



## The State of the Deal and Deloitte Queensland Index

**March 2021 – Queensland Index Exceeds \$100 billion**

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# Executive Summary

Following the significant rebound in the second half of 2020, companies in the Deloitte Queensland Index exceeded \$100 billion at 31 March 2021, the highest month end market capitalisation on record for the State.

**Deloitte Queensland Index  
return in Q1 2021**

**3.5%**

*10.6% in Q4 2020*

**S&P/ASX All Ordinaries  
return in Q1 2021**

**2.4%**

*14.0% in Q4 2020*

**Companies in the Deloitte  
Queensland Index**

**169** at 31 March 2021

*173 at 31 December 2020*

**90** companies increased  
market capitalisation (53%)

**66** companies decreased market  
capitalisation (39%)

**12** no movement (7%)

**5** delistings

**1** listing (1%)

**Market capitalisation as at Mar-21**

**\$101.6b**

*\$97.2b as at Dec-20*

*\$18.5b as at Sep-02*

**Announced QLD M&A  
transactions in Q1 2021**

**64**

*92 in Q4 2020*

**Disclosed value of announced  
QLD M&A transactions in Q1 2021**

**\$1.9b**

*\$3.3b in Q4 2020*

The Deloitte Queensland Index increased by 3.5% in Q1 2021 with total market capitalisation increasing to \$101.6b at Mar-21, the highest month end value on record for the State. The increase in Q1 2021 was largely supported by:

- reduced levels of loan deferrals and positive performance announcements in the Financials sector
- positive investor sentiment regarding demand for lithium based products
- continued recovery in travel and entertainment as domestic travel restrictions and customer limits ease.

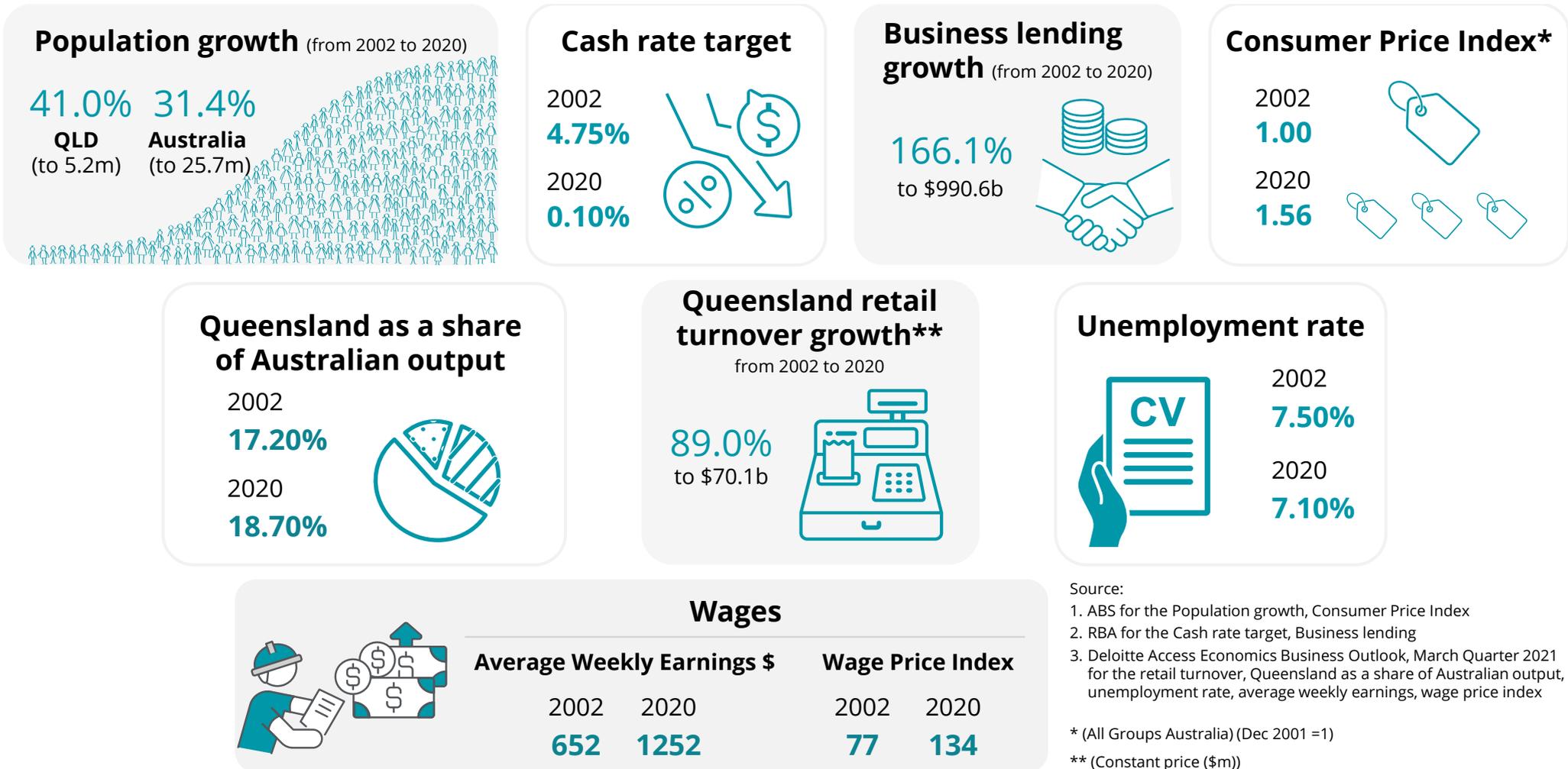
M&A transactions for Queensland listed companies also contributed to the significant increase, including Bank of Queensland's acquisition of Members Equity Bank for \$1.3b. Bank of Queensland announced that it expected the transaction to deliver material scale, nearly doubling the size of the retail bank and providing geographical diversification.

