical change with the group's decision to press the button on its offshore Victoria Sole gas project. While there are always risks with such large ventures, the thirst for domestic gas means it should have no shortage of customers.
20	DATA3	DTL	IT services	257.9	135	5.3	26/05/2016	0.99	1.68	69	Hold	The I.T. house looks fully valued. But given the recent takeover activity in the sector, it's worth holding on to for corporate action. The company has delivered six consecutive quarters of growth and is successfully transitioning to 'cloud' based services.
21	DORAY MINERALS	DRM	Gold mining	80.3	(31)	0.0	22/08/2013	0.70	0.23	(68)	Sell/Avoid	Because of the uncertainty around delivery we have had no choice but to slash our valuation to below Doray's current depreciated levels. Cease Coverage.
22	ELDERS	ELD	Rural services	519.3	(170)	0.0	4/10/2012	2.50	4.56	82	Hold	The first dividend for a decade is likely for FY17, and both internal and acquisition activity should continue to deliver profitable growth, although livestock prices will not remain elevated indefinitely.
23	ELLEX MEDICAL LASERS	ELX	Medical technology	115.0	(0)	0.0	1/10/2015	0.40	0.95	138	Spec Buy	The ophthalmology device maker's results were weighed down by currency headwinds and the cost of rolling out its "transformative" iTrack device for minimally invasive glaucoma surgery. The stock should do better this year.

under the radar **report**

RESEARCH RUNDOWN

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24	EMPIRED	EPD	IT services	97.4	(14)	0.0	6/07/2016	0.34	0.61	79	Take profits	The diversified I.T. services house converted a previous \$2.4m deficit into a \$3.2m profit, with the business mix changing to more lucrative digital-based assignments. But assuming the company doubles earnings this year as expected, the shares are still not outstanding value.
25	ENERO	EGG	Advertising	96.5	32	0.0	12/07/2012	0.60	1.09	82	Hold	FY17 having been a disappointment, investors are focussed on the outlook, which includes further cost savings in the Sydney office as well as an improved performance from depressed levels in the UK and Europe, and pursuing sale in the US.
26	ESERVGLOBAL	ESV	Information Tech	73.6	(14)	0.0	19/04/2012	0.28	0.12	(59)	Spec Buy	The risk is that the troubles in the core business will overwhelm the potential value of the 35% stake in HomeSend before it has a chance to deliver value to long-suffering eServ shareholders.
27	EVOLUTION MINING	EVN	Gold mining	3978.1	(399)	2.2	10/12/2014	1.00	2.33	143	Buy	This is one of the most efficient gold producers in the world and remains good value due to the uncertainty surrounding international affairs.
28	FLEETWOOD CORP	FWD	Manufacturing	174.5	0	1.7	15/10/2015	1.50	2.86	94	Take profits	The manufactured accommodation specialist turned in a welcome \$9.4m full-year profit after a previous \$11m loss and restored a dividend. Demand is returning for fly-in fly out accommodation, but the upside is baked into the share price.
29	FREEDOM FOODS	FNP	Food	861.4	(181)	1.0	4/04/2013	1.05	4.29	324	Take profits	We believe that this stock is over valued because of its debt load and the risk of a mis-step in its strategy to target the global food market.
30	GALE PACIFIC	GAP	Manufacturing	114.4	1	5.2	13/03/2014	0.25	0.39	78	Buy	The company has restarted its share buyback. A year later than we had hoped, FY18 EPS might reach almost 4 cents for a P/E ratio of around ten times. The company has a healthy balance sheet and a global market opportunity.

