

OUR PICK – SYDNEY AIRPORT HOLDING LIMITED (SYD.ASX)

Recommendation – LONG/OUTPERFORM at \$6.50

Target Price \$7.15 over 4-weeks - Stop Loss \$6.15.

Overview –Sydney Airport Limited owns an airport in Sydney, Australia. The company operates approximately three passenger terminals. It also offers retail outlets and property leasing, as well as advertising services. The company's airport connects Sydney to 49 international, 21 domestic interstates, and 23 regional destinations. Sydney Airport Limited was founded in 1919 and is based in Sydney, Australia.

Valuation Measures	SYD	TCL
Market Cap (intraday):	14.71B	21.41B
PEG Ratio (5 yr expected):	4.05	0.81

Financial Highlights	SYD	TCL
Profitability		
Profit Margin:	23.79%	4.48%
Management Effectiveness		
Return on Assets:	3.73%	2.25%
Return on Equity:	24.38%	0.35%
Income Statement		
Revenue Per Share:	0.58	1.12
EBITDA:	1.05B	1.38B
Balance Sheet		
Total Debt/Equity:	793.62	205.65

The Australian government approved a second international airport for Sydney on Monday, opening the way for construction to begin in Australia's largest city on a project mired in political squabbling for 70 years.

Trading Information	SYD	TCL
Stock Price History		
Beta:	N/A	0.58
52-Week High (14/10/2016):	7.62	12.66
52-Week Low (27/06/2016):	5.82	9.45

The new airport is the centrepiece of Prime Minister Malcolm Turnbull's A\$30 billion national public works drive designed to keep Australia's economy ticking over as a decade-

GB8	SYD	TCL
Recommendations		
Investor	Neutral	Neutral
Conservative Trader	Neutral	Neutral
Aggressive Trader	Bull	Bull
Very Aggressive Trader	Bull	Bull

long resources spending boom unwinds. (Source: Yahoo Finance)

Chart



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Glossary

- **P/E Ratio = Price to earnings.** Calculated by current stock price divided by earnings per share (EPS). Tells us how much investors are willing to pay per dollar of earnings.
- **PEG Ratio = The price/earnings to growth ratio (PEG ratio)** is a stock's price-to-earnings ratio divided by the growth rate of its earnings for a specified time period. The PEG ratio is used to determine a stock's value while taking the company's earnings growth into account and is considered to provide a complete picture than the P/E ratio.
- **P/B Ratio = Price to book.** Calculated by dividing the current stock price by the latest quarter's book value per share. This could tell where the stock is undervalued or overvalued.
- **P/E Growth = Price to earnings growth.** This ratio also helps us to see if the shares price is over or undervalued.
- **P/S Ratio = Price to Sales.** Compares a company's stock to its revenues. Calculated by dividing the company's market capitalization by its total sales.
- **EBITDA = Measurement of a company's operating profitability as a percentage of its total revenue.** It is equal to earnings before interest, tax, depreciation and amortisation (EBITDA) divided by total revenue.
- **Current Ratio = A liquidity ratio that measures a company's ability to pay short-term and long-term obligations.** Calculated by current assets divided by current liabilities.
- **Debt/Equity = Ratio used to measure a company's financial leverage.** Calculated by dividing a company's total liabilities by its stockholder's equity.

Source: Reuters Thomson/ Investopedia