Queensland M&A more broadly remains strong with 64 transactions announced in Q1 2021 including:

- the acquisition of an interest in Culture Kings (a privately owned, Queensland based streetwear retailer) by US based a.k.a brands (terms undisclosed)
- the acquisition of Neto E-commerce Solutions Pty Ltd (a Queensland based eCommerce platform provider offering B2B clients an integrated solution to point-of-sale, inventory management and order management) by Maropost Inc. for \$60m
- the acquisition of GlobalX Information Services Pty Ltd (a Queensland based technology company specialising in the provision of support services for law firms, financial institutions and government bodies) by Dye & Durham Limited for \$170m
- the acquisition of RedHill Education Limited (a private tertiary education provider focused on attracting international students seeking student-travel opportunities in Australia) by Queensland based iCollege Limited for \$73m.

# Then & Now – Investment Landscape

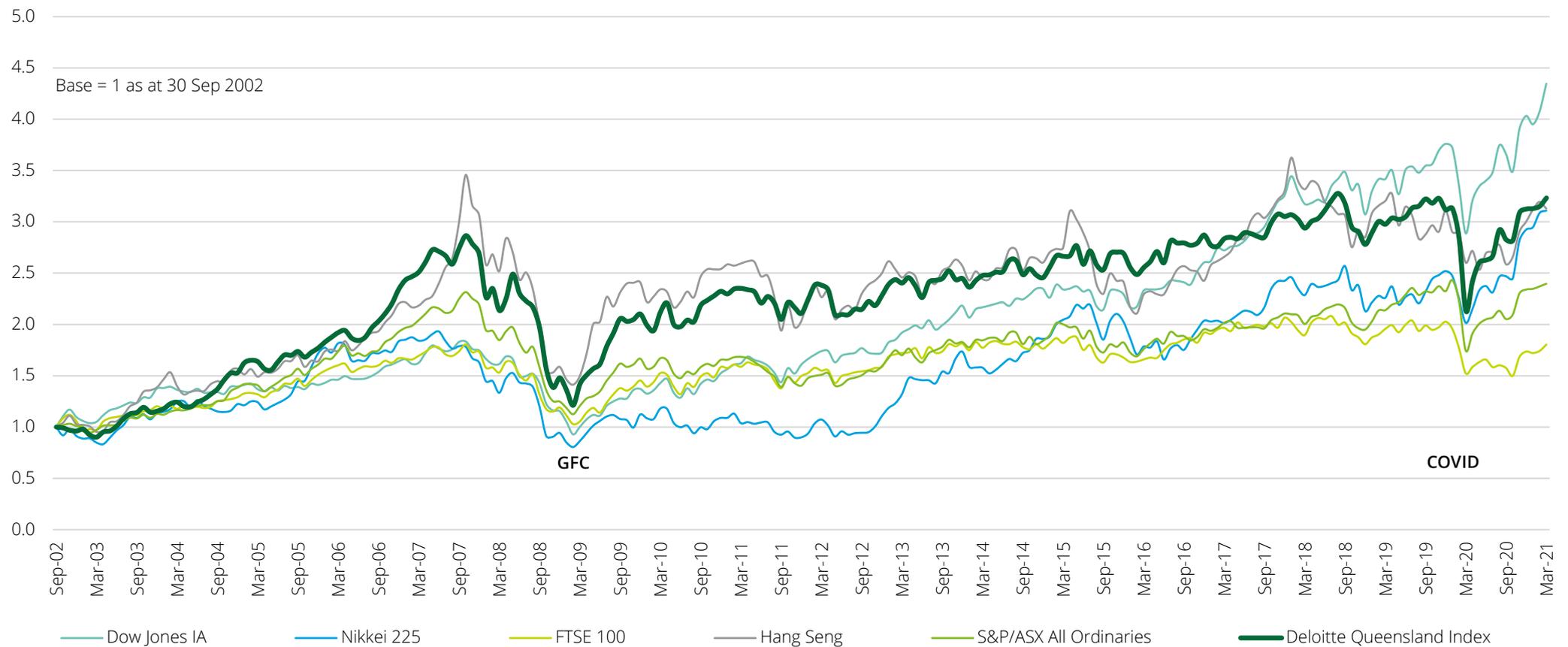
Queensland: the place to be. With the State attracting greater population growth compared to the national average, Queensland is accounting for a larger portion of Australia's output and is attracting increased investment interest with more listed companies setting up in Queensland.