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31	GLOBAL CONSTRUCTION SERVICES	GCS	Construction	150.9	4	2.8	22/09/2011	1.36	0.72	(39)	Buy	The Perth-based provider of scaffolding and formwork is trading on an earnings multiple of less than eight times, with an improved balance sheet. Recent eastern seaboard acquisitions reduce the company's exposure to mining.
32	GR ENGINEERING	GNG	Mining services	191.0	34	8.0	3/10/2013	0.58	1.25	178	Take profits	The mine builder continues to generate returns in a sticky sector, but its immediate prospects are muddied by two legal disputes. But the revenue guidance points to improved earnings if the company can at least maintain margins.
33	HILLS	HIL	Technology	42.9	(20)	0.0	20/07/2017	0.16	0.19	19	Spec Buy	The diversified industrial group has narrowed its losses and reduced debt while also paring debt. Positively, its Hills Health Solutions growth business has improved its profitability. Hills is coming alive, although there's no earnings transparency.
34	HT&E	HT1	Media	687.5	(155)	3.1	11/07/2013	1.89	2.23	22	Hold	We think that the market valuation is now coming in towards the value of the underlying business, and we are therefore upgrading to Hold.
35	ICARASIA	ICQ	Retail	70.9	19	0.0	12/11/2015	1.00	0.22	(78)	Hold	This could be an interesting speculative investment. Hold for now.
36	IMPEDIMED	IPD	Medical technology	298.3	55	0.0	10/04/2014	0.20	0.80	298	Hold	The medical device maker is on the cusp of selling its next-gen Sozo units in the US. Used to measure fluid build up in the limbs, the scale-like devices should sell well but there's a long way to go before the company turns a profit.
37	INFOMEDIA	IFM	Information Tech	255.6	13	3.5	13/06/2013	0.47	0.82	181	Buy	Management's warning of a "subdued" current half took the gloss of what was otherwise a solid year for the car parts catalogue publisher. The stock looks expensive but a global deal with Nissan should drive sales in the longer term.
38	INGENIA COMMUNITIES	INA	Property	524.5	(161)	4.0	24/01/2013	1.62	2.53	70	Buy	The retiree property specialist looks cheap and is paying a solid dividend yield of 5.5%. There is not too much debt and it's well positioned to grow.

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39	KOGAN.COM	KGN	Retail	364.5	32	2.0	10/08/2017	3.15	3.90	25	Spec Buy	Kogan's full-year results were well ahead of expectations and blitzed prospectus forecasts ahead of the pure-play online retailer's soft IPO in July last year. Management is confident Amazon will be friend rather than foe: another channel for Kogan to sell its private-label goods.
40	LBT INNOVATIONS	LBT	Biotech	44.7	4	0.0	13/07/2017	0.26	0.32	21	Spec Buy	Robotics is a hot sector and LBT can exploit the interest with its automated plate reading device for pathology labs. But first it needs to strike a distribution deal with a deep-pocketed partner.
41	LINDSAY AUSTRALIA	LAU	Transport & logistics	105.2	(96)	4.4	12/06/2015	0.46	0.36	(15)	Hold	We've had this stock on the watch list for a while but it has yet to deliver increasing profits (though it's spent a great deal of money). Value is appearing and we will take another look.
42	LOGICAMMS	LCM	Mining services	22.1	1	0.0	28/06/2012	1.07	0.27	(50)	Spec Buy	The engineering group reported a \$23m full-year loss but investors applauded management's ability to remove \$10.5m of costs. LogiCamms enters the current year with a strong order book, with 16% of revenue from non-mining sectors such as water infrastructure.
43	MACA	MLD	Mining services	483.8	64	4.4	26/03/2015	0.93	2.07	150	Take profits	This stock has delivered for subscribers and then some! It has just completed a \$60m equity capital raising, issuing another 15% or so of shares and now has substantial cash. We think that conditions don't get much better which is why we are Taking Profits.
44	MACQUARIE MEDIA	MRN	Media	196.7	(23)	6.1	9/06/2016	0.72	1.15	75	Take profits	This stock is very illiquid and we have been advising subscribers to take advantage of the 60% return generated since our first buy call.
45	MACQUARIE TELECOM	MAQ	Information Tech	304.7	37	3.4	20/10/2011	8.15	14.51	101	Take profits	Although it's expecting flat first half profits, the dividend level should be maintained, but the group is looking at adding to its stable of three data centres, and a decision will be made this year.

