

Update on JobKeeper & other government subsidies in ASX300

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Summary

Approx. 32% (95 of 299) ASX300 listed entities disclosed they had received government subsidies in calendar year 2020. Aggregate government subsidies received by ASX300 for CY20 was \$3.786bn, with JobKeeper accounting for more than 60% – at least \$2.453bn across 75 entities. JobKeeper recipients also received \$1.036bn via government subsidies in other countries (or under other schemes). Another \$295mn in other government subsidies (including foreign governments) were received by entities that disclosed no JobKeeper receipts.

The six largest JobKeeper recipients – QAN (\$726mn), CWN (\$254mn), FLT (\$195mn), SGR (\$152mn), APE (\$129mn) and GEM (\$102mn) – accounted for approx. 63% of all JobKeeper payments. QAN received additional government subsidies of \$511mn with GEM receiving a further \$160mn in childcare related subsidies from the Australian Government.

In the half year finishing 31 Dec 2020, 66 ASX 300 entities reported a total of \$1.377bn in JobKeeper receipts. OM examined underlying earnings metrics used by each of these entities to communicate financial performance to investors. OM compared these metrics for the six months to 31 Dec 2020 with performance in the pre-pandemic period (six months to 31 Dec 2019).

- In the half year ending 31 Dec 2020, 58 of the 66 entities who received JobKeeper reported positive preferred earnings metrics and received a total of \$741mn or approx. 30% of all JobKeeper received by the ASX 300 in CY20.
- In the half year ending 31 Dec 2020, 34 of the 66 entities reported an increase to their underlying earnings metrics from pre-pandemic levels and received a total of \$284mn or approx. 20% of all JobKeeper received by the ASX 300 in 2HCY20.
- Of these 34 entities which received JobKeeper payments and reported improved preferred earnings metrics, JobKeeper was included in underlying metrics for 28 of these. For these companies JobKeeper accounted for approx. 19.8% of the increase in underlying earnings.

Disclosure varied with JobKeeper and other subsidies being material to some entities and may have implications for investor forecasts of financials as the JobKeeper Scheme ends on 28 March 2021. Accounting treatment of JobKeeper receipts varied – with subsidies offset to wages or booked as ‘other income’ under government grants. Some entities have disclosed their intention to return \$100mn of JobKeeper subsidies.

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OM's earlier research note, *JobKeeper and other government subsidies (9 September 2020)*, analysed the ASX300 entities that reported either full year or half year results for periods ending between 31 March and 30 July. This research note examines government subsidies received by ASX300 entities during calendar year 2020 (including those with reporting half or full year ends between 30 July and 31 December).

In total entities in the ASX300 have disclosed the receipt of \$3.786bn in government subsidies with 95 of the 299 entities in the ASX300 accepting government support related to the COVID-19 pandemic. The majority of the subsidies were from the Australian Federal Government's JobKeeper Scheme which totalled \$2.453bn - 75 of 95 entities received subsidies under the JobKeeper scheme. Those that received JobKeeper also received a further \$1.036bn in other government subsidies both in Australia and overseas e.g., under New Zealand Government's Wage Subsidy Scheme. The remaining 20 of 95 entities received \$295mn in government subsidies outside of the JobKeeper Scheme.

Entities that disclosed the receipt of JobKeeper mainly had June or December year-end dates and hence the below analysis of 1HCY20 and 2HCY20 will refer to 1 January - 30 June and 1 July - 31 December respectively. JobKeeper receipts in 1HCY20 totalled \$1.075bn with 2HCY20 receipts totalling \$1.377bn. Other government subsidies for the same respective periods totalled \$791mn and \$541mn. The greater amount of JobKeeper in 2HCY20 is explained by some entities receiving JobKeeper payments for six months compared to approx. three months in 1HCY20.