# Then & Now - Deloitte Queensland Index

The Deloitte Queensland Index, since inception in Sep-02, has outperformed most major global indices and weathered the storm of the GFC and COVID-19 outbreak.

## Deloitte Queensland Index versus Major Indices



Market capitalisation of the Deloitte Queensland Index exceeded \$100b at Mar-21, more than 5 times that at inception in Sep-02. Significant growth across TMT, Energy & Resources and Industrials sectors, largely from new listings, has seen the Index composition shift away from the Consumer and Financial sectors.

### Companies in Deloitte Queensland Index

Sep-02	Mar-21
122	<b>169 companies</b>
\$18.5b	<b>\$101.6b market cap</b>



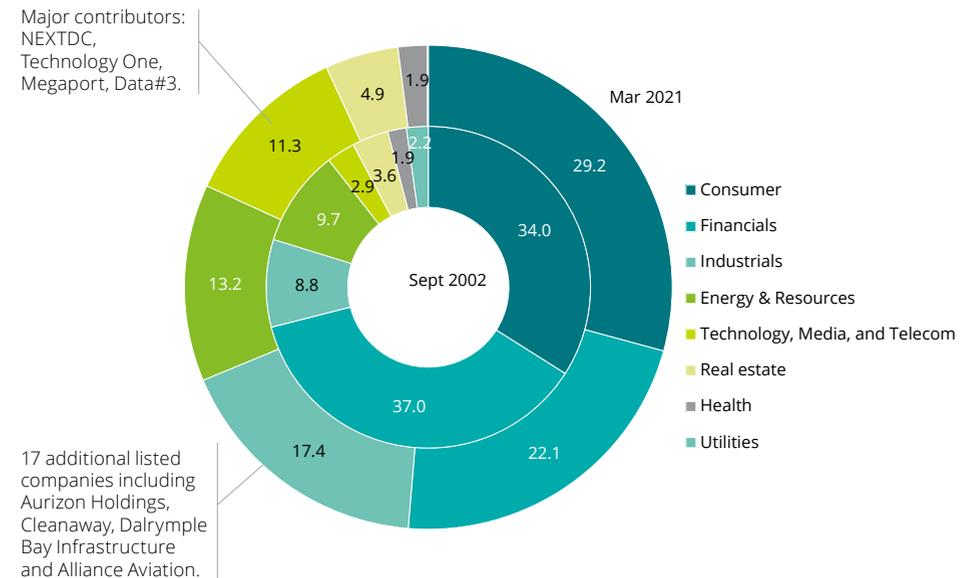
### Companies with more than \$100m market capitalisation in Deloitte Queensland Index

Sep-02	Mar-21
25	<b>73 companies</b>
\$16.2b	<b>\$97.8b market cap</b>



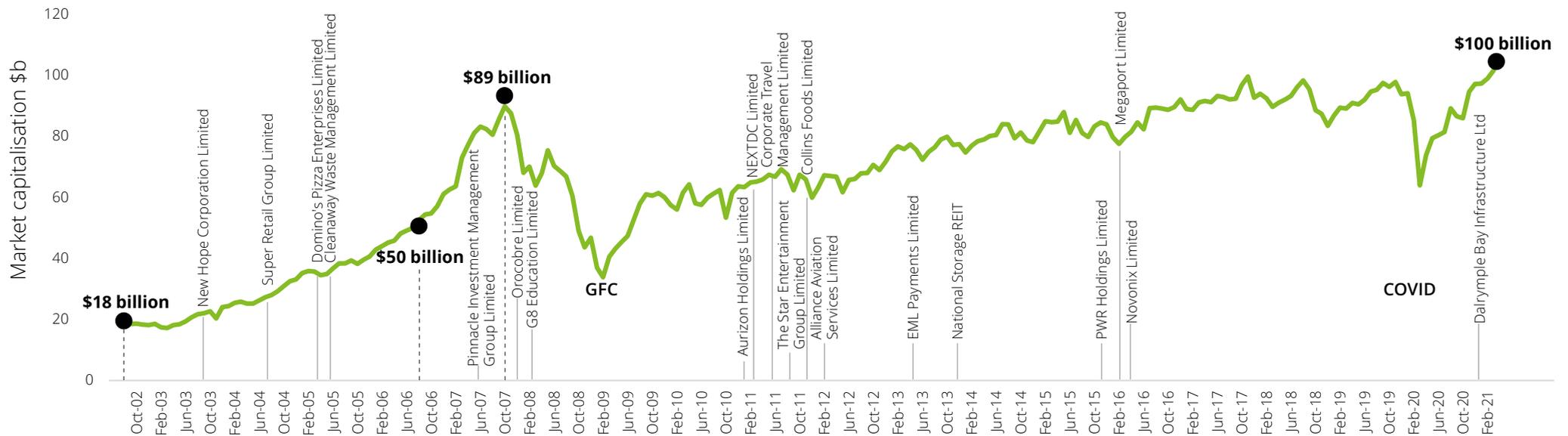
	Market capitalisation (\$b)			Listed companies (#)		
	Sep-02	Mar-21	Change	Sep-02	Mar-21	Change
Financials	6.8	22.4	15.6	11	10	(1)
Industrials	1.6	17.7	16.1	12	27	15
Consumer	6.3	29.7	23.4	25	23	(2)
Health	0.3	1.9	1.6	9	16	7
Technology, Media, and Telecom	0.5	11.4	10.9	15	19	4
Real estate	0.7	4.9	4.3	14	8	(6)
Energy & Resources	1.8	13.4	11.6	34	63	29
Utilities	0.4	0.1	(0.3)	2	3	1