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46	MATRIX C&E	MCE	Mining services	46.0	14	0.0	9/08/2012	1.89	0.49	(73)	Hold	Matrix's full-year net loss of \$19.5m belies the potential of the specialist equipment provider to the oil and gas industry. The company is rolling out innovative products for other sectors, but needs to demonstrate the market is supportive.
47	MAYNE PHARMA	MYX	Pharmaceuticals	1061.2	(277)	0.0	24/01/2013	0.33	0.69	109	Spec Buy	The generic drug specialist is good value due partly to regulatory and other problems. But with \$US100bn of branded drugs expected to come off patent in the US over the next five years, it has big potential.
48	MCPHERSON'S	MCP	Wholesaler	161.7	(36)	5.1	13/11/2014	1.21	1.56	48	Take profits	We have more than doubled our money on the wholesaler of consumer goods and we think it now looks expensive.
49	MEDICAL DEVELOPMENTS	MVP	Pharmaceuticals	296.2	6	0.8	15/05/2014	1.18	5.02	332	Spec Buy	The marketer of homewares and beauty products is backed by a solid balance sheet and pays a steady dividend. Management has done a good job simplifying the company but after a strong share run the shares are not compelling value.
50	MELBOURNE IT	MLB	Information Tech	342.2	(41)	3.3	15/12/2011	1.38	2.90	199	Take profits	We think that subscribers have benefitted from high expectations for FY18 earnings. Management reaffirmed full year EBITDA guidance of around \$40m. The company plans on paying a final dividend well over 6 cents to add to the 3.5 cents for the first half.
51	MILLENIUM SERVICES	MIL	Services	75.0	(22)	4.8	13/04/2017	1.58	1.64	4	Buy	The cleaning and security group's full-year earnings were impressive, underpinned by contracts with major shopping centres. Future growth will be slanted to the security side, with these services usually offered alongside cleaning. The jury is out but the stock is cheap and we're confident of upside.
52	MNF	MNF	Financial services	1612.0	41	1.4	8/06/2017	4.28	5.18	21	Spec Buy	The junior telco is performing well across its three divisions of domestic retail, domestic wholesale and global wholesale. Management is not specific on the outlook but promises "sustainable profit growth" and that's good enough for us.

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53	MOBILE EMBRACE	MBE	Information Tech	25.3	1	0.0	21/05/2015	0.24	0.06	(76)	Avoid	Initially we were attracted to Mobile Embrace because of its sound balance sheet and impressive potential. But the company lost its way and we pulled the plug with a sell call on April at 5.9c. We continue to be very wary of this stock. Cease Coverage.
54	MONEY3	MNY	Financial services	224.4	(58)	3.9	4/05/2017	1.44	1.45	0	Spec Buy	The former payday-style lender is reaping the rewards of converting its focus to second-hand vehicle financing. The stock looks cheap and we would not be surprised if management ups earnings guidance.
55	MURRAY RIVER ORGANICS	MRG	Food	29.2	(48)	0.0	2/02/2017	1.29	0.34	(74)	Sell	We got out at 40c and cannot see this business being resuscitated with \$50m in debt hanging over its head. Cease Coverage.
56	MYNETFONE	MNF	Telecomummi-cations	376.6	42	1.6	19/09/2013	1.34	5.18	306	Spec Buy	There is good momentum in MNF both from a business and share price perspective, but there is also increasing risk. We like the story but it is speculative at these levels.
57	MYSTATE	MYS	Financial services	418.9	0	6.1	25/05/2017	4.62	4.66	1	Buy	The Tasmanian-based bank has been holding its own against the big banks and performing better on some measures. Its investment in technology is paying off, while Tasmania's economy is back from the dead.
58	NANOSONICS	NAN	Biotech	766.6	61	0.0	27/07/2017	2.36	2.58	9	Spec Buy	Nanosonics' Trophon EPR sterilisation devices are selling well, especially in the US. But investors are nervous about US healthcare reforms and management has warned current-half sales could slow.
59	NEARMAP	NEA	Technology	230.3	28	0.0	30/03/2017	0.51	0.60	18	Hold	The aerial mapper is doing everything it said it would do, although investors wanted more from the last results even though EBITDA of \$6m was at the top end of expectations. Nearmap will thrive or die on the execution of its aggressive US rollout but we are confident it will do the former.