The only ASX 300 entities that received JobKeeper with different year-end dates to 30-June and 31-December were Premier Investments (PMV) with a July year-end and Collins Foods (CKF) with a May year-end. For analysis purposes PMV and CKF have been treated as entities with a June year-end whilst noting that PMV is yet to report its 1H21 result. PMV did not distinguish JobKeeper from other subsidies at the FY20 result but received total subsidies of \$68.7mn – accordingly estimates of JobKeeper and other government subsidies received by PMV have been made for comparative purposes – this was also the case for Cochlear (COH).¹

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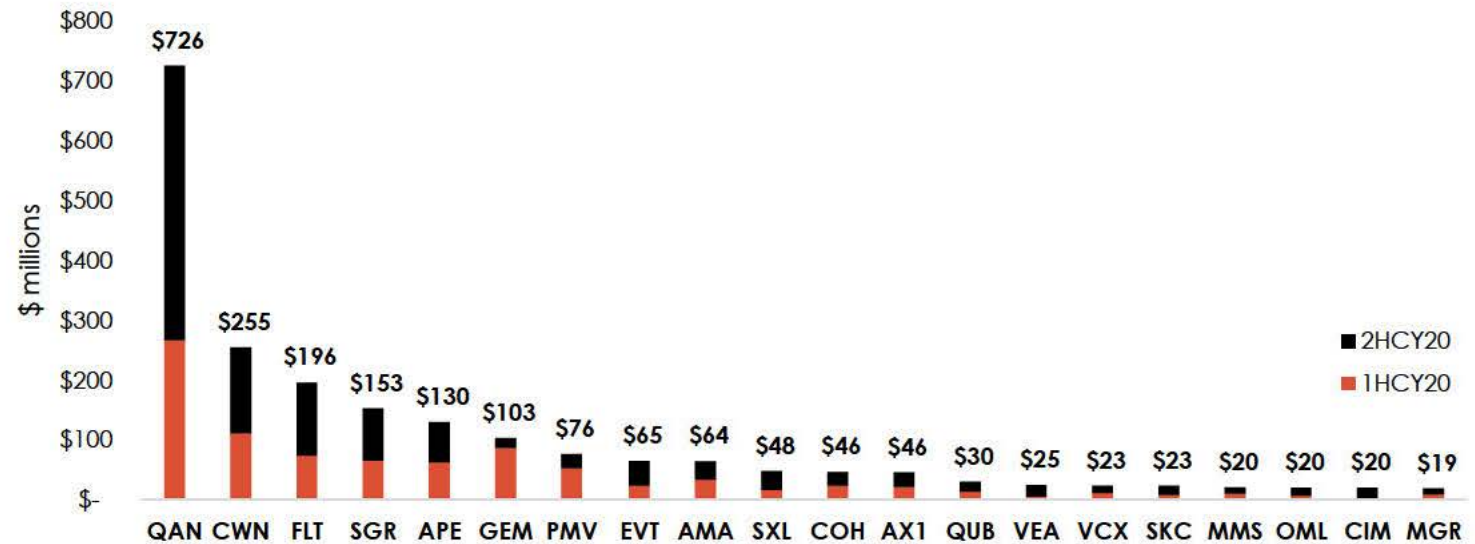
¹ PMV 1H21 JobKeeper has been estimated at ~\$23.5mn, based on 77% of global subsidies as JobKeeper (using FY20 revenue segments). The JobKeeper amount was then calculated based on an estimate of 3918 eligible employees for 1H21 for the www.ownershipmatters.com.au

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Graph 1: Top 20 ASX300 recipients of JobKeeper payments in CY20



Graph 1 above shows the top 20 recipients of JobKeeper among the ASX listed entities surveyed while Graph 2 below shows the top 20 recipients of all government subsidies – both graphs relate to calendar year 2020.

It should be noted that not all entities who received JobKeeper payments provided sufficient disclosure to the market to differentiate JobKeeper subsidies from other government subsidies - where this was the case, it has been classed as 'other government subsidies'. In the case of Premier Investments (PMV) an estimate has been made for JobKeeper received and the remainder allocated to other government subsidies received in Australia as well as overseas.