### Deloitte Queensland Index Sector Composition (%)



Market capitalisation has increased \$83.1b since Sep-02 with 60% of the increase (\$49.0b) attributed to the listing of 19 major companies in the region.

### Deloitte Queensland Index



### Deloitte Queensland Index – Major Companies that joined the Index post Sep-02

Company Name	Code	Index Join Date	Market Capitalisation \$m		Change \$m
			Upon Joining Index	Mar-21	
New Hope Corporation Limited	NHC	Sep-03	481	1,182	701
Super Retail Group Limited	SUL	Jul-04	277	2,658	2,381
Domino's Pizza Enterprises Limited	DMP	May-05	130	8,328	8,198
Cleanaway Waste Management Limited	CWY	May-05	610	4,527	3,917
Pinnacle Investment Management Group Limited	PNI	Jun-07	306	1,640	1,333
Orocobre Limited	ORE	Dec-07	14	1,638	1,625
G8 Education Limited	GEM	Dec-07	32	877	845
Aurizon Holdings Limited	AZJ	Nov-10	6,832	7,179	347
NEXTDC Limited	NXT	Dec-10	140	4,750	4,610
Corporate Travel Management Limited	CTD	Dec-10	120	2,675	2,556

Company Name	Code	Index Join Date	Market Capitalisation \$m		Change \$m
			Upon Joining Index	Mar-21	
The Star Entertainment Group Limited	SGR	Jun-11	2,821	3,587	766
Collins Foods Limited	CKF	Aug-11	193	1,214	1,020
Alliance Aviation Services Limited	AQZ	Dec-11	149	631	482
EML Payments Limited	EML	May-13	41	1,773	1,732
National Storage REIT	NSR	Dec-13	252	2,041	1,788
PWR Holdings Limited	PWH	Nov-15	267	574	307
Megaport Limited	MP1	Dec-15	195	1,734	1,539
Novonix Limited	NVX	Dec-15	22	856	834
Dalrymple Bay Infrastructure Ltd	DBI	Dec-20	1,046	1,101	55

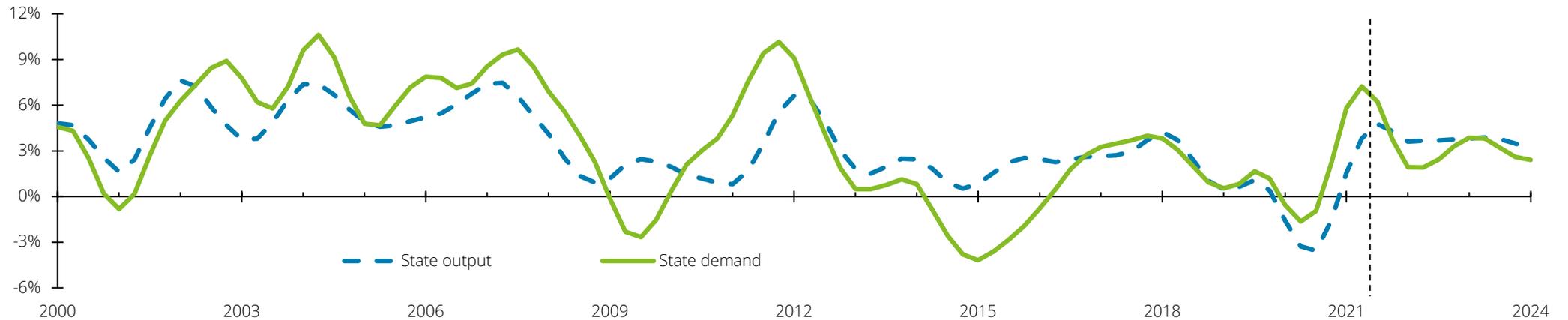
Note: all dates reflect month of listing with the exception of EML Payments Limited, which listed in 2006 and changed its principal place of business to Queensland in 2013.