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60	NEUREN PHARMACEUTICALS	NEU	Biotech	128.3	4	0.0	4/02/2016	0.11	0.06	(43)	Avoid	The specialist in neurological disorders has reported successful results from a clinical trial targeting Rett syndrome in children. The company also raised a much needed \$11.5m in July, but the development road still looks too long and rocky for us. Cease Coverage.
61	NICK SCALI	NCK	Retail	518.4	19	4.8	18/10/2012	1.40	6.40	429	Take profits	The upmarket furniture importer and retailer is on a store opening drive. The company is faring well and pays a handsome dividend, but when the housing market turns it will be hard to swim against the tide.
62	NORTHERN STAR RESOURCES	NST	Gold mining	3108.5	447	1.2	14/06/2012	0.83	5.16	558	Buy	The golden era continues for the WA miner, which reported record earnings of \$215m and also sizeably upgraded its gold reserves. The country's second biggest gold miner, Northern Star is cashed up and well placed to weather any bullion downturn.
63	NZME	NZM	Media	159.6	(97)	11.1	14/07/2016	0.66	0.81	40	Spec Buy	If the final dividend is steady with last year, the stock will deliver up to a 12% annual gross yield. And if the appeal against the NZCC decision is won, the potential financial benefits are substantial.
64	OCEANAGOLD	OGC	Gold mining	2309.7	(248)	0.3	17/11/2016	3.70	3.76	2	Spec Buy	It's been a wild ride but we are still positive on OGC because it is undervalued and management is sorting its problems out.
65	OROTON	ORL	Retail	34.7	(6)	0.0	16/10/2014	3.76	0.83	(74)	Hold	The luxury goods retailer's decision to exit its struggling GAP concession was viewed positively by investors. It means the company can focus on its core range of handbags and purses. Management has confirmed current year earnings at the high end of guidance, so conditions may have stabilised.
66	PACIFIC CURRENT	PAC	Financial services	375.6	(17)	2.3	17/09/2015	7.85	7.89	6	Hold	The company has bought the remaining 35% of Aurora Trust to simplify its capital structure. Operating costs, which include sales and distribution staff and administrative overheads, fell 28% as the simplification created savings, while Funds under Management resumed growth.

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67	PACIFIC ENERGY	PEA	Power provider	215.2	(28)	4.3	27/03/2014	0.47	0.58	43	Buy	Apart from contract delays, the supplier of remote off-grid power systems is meeting market expectations with a robust slate of new work. A wildcard is the company's success or otherwise in the recently-entered African market.
68	PANORAMIC RESOURCES	PAN	Nickel miner	132.9	8	0.0	9/08/2012	0.54	0.31	(35)	Hold	There is no doubt Panoramic is a small cap, but it's also the second-biggest Australian nickel sulphide producer behind BHP Billiton. While its mines have been mothballed, the nickel price is moving in the right direction. Hold on.
69	PHARMAXIS	PXS	Biotech	88.4	22	0.0	13/06/2013	0.15	0.28	91	Spec Buy	The drug developer had a win after commercialisation partner Boehringer Ingelheim confirmed its interest in a second clinical program for Pharmaxis's anti-inflammatory compound. This will lead to upfront and milestone payments, which means the company is more than adequately funded.
70	PRAEMIUM	PPS	Financial services	168.5	9	0.0	22/06/2016	0.28	0.42	48	Hold	The fintech exponent has had an eventful year and emerged with some strong profit numbers. We are looking for more detail on sales before we jump back in.
71	PRIME MEDIA GROUP	PRT	Media	170.3	(37)	7.3	26/01/2012	0.51	0.47	59	Spec Buy	Management were expecting earnings to be down at least 25%-30% in FY18. But we think that the dividend yield of almost 10% gross provides sufficient support for a business which remains market leader in regional television.
72	PROGRAMMED	PRG	Services	771.0	(200)	2.3	1/06/2017	1.78	3.00	69	Take profits	The facilities manager is under takeover offer from Persol Holdings. With the cash offer of \$3.02 a share offer not due for completion until late October, we recommend selling on market.
73	QUICKSTEP	QHL	Manufacturing	54.0	(8)	0.0	11/06/2015	0.16	0.10	(38)	Hold	The maker of carbon composite parts for the Joint Strike Fighter posted a full year loss of \$6.7m in a "transitional year". The company continues to hold promise in both the aviation and automotive sectors, even though it has failed to deliver to shareholders so far.