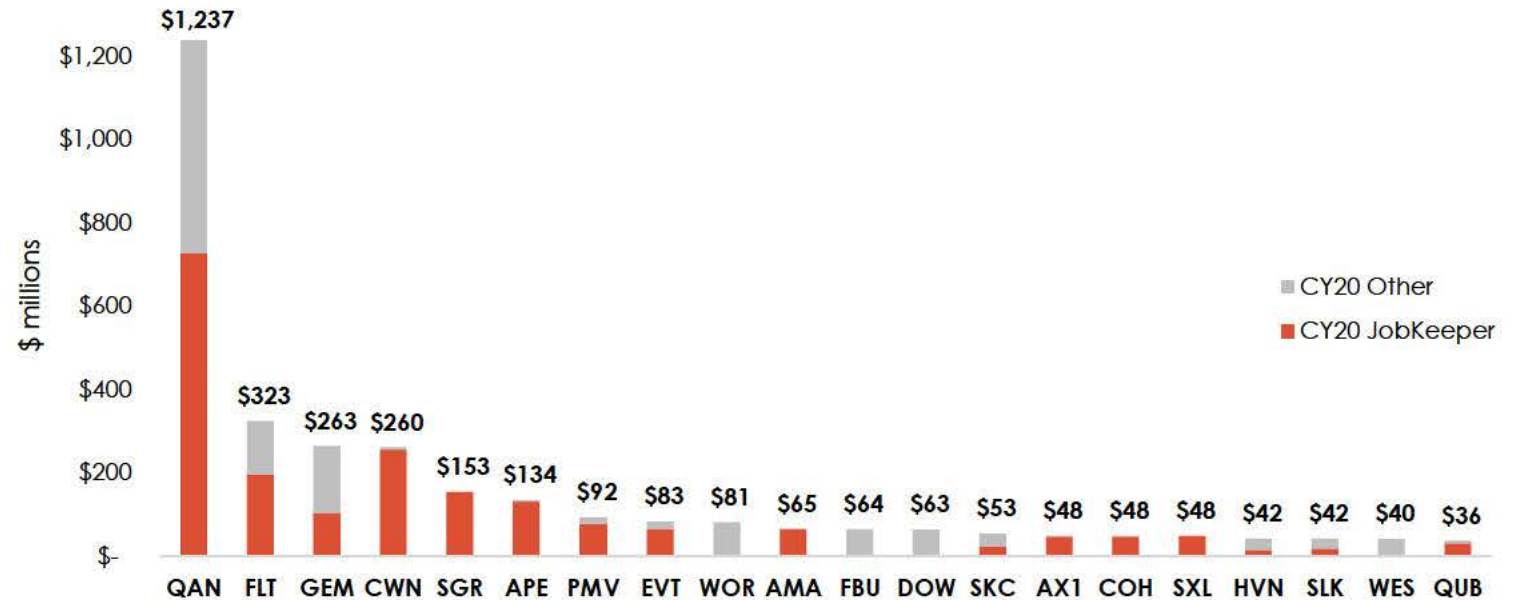
period until September 28 – PMV has indicated it did not received JobKeeper 2.0 from 28 September onwards.
COH JobKeeper was not disclosed for 2H20. This number was estimated based on the number of JobKeeper weeks in 2H20 assuming COH was eligible.
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Graph 2: Top 20 ASX300 recipients of all government subsidies (incl. from foreign jurisdictions)



Note that this data does not include payments received by RHC to ensure their private hospitals remained open and able to support public hospitals in dealing with the pandemic. These payments were material and totalled \$1.06bn in CY20 with \$458mn or approx. 43% coming from the French Government. RHC has been notified a new government decree will be issued from January 2021.

The twenty largest recipients of JobKeeper accounted for approx. 85% of all JobKeeper payments in the ASX 300 with QAN, at \$726mn, accounting for approx. 30% of all JobKeeper subsidies payments and being larger than the next three largest recipients combined. Casino operator CWN was the next largest recipient of JobKeeper at \$254.9mn followed by Flight Centre Travel Group (FLT) receiving \$195.62mn; both entities disclosed that a proportion of JobKeeper was paid to employees who continued to work. At CWN, \$95.2mn related to employees who continued to work at full or partial capacity (2H20: \$43.4mn, 1H21: \$51.8mn). ASX listed casino

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operators (including SKC who received \$23.2mn) accounted for approx. 17% of all JobKeeper payments received amongst those ASX300 entities that have disclosed to date.

Since receiving government subsidies, 15 entities² within the ASX 300 have announced their intention to return \$100.25mn in JobKeeper payments with a common theme being that the repayment offered to the ATO would be net of tax. These repayments accounts for approx. 4% of all disclosed JobKeeper receipts by ASX300 entities.