# Queensland Economic Update

The Queensland economy is well and truly into its recovery phase following the onset of the COVID 19 pandemic – and there’s cause for cautious optimism. But a few things still need to go right, with recent lockdowns a reminder that we’re not out of the woods just yet.

The state has already been locked down twice in 2021, though the finalisation of the rollout of vaccines to frontline workers should reduce the regularity and volatility of Queensland border closures and lockdowns.

## Queensland output and demand (change on year earlier)



Source: Deloitte Access Economics, March Quarter 2021.

Perhaps at the top of the list of good news is Queensland’s job numbers. Relative to a year ago, employment in the state has expanded by more than 30,000 jobs. Similarly, unemployment has fallen the most of any state – although it still remains in its usual position above the national average. But challenges remain on the job front. More than 6.5% of Queensland workers were on JobKeeper ahead of its recent removal – the third highest of any state. And 5.9% of the State currently receive JobSeeker, for which the regular payments just dropped to miserly levels. Added to that, growth in job vacancies is moderating, suggesting future job gains might be harder to come by.

Despite that, consumer confidence has reached pre-COVID levels. This has been driven by the Federal Government’s swift stimulus response, Queensland’s tough border restrictions which have generally maintained a familiar quality of life for Queenslanders, and the recovery in economic activity as social distancing restrictions lift.

Business confidence has followed suit, reaching its highest levels in three years. That’s thanks, in part, to the continued promise of low interest rates over the medium-term. There’s close to \$50 billion in Government funding set to be invested in engineering and commercial projects in coming years, and more than double that from projects in various stages of planning.

Coal prices are up too, though political tensions between China and Australia have driven an informal ban on imports of coking and thermal coal from Australia. These come on top of previous bans on some farm products in Queensland like beef and cotton.

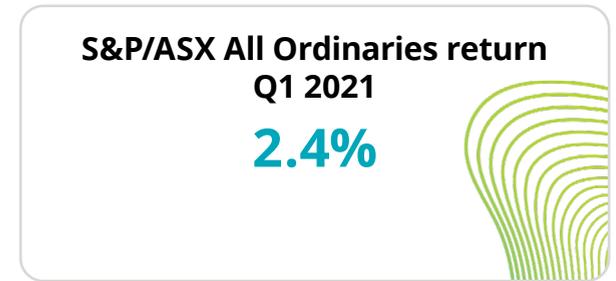
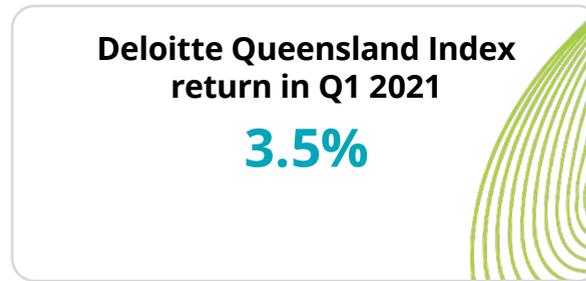
Queensland’s relative attractiveness has led to the highest net interstate migration of any Australian state, beating out New South Wales and Victoria. This migration to the north – currently at a 20 year-high for the Sunshine State – has not come without consequence to the housing market. House prices and rents have sky rocketed, and are expected to continue to surge this year.

Tourism, one of the biggest losers from COVID, is likely to struggle until international borders open. The Federal Government’s \$1.2 billion tourism support package will see discounted flights offered to five Queensland locations. These come in addition to the State Government’s \$200 vouchers to visit Cairns, the Great Barrier Reef and South East Queensland. But while these dollars help, the hole left by international tourists is difficult to fill. And there’s a matching hole for students and migrants.