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74	RCR TOMLINSON	RCR	Engineer contracting	716.5	(25)	1.7	9/04/2015	1.77	4.45	160	Hold	Hopefully investors took advantage of the capital raising at \$3.55, which is entitled to the 6c dividend. This company is capitalising on the raft of solar projects and infrastructure in general.
75	RECKON	RKN	Information Tech	145.4	(50)	3.9	22/05/2014	2.12	1.28	(30)	Hold	The accounting software house has demerged its document management business, but this is yet to reflect in an improved performance. Reckon is doing it tough against larger rivals MYOB and Xero, but its customer base is valuable and the company could be a takeover target.
76	RURAL FUNDS	RFF	Property trust	554.6	(168)	4.4	6/08/2015	1.09	2.18	122	Hold	The rural land owner continues to offer stable distributions, growing in the low single digits. After two entitlement offers, it is no longer a small company, and is not particularly good value. Subscribers who took our advice to buy a few years ago have done well.
77	RURALCO	RHL	Rural services	286.3	(111)	3.6	20/11/2014	3.45	2.74	(10)	Buy	The company is in the middle of digesting a big acquisition program, which has made it the best value diversified rural services group in Australia.
78	RXP SERVICES	RXP	IT services	136.5	2	4.1	3/08/2017	0.82	0.85	7	Spec Buy	The digital services specialist is enjoying record revenue and earnings. The acquisitive company recently bought the Sydney agency The Works for up to \$33m, funded by a \$16.9m placement. A strong earnings forecast bodes well.
79	SDI	SDI	Manufacturing	68.4	2	3.8	10/07/2014	0.50	0.58	27	Take profits	The dental supplier is regaining its vim and verve after a severe profit warning in November last year, but flat sales of amalgam material are biting sales.
80	SELECT HARVESTS	SHV	Food	296.2	(104)	8.7	4/04/2013	2.60	4.03	107	Hold	Unfavourable growing conditions have buffeted the almond grower, but it's still profitable. Management's priority is to reduce the company's uncomfortable debt levels and everyone's praying for a better growing season this time around.

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81	SERVCORP	SRV	Services	540.2	108	4.7	15/08/2013	3.53	5.49	83	Spec Buy	It's operating performance has been below par, but the company has big cash reserves and pays dividends. We're long-term believers but there is quite a bit of risk in the short-term.
82	SEYMOUR WHYTE	SWL	Contractor	117.1	26	0.0	27/10/2016	0.81	1.27	56	Take profits	The company is the subject of an agreed bid by French group VINCI at \$1.285 per Seymour share, excluding any fully franked dividend. This bid is likely to complete shortly.
83	SILVER CHEF	SIV	Financial services	256.2	(309)	5.8	6/10/2011	2.69	6.57	218	Hold	We've been taking profits at higher levels but now there looks to be better value. We will do some analysis but hold for now.
84	SIRTEX MEDICAL	SRX	Biotech	810.3	43	2.1	14/06/2012	6.28	14.50	149	Take profits	After a difficult period marked by a disappointing clinical trial, the maker of a targeted radiation therapy for liver cancer turned a previous \$53m reported loss into a \$26m profit. But new management has its work cut out to make Sirtex a more "focused and efficient" company.
85	SMS MANAGEMENT & TECHNOLOGY	SMX	IT services	123.3	(13)	6.5	28/04/2016	1.65	1.80	18	Accept Offer	Shareholders have approved the \$124m or \$1.80 a share cash acquisition by Nomura owned ASG, which outbid DWS. Our Buy/Hold call was the right one and the deal should be finalised in the next week.
86	SOMNOMED	SOM	Biotech	207.5	14	0.0	2/10/2014	2.09	3.59	72	Spec Buy	The oral anti-snoring device maker's \$1.7m underlying loss reflects the cost of setting up a chain of sleep clinics in the US. The first centres are doing well and SomnoDent sales in the US returned to growth in the fourth quarter. We remain confident.
87	SOUTHERN CROSS ELECTRICAL	SXE	Mining services	124.2	40	0.0	28/01/2016	0.35	0.69	105	Hold	After a forgettable first half but a better second stanza, the electrical contractor enters the current year with a record \$480m order book. The company has diversified from its traditional mining base, but we would like to see ore earnings visibility before we upgrade.