Impact of JobKeeper on company performance in 1H2021 (six months ending 31 Dec 2020)

In the half year finishing 31 Dec 2020, 66 ASX 300 entities reported a total of \$1.377bn in JobKeeper receipts. OM examined underlying earnings metric³ used by each of these entities to communicate financial performance to investors. OM compared these metrics for the six months to 31 Dec 2020 with performance in the pre-pandemic period (six months to 31 Dec 2019).

- In the half year ending 31 Dec 2020, 58 of the 66 entities who received JobKeeper reported positive underlying earnings metrics and received a total of \$741mn or approx. 30% of all JobKeeper received by the ASX 300.
- In the half year ending 31 Dec 2020, 34 of the 66 entities reported an increase to their underlying earnings metrics from pre-pandemic levels and received a total of \$283.9mn or approx. 20% of all JobKeeper received by the ASX 300.
- 6 of the 35 entities excluded JobKeeper payments from their underlying results whilst the rest included it in underlying earnings measures. Some entities, whilst including JobKeeper in their underlying results, excluded other costs linked with the pandemic as significant items.
- JobKeeper payments received by the 28 entities (of 35 entities) that improved earnings despite the pandemic, saw JobKeeper account for approx. 20% of the increase⁴ in underlying earnings.

² COH, QUB, CIM, SEK, HLS, NEC, BKL, INA, SUL, CKF, STO, DMP, LYC, ABC, ILU

³ Key reported metrics are those disclosed to investors in market presentation. When multiple key earnings metrics have been disclosed, the metric chosen in order of relevance being: PBT, EBIT and EBITDA followed by other less common measures.

⁴ See appendices details of the different earnings measures used, which include EBITDA, EBIT and PBT.

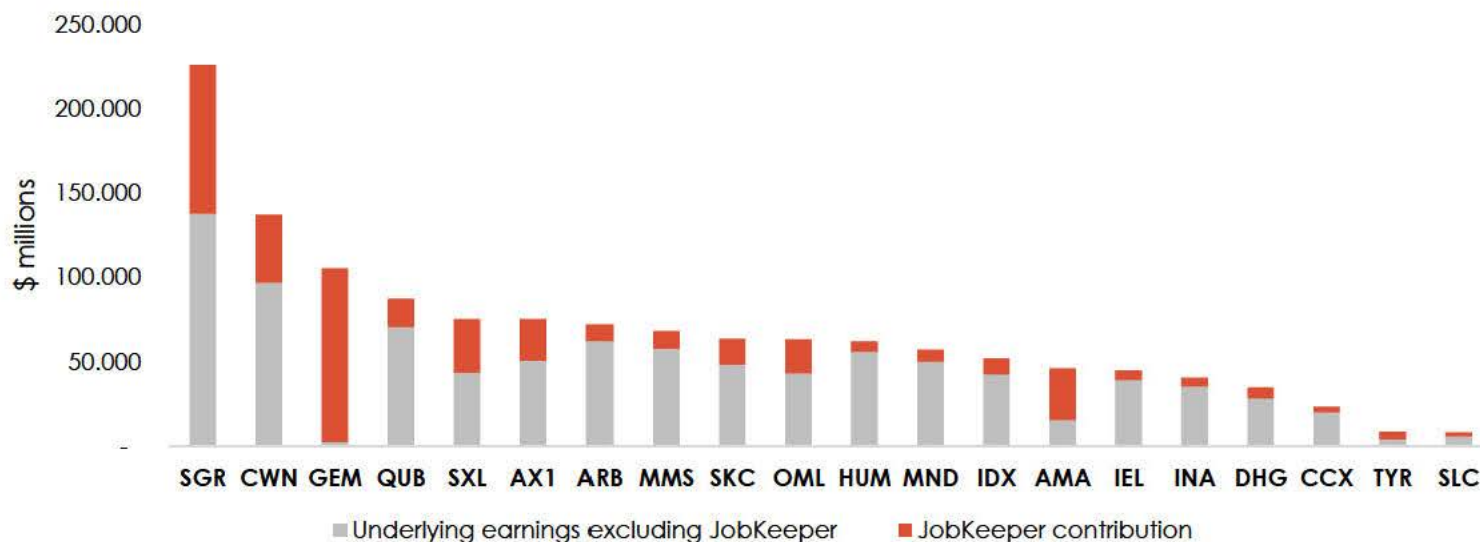
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JobKeeper was clearly more material to some companies than others. Graph 3 below illustrates the 20⁵ ASX 300 entities where JobKeeper made the greatest impact on key reported metrics. As these entities were significant beneficiaries of government subsidies in periods where they reported a positive earnings metrics (in six months to 31 Dec 2020), investors should closely scrutinise the sustainability of earnings in future periods as government assistance is being wound back.