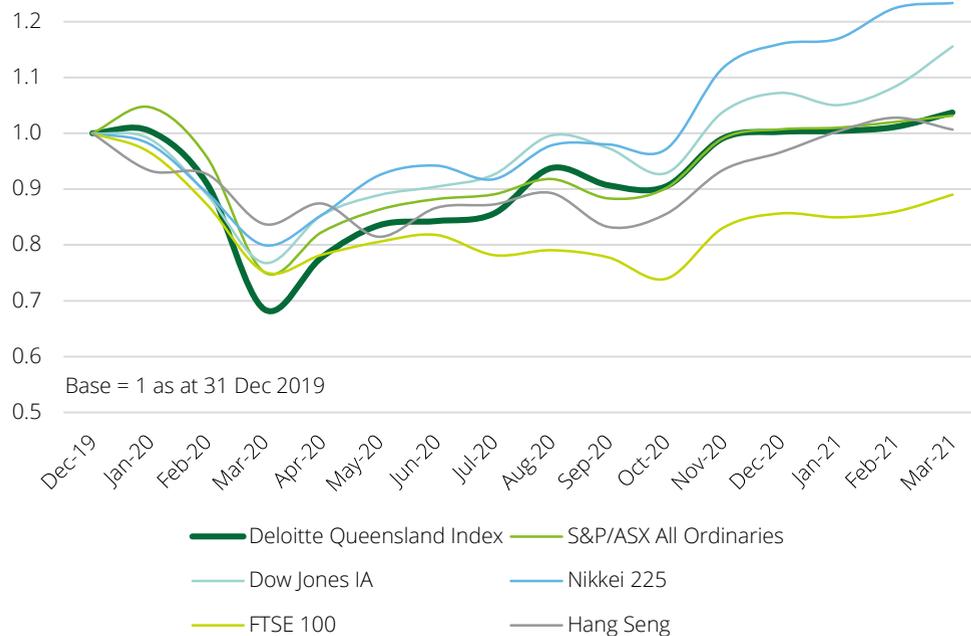
So the Sunshine State isn’t out of the woods yet. Tensions with China, the lack of international tourists, the end of key government support programs and the possibility of outbreaks all pose real risks for the State. Navigating these challenges will be key to Queensland’s success in the short-term.

# The Deloitte Queensland Index Q1 2021

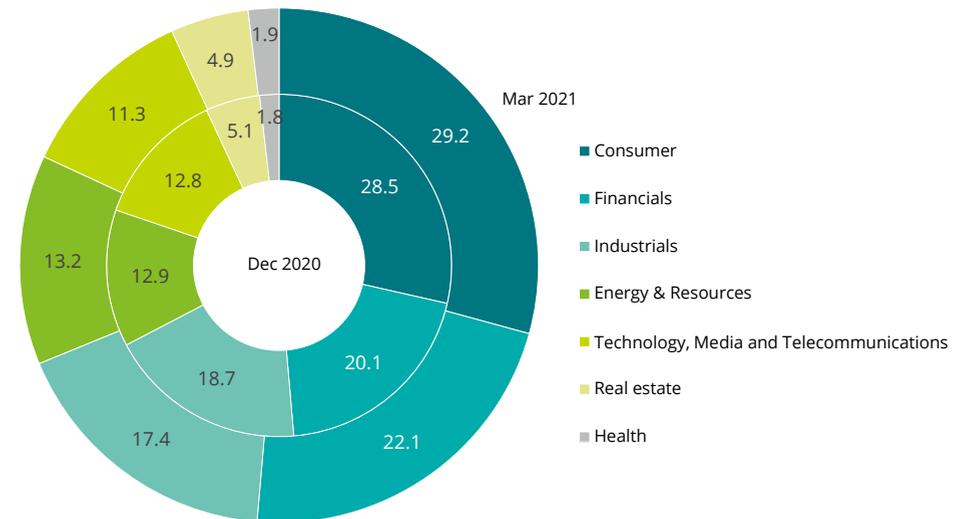
The Deloitte Queensland Index increased by 3.5% in Q1 2021 supported by reduced levels of loan deferrals and a significant acquisition bolstering the Financial sector, investor sentiment regarding demand for lithium based products impacting the Energy & Resources and continued recovery in travel and entertainment as domestic travel restrictions and customer limits ease.



Indices - Mar-21 YTD



Deloitte Queensland Index Sector Composition (%)



Despite positive announcements in Feb-21 regarding half year financial results and upward revisions to FY21 forecast earnings for large TMT companies, the sector's market capitalisation declined 9.0% (\$1.0m) as investor sentiment for Consumer, Energy & Resources and Financial sector businesses are renewed.