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88	SPECIALTY FASHION	SFH	Retail	66.3	(8)	0.0	26/07/2012	0.48	0.35	(13)	Hold	The business faces tough conditions, especially in the mature Millers and Katie's businesses, while Rivers finally made a profit. There is an ongoing strategy to optimise the store footprint, but we are not sure what will trigger a change in market sentiment after poor results.
89	SWICK MINING	SWK	Mining services	64.7	(17)	0.0	30/05/2013	0.30	0.28	(2)	Hold	The drilling specialist reports "renewed optimism" among its mining clients after a difficult year that saw underlying earnings decline 18% to \$12.1m. At the very least, conditions aren't getting any worse.
90	TASSAL	TGR	Food	662.2	(67)	3.9	31/05/2012	1.33	3.85	241	Buy	Tassal's full year earnings were helped by the salmon producer's focus on higher margin wholesale and export channels. But costs were higher because the company is growing larger fish which requires higher inventories. The environmental issues in Macquarie Harbour are being navigated.
91	THE REJECT SHOP	TRS	Retail	117.9	3	5.9	15/06/2017	3.65	4.10	12	Take profits	We rode this one up nicely after the discount retailer's April profit downgrade that slaughtered the stock. While the full-year results show signs the group's turnaround strategy is working, there's little earnings and sales visibility and we've checked out with a handy gain.
92	TOWER	TWR	Financial services	134.4	67	0.0	8/12/2016	0.78	0.80	3	Spec Buy	The NZCC rejected Suncorp's proposed takeover on competition grounds, which is being appealed, and Tower remains a good asset for other insurance companies because of the potential synergies. Exposure to Canterbury earthquake losses remains a risk.
93	TOX FREE	TOX	Waste services	494.8	(157)	3.7	10/08/2016	2.33	2.54	15	Spec Buy	The acquisitive waste manager has flagged a period of consolidation, which is welcome given organic growth has lagged. However Tox has bought well in the past and its recent purchase of Daniels Health should be no exception.
94	TZ	TZL	Information Tech	15.6	(3)	0.0	30/05/2013	0.12	0.03	(73)	Sell	The locker technology provider has been in the news for the wrong reasons. Sell & Cease Coverage.

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95	UNIVERSAL BIOSENSORS	UBI	Medical technology	66.0	0	0.0	11/05/2017	0.43	0.38	(13)	Spec Buy	The maker of diagnostic blood testing strips is in store for a large lump sum payment should its partner on the blood-glucose monitoring side opt to exit the distribution arrangement. But investors need to be patient and fourth-quarter sales were slightly disappointing.
96	UNIVERSAL COAL	UNV	Mining	86.1	(11)	0.0	11/05/2017	0.13	0.17	27	Take profits	We made a 30% profit on this in two months. Who would argue with that? Cease coverage.
97	VILLA WORLD	VLW	Property	310.9	(74)	7.6	7/11/2013	1.64	2.45	91	Spec Buy	Projects are in place to deliver a substantial uplift in FY19 EPS, and management focused on key market segments where the company can earn attractive cash returns.
98	VILLAGE ROADSHOW	VRL	Tourism & Leisure	588.4	(527)	0.0	29/06/2017	3.96	3.63	(8)	Buy	The proposed sale and leaseback of Gold Coast land is under way for about \$100m to meaningfully reduce debt, which is high relative to depressed earnings in all three main divisions. But with FY17 operating cash flow of \$130m, the earnings power of the operating assets remains intact.
99	VMOTO	VMT	Manufacturing	11.0	4	0.0	22/05/2014	0.45	0.07	(84)	Avoid	We can't see Vmoto's fortunes kick-starting in a hurry. Cease Coverage.
100	YOWIE	YOW	Food	45.2	33	0.0	30/04/2014	0.65	0.21	(68)	Spec Buy	The confectionary maker forecasts a maiden profit in the current year. But with the stock trading only a little above cash backing, investors are sceptical about management's ability to gain traction in the competitive US market. There are chocolates all around if the company can prove the sceptics wrong.
101	YPB	YPB	Technology	10.2	3	0.0	4/08/2016	0.18	0.05	(73)	Avoid	It appeared to be a good story but the reality proved too much for YPB. Cease Coverage.

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