Graph 3: Underlying earnings of twenty ASX 300 entities with positive earnings⁶ where JobKeeper made the greatest impact



Notably AMA Group (AMA) reported a 1H21 underlying EBITDAI figure of \$46.08mn with \$30.74mn in JobKeeper payments representing approx. 66.7% of underlying EBITDAI. Tyro Payments (TYR) reported 1H21 underlying EBITDA of \$8.46mn but received \$4.48mn in JobKeeper payments which

⁵ Includes companies with positive earnings measures only for the most recently released result - 1H21 (June year-ends) or FY20 (December year-ends).

⁶ GEM and OML utilise 12-month earnings as entities with a 31-December year-end
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represented approx. 52.9% of underlying EBITDA. Southern Cross Media Group (SXL) reported a 1H21 underlying EBITDA of \$75.3mn after having received \$31.91mn in JobKeeper payments which represented approx. 42.4% of underlying EBITDA - SXL also received a Public Interest News Gathering grant of \$3.4mn in the half. Fellow ASX media company Oohmedia Limited (OML) reported its FY20 result (December year-end) with an underlying EBITDA of \$63.2mn and had received \$20.26mn in JobKeeper payments which represented approx. 32% of its underlying EBITDA.

JobKeeper disclosure issues and impact on profitability

The detail and quality of disclosure of government subsidies continued to be varied for the period to 31 December 2020 as was the case for the period to 30 June 2020. The Australian Federal Government's JobKeeper Scheme is scheduled to cease as of 28 March 2021.

Accounting choices for JobKeeper and other government subsidies varied between entities. Some accounted for stimulus grants as an offset to employee expenses, and others booked payments as "Other income". Some others did not make explicit where such items appeared in their formal accounts but instead disclosed in other ASX releases accompanying their results. In a small minority of cases some entities provided no disclosure of government assistance but the existence of such assistance was disclosed by the government itself.

Little formal disclosure was made to help investors ascertain the contribution made to earnings by JobKeeper. Where employers received JobKeeper for employees who continued in productive employment - wage expenses for non-stood down employees were being directly subsidised with the attendant impact on profitability.

In some instances, the P&L impact of a temporary downturn in revenue during March – June 2020 (which was the qualifying criteria for JobKeeper 1.0) was more than offset by the receipt of up to \$19,500 in JobKeeper subsidies per employee until September 2020. As restrictions eased across Australia and trading conditions improved, this direct labour subsidy represented a significant, one-off, tailwind to profits. There was no requirement to return the JobKeeper subsidy if sales or profits increased after the recipient had qualified.

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Eagers Automotive (APE) reported Underlying Operating Profit Before Tax of \$209.4mn for CY2020 while receiving \$129.7mn in JobKeeper (operating profit before tax at APE *excluded* JobKeeper and other wage subsidies). APE suggested that this labour subsidy represented 14% of its total wages bill for 6500 employees, or “the equivalent of six weeks of our annual payroll, which mirrored the duration of the Government-mandated restrictions on trading” with no delineation made of the contribution to profitability. However, notes to APE’s accounts reveal at least a \$40mn P&L benefit which is recognised as reduction in the portion of employee benefits expense that contributed to cost of sales. The JobKeeper subsidy received while 6500 employees were stood down for six weeks amounts to \$30mn.