## Queensland Index: top performers in Q1 2021

Company	Change %	Rank Dec 20	Rank Mar 21
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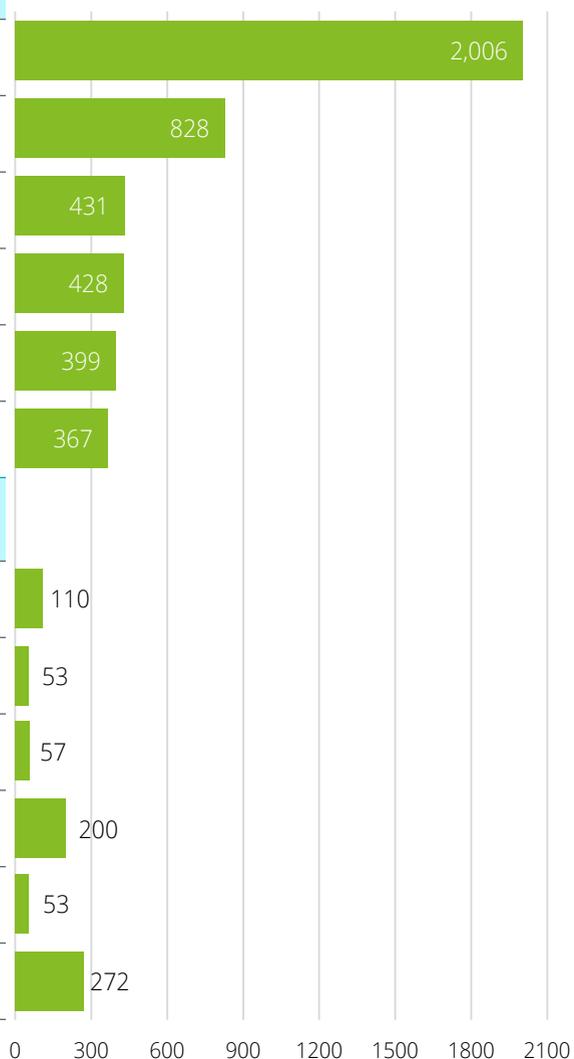
### Top 6 Increases in Top 100 Companies by \$ Movement in Market Capitalisation

Bank Of Queensland Limited	56.98%	7	4
Domino's Pizza Enterprises Limited	11.04%	2	2
Novonix Limited	101.19%	35	24
Flight Centre Travel Group Limited	13.56%	10	10
Pinnacle Investment Management Group Limited	32.14%	19	18
Technology One Limited	13.93%	11	11

### Top 6 Increases in Top 100 Companies by % Movement in Market Capitalisation

Sayona Mining Limited	400.79%	124	67
Pursuit Minerals Limited	344.68%	142	92
Anteris Technologies Ltd	241.56%	131	87
KGL Resources Limited	220.28%	81	44
Redflow Limited	183.33%	122	85
Anteo Diagnostics Limited	138.58%	52	34

### Market capitalisation movement \$m



\*This list excludes companies that do not have historical comparative market capitalisation.

## Top performers over the past three months

**Bank of Queensland:** In Feb-21, BOQ announced the 100% acquisition of Members Equity Bank Limited which BOQ expects to deliver material scale, nearly doubling the size of the retail bank and providing geographical diversification. The acquisition was funded via a \$1.35bn equity raising in Mar-21. BOQ's share price also increased during the period amid reduced levels of loan deferrals and announcements regarding anticipated profit growth for the six months ended Dec-20.

**Domino's Pizza Enterprises:** Market capitalisation increased following announcements regarding the return of JobKeeper receipts in Jan-21 and the results for the half year ended Dec-20 demonstrating growth from new and existing stores. Domino's announced that in their view, "COVID-19 has brought forward long-term demand for delivered food, ordered online, in all markets". Store openings accelerated with an average of five new stores per week in the six months ended Dec-20 with Domino's expecting continued growth in the six months to Jun-21.

**Novonix:** is an integrated developer and supplier of high-performance materials, equipment and services for the global lithium-ion battery industry. In Jan-21, Novonix was added to the OTCQX International Index and also announced that Professor Jeff Dahn (a leading researcher in the field of lithium-ion batteries and materials) is to be appointed chief scientific advisor from 1 July 2021 to provide advice regarding battery materials and research initiatives and key customer and business development projects. Additionally, \$115m of capital was raised in Feb-21 to "provide capex and working capital to scale production for Novonix Anode Materials, fund R&D in cathode and other advanced battery technologies, fund general corporate costs and provide flexibility to pursue international growth opportunities".

**Sayona Mining:** share prices rose amid increased demand for lithium and announcements regarding:

- its proposal to lodge a bid for North American Lithium Assets
- the expansion of its Quebec drilling program for the Authier and Tansim lithium projects
- investment in WA gold and lithium projects
- US based Piedmont Lithium investing \$15m in Sayona to become a strategic investor and off take partner.

**KGL Resources:** benefited from increasing copper prices and the Northern Territory Government's approval (in Jan-21) of the Mining Management Plan for KGL's 100% owned Jervis Copper Project. Following the approval, KGL raised \$22m in capital to fund the project, for which the deposit is intended to support an initial 7.5 year mining operation.

**Anteo Diagnostics:** a surge in the share price followed an announcement regarding Anteo's key customer, Ellume, entering into an agreement with the US Department of Defence for its emergency use authorisation COVID-19 at home test (which uses AnteoBind technology).