Excerpt 1: Eagers Automotive AR 2020, p.26

| | 2020 \$'000 | 2019 \$'000 |
|---|-----------------|----------------|
| <i>Employee benefits expense</i> | | |
| Employee benefits expense - gross | 706,129 | 480,219 |
| Employee benefits expense recognised in cost of sales - gross | 116,339 | 90,247 |
| Government grants offset against employee benefits expense | (92,971) | - |
| Government grants offset against employee benefits expense recognised in cost of sales | (40,813) | - |
| Total employee benefits expense | 688,684 | 570,466 |

The Star Entertainment Group (SGR) reported a normalised EBITDA of \$225.7mn but received \$87.9mn in JobKeeper payments. In its 1H21 accounts, as shown by Excerpt 1 below, SGR suggested that the ‘net benefit’ to earnings from JobKeeper was \$58mn. However, in its market presentation accompanying the 1H21 result, SGR disclosed that the remaining \$30mn of the total JobKeeper amount was for employees who were stood down or on reduced working hours. Investors should note that employees on reduced hours were utilised in the generation of revenue and thus JobKeeper payments for these employees also constitute a partial benefit to earnings in 1H21. Accordingly the total benefit to earnings from JobKeeper is likely higher than the \$58mn figure quoted. SGR whilst including JobKeeper payments in its underlying result, it excluded \$5.4mn in costs relating to COVID-19 linked expenditure which encompassed the provision of financial assistance to those employees experiencing hardship.

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Excerpt 2: SGR 1H21 accounts p.10

A3 Employment costs

| | | |
|--|--------------|-------|
| Salaries, wages, bonuses, redundancies and other benefits ^a | 190.9 | 308.1 |
| Defined contribution plan expense (superannuation guarantee charges) | 21.2 | 24.4 |
| Share based payment expense | 5.5 | 1.8 |
| | 217.6 | 334.3 |

^a Salaries and wages have reduced significantly due to the COVID-19 restrictions. This amount is net of \$87.9 million of financial support provided by the Federal Government under the JobKeeper wage subsidy scheme. As a result of the JobKeeper subsidy, the Group has received a \$57.7 million benefit towards salaries and wages expenses, for employees who have been stood up or are working reduced hours.

Excerpt 3: SGR 1H21 market presentation, slide 12

OPERATING COSTS WELL-MANAGED

- ◆ Operating expenses down 40% to \$324m
- ◆ Variable costs aligned with lower volumes, fixed costs reduced
- ◆ Opex includes higher temporary COVID-19 related costs (cleaning, security, hygiene marshals)
- ◆ JobKeeper wage subsidy of \$58m booked in 1H FY2021*
- ◆ \$15.4m in net significant items were largely restructuring related**

* SGR received \$88m relating to the Jul-Dec 20 period with \$30m flowing directly to employees stood down or on reduced hours

** See Note A5 of the Financial Report for further details

Flight Centre Travel Group (FLT) disclosed the receipt of \$177.89mn of total government subsidies in 1H21 with \$98mn of this being passed directly to employees who were stood down or furloughed. The remaining \$80mn appears to have subsidised employees who continued to work, with \$73mn being disclosed as the 'net benefit' to earnings in Australia due to the JobKeeper Scheme. In discussions, FLT representatives clarified the \$98mn figure quoted below in Excerpt 3 also included other government subsidies and not solely JobKeeper.

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Excerpt 4: FLT 1H21 market presentation, slides 14-15

Other income includes government support of \$178m, the majority of which has been offset by employee costs for stood down or furloughed employees. The net benefit of JobKeeper in Australia was \$73m.

Employee benefits have reduced by \$528m or 64% excluding redundancies (\$67m) and JobKeeper payments received on behalf of stood-down employees (\$98m).

Other ASX listed casino operators Crown Resorts (CWN) and SkyCity Entertainment Group (SKC) also received material JobKeeper payments in 1H21. CWN reported a 1H21 underlying EBITDA of \$137.2mn but received \$143.6mn in JobKeeper payments (most of CWN's JobKeeper payments were booked outside underlying earnings along with costs from when casinos were not operating). In its results presentation, CWN reported that Crown Perth had recorded a 33.7% rise in underlying EBITDA (+\$41mn) whilst receiving "\$24.7 million in JobKeeper subsidies for employees who worked in either a full or partial capacity" at that property. Crown only received JobKeeper for its Perth employees up to 27 September 2020. SKC received A\$15.4mn in JobKeeper payments and reported a normalised EBITDA of NZ\$119.9mn - SKC also received a further NZ\$10.2mn under the New Zealand Government's Wage Subsidy Scheme. It did not provide further detail that could assist in estimating the impact on profitability.

Retailer Accent Group (AX1) received \$45.87m of JobKeeper in CY2020. AX1 was rare in that it provided explicit disclosure of how it qualified for JobKeeper in its FY20 accounts. It disclosed a 58% revenue decline in March and April 2020 relative to the same period in 2019. However, despite claiming a drop in revenue during certain months of FY20, AX1 reported higher revenue in FY20 vs pcp. This continued into 1H21 where AX1 again continued to receive JobKeeper payments despite showing revenue growth vs 1H19. In its 1H21 accounts AX1 has stated that of the \$24.51mn received in the period, \$14.89mn were passed through directly to employees that were "either not working or not working sufficient hours to receive remuneration above the JobKeeper amount per fortnight". It claimed the remaining \$9.62mn was a 'benefit to earnings' and suggested that it intends to utilise these funds should there be future government mandated store closures. However investors should note that \$9.62m is likely to significantly understate the contribution to profitability made by JobKeeper for the 1H21 period as there are many part time

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and casual employees who would have worked productively without receiving more than the JobKeeper amount as salary (effectively a 100% P&L benefit to AX1).

Monadelphous Group (MND) had no disclosure in its FY20 accounts or market disclosures on the receipt of any government subsidies. However its 1H21 accounts it disclosed that it received \$7.14mn in JobKeeper payments which represented approx. 12.5% of underlying EBITDA. Upon querying whether it received JobKeeper subsidies in 2H20, company representatives confirmed MND received “a small amount” but did not further quantify the amount.

Some ASX entities may be exposed to customers (retail or businesses) and suppliers that have received similar, one-off tailwinds from JobKeeper and accordingly investors may wish to revise their demand forecasts. ASX companies represent the only data through which to analyse the impact on corporate profits made by JobKeeper as, unlike other jurisdictions such as the United Kingdom, New Zealand and the US, there is no public register of subsidies received. ASIC release 20-157MR [Focuses for financial reporting under COVID-19 conditions](#) required companies to “appropriately account for each type of support and assistance from government, lenders, landlords and others” and specifically called for the full impact of JobKeeper to be communicated to the users of financial accounts.

Our analysis represents approx. 3% of all JobKeeper received by Australian employers to 31 December 2020 as according to the ATO⁷, \$83bn had been spent on JobKeeper. In addition to the receipt of JobKeeper payments, investors should make judgements about the potential impact of other temporary reliefs such as rental deferral (or forgiveness) and lending concessions made in favour of ASX listed entities. For example, G8 Education (GEM) in FY20 (with a 31 December year-end) received \$160.27mn in child care relief, transition and recovery payments in addition to the \$102.92mn received under the JobKeeper Scheme - this took total subsidies to \$263.19mn when it reported an underlying EBITDA of \$126.6mn for FY20. Investors should also be cognisant of future stimulus measures which may be deployed by Federal and State Governments such as the recently announced scheme to subsidise regional airfares.

⁷ <https://parlinfo.aph.gov.au/parlinfo/search/display/display.w3p;query=Id%3A%22committees%2Fcommsen%2F72bc7dcd-2d16-4629-abe7-7f9bf8a60a2f%2F0002%22>
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Appendix 1: Government subsidies disclosed to date by ASX 300 entities (CY20)

This note only includes entities where disclosures or publicly available data confirms the quantum of government subsidies received; actual number of companies who received government subsidies and quantum of payments are therefore likely higher. Data used in this research note is available for reference below and is sorted by quantum of total subsidies received.