## Top companies by market capitalisation

Rank 31 Mar 21	Rank 31 Dec 20	Code	Company	Market cap 31 Mar 21 \$million	Market cap 31 Dec 20 \$million	Change \$million	Change %
1	1	SUN	Suncorp Group Limited	12,644	12,436	209	1.7%
2	2	DMP	Domino's Pizza Enterprises Limited	8,328	7,500	828	11.0%
3	3	AZJ	Aurizon Holdings Limited	7,179	7,233	(55)	(0.8%)
4	7	BOQ	Bank Of Queensland Limited	5,526	3,521	2,006	57.0%
5	4	NXT	NEXTDC Limited	4,750	5,575	(825)	(14.8%)
6	6	ALQ	ALS Limited	4,669	4,635	34	0.7%
7	5	CWY	Cleanaway Waste Management Limited	4,527	4,836	(309)	(6.4%)
8	9	APE	Eagers Automotive Limited	3,592	3,415	177	5.2%
9	8	SGR	The Star Entertainment Group Limited	3,587	3,484	103	3.0%
10	10	FLT	Flight Centre Travel Group Limited	3,585	3,157	428	13.6%
11	11	TNE	Technology One Limited	3,001	2,634	367	13.9%
12	12	CTD	Corporate Travel Management Limited	2,675	2,388	288	12.1%
13	13	SUL	Super Retail Group Limited	2,658	2,378	280	11.8%
14	14	CMW	Cromwell Property Group	2,159	2,277	(118)	(5.2%)
15	16	NSR	National Storage REIT	2,041	1,944	97	5.0%
16	18	EML	EML Payments Limited	1,773	1,512	261	17.2%
17	15	MP1	Megaport Limited	1,734	2,205	(472)	(21.4%)
18	19	PNI	Pinnacle Investment Management Group Limited	1,640	1,241	399	32.1%
19	17	ORE	Orocobre Limited	1,638	1,538	100	6.5%
20	21	CKF	Collins Foods Limited	1,214	1,124	89.77	8.0%

For a list of the top 100 companies in the Deloitte Queensland Index as at 31 March 2021 and their movement in market capitalisation from Dec-19 and Dec-20 to Mar-21 [please refer here](#).

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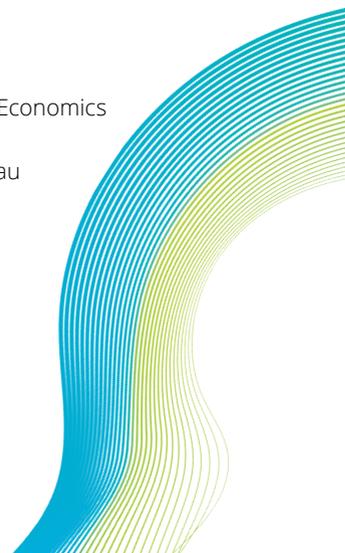
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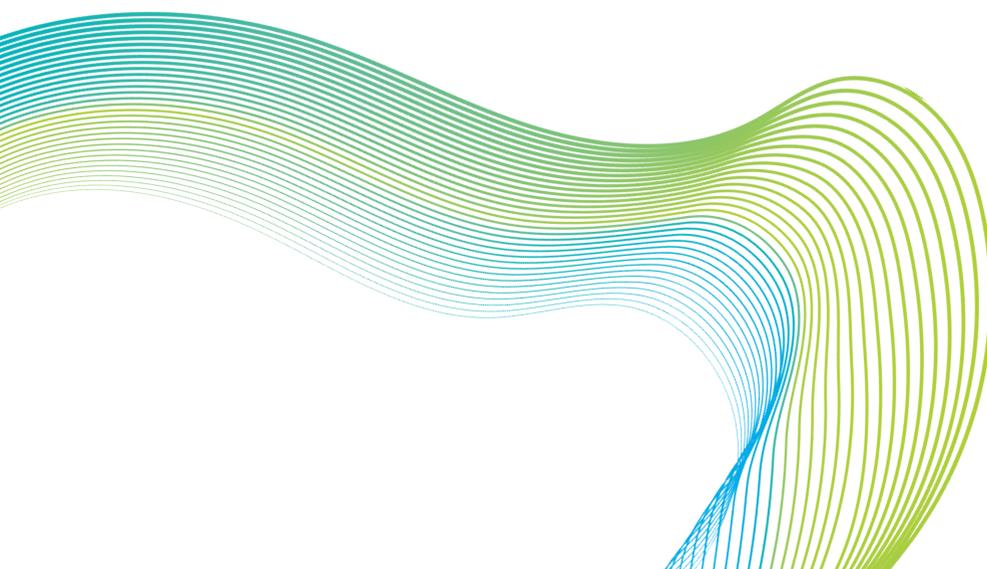
# Sources

Queensland M&A transaction data presented within:

- reflects transactions for which one or more of the vendor, target and/or buyer are based or headquartered in Queensland
- is based on the timing of the announcement of the transaction
- excludes announced transactions which have been cancelled
- is sourced from S&P Global Market Intelligence and public announcements
- includes transaction values only where the value has been publicly disclosed.

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