| Company | JobKeeper received (\$mn) | Other govt. subsidies (\$mn) | Total govt. subsidies (\$mn) | JobKeeper repayments (\$mn) |
|---------|---------------------------|------------------------------|------------------------------|-----------------------------|
| QAN | 726.000 | 511.000 | 1,237.000 | |
| FLT | 195.620 | 127.492 | 323.112 | |
| GEM | 102.917 | 160.270 | 263.187 | |
| CWN | 254.900 | 5.200 | 260.100 | |
| SGR | 152.700 | - | 152.700 | |
| APE | 129.700 | 4.100 | 133.800 | |
| PMV | 76.410 | 15.800 | 92.210 | |
| EVT | 64.759 | 17.763 | 82.522 | |
| WOR | - | 80.900 | 80.900 | |
| AMA | 64.187 | 0.804 | 64.991 | |
| FBU | - | 64.052 | 64.052 | |
| DOW | - | 62.745 | 62.745 | |
| SKC | 23.200 | 29.961 | 53.161 | |
| AX1 | 45.871 | 2.469 | 48.340 | |
| COH | 46.200 | 2.000 | 48.200 | 23.100 |
| SXL | 48.008 | - | 48.008 | |
| HVN | 13.830 | 27.740 | 41.570 | |
| SLK | 17.200 | 24.321 | 41.521 | |
| WES | - | 40.000 | 40.000 | |
| QUB | 30.300 | 5.849 | 36.149 | 16.800 |
| CIM | 20.000 | 13.000 | 33.000 | 20.000 |
| VEA | 24.900 | - | 24.900 | |
| VCX | 23.200 | - | 23.200 | |
| SEK | 18.000 | 5.000 | 23.000 | 9.800 |
| MMS | 20.479 | 1.804 | 22.283 | |

| Company | JobKeeper received (\$mn) | Other govt. subsidies (\$mn) | Total govt. subsidies (\$mn) | JobKeeper repayments (\$mn) |
|---------|---------------------------|------------------------------|------------------------------|-----------------------------|
| LOV | 11.090 | 11.107 | 22.197 | |
| OML | 20.258 | 0.793 | 21.051 | |
| ARB | 18.419 | 0.895 | 19.314 | |
| MGR | 19.000 | - | 19.000 | |
| ALG | 5.997 | 12.602 | 18.599 | |
| IDX | 17.214 | 0.394 | 17.609 | |
| SGM | 14.000 | 2.500 | 16.500 | |
| VRT | 14.600 | 0.800 | 15.400 | |
| LLC | 6.800 | 8.200 | 15.000 | |
| HLS | 14.000 | - | 14.000 | 1.300 |
| CTD | 5.248 | 8.466 | 13.714 | |
| ILU | 13.600 | - | 13.600 | 13.600 |
| SYD | 13.000 | - | 13.000 | |
| BSL | - | 12.800 | 12.800 | |
| TAH | 12.000 | - | 12.000 | |
| DHG | 11.900 | - | 11.900 | |
| BKL | 1.000 | 10.424 | 11.424 | 2.400 |
| CAR | 11.328 | - | 11.328 | |
| IEL | 10.301 | 0.189 | 10.490 | |
| MVF | 9.958 | - | 9.958 | |
| INA | 9.500 | - | 9.500 | 1.700 |
| GPT | 8.800 | 0.700 | 9.500 | |
| HUM | 8.900 | - | 8.900 | |
| RDC | 8.600 | - | 8.600 | |
| TYR | 8.343 | - | 8.343 | |

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| Company | JobKeeper received (\$mn) | Other govt. subsidies (\$mn) | Total govt. subsidies (\$mn) | JobKeeper repayments (\$mn) |
|---------|---------------------------|------------------------------|------------------------------|-----------------------------|
| SUL | 3.200 | 4.830 | 8.030 | 1.700 |
| NCK | 7.097 | 0.363 | 7.460 | |
| CCX | 7.150 | 0.238 | 7.388 | |
| CCL | - | 7.200 | 7.200 | |
| MND | 7.143 | - | 7.143 | |
| CKF | 4.200 | 2.900 | 7.100 | 1.800 |
| ALD | 1.887 | 4.913 | 6.800 | |
| EOS | 5.773 | 0.905 | 6.678 | |
| NEC | 2.600 | 3.975 | 6.575 | 2.000 |
| WEB | 1.450 | 4.988 | 6.438 | |
| AIA | - | 6.155 | 6.155 | |
| GUD | 5.170 | 0.539 | 5.709 | |
| NHF | 5.200 | - | 5.200 | |
| STO | 4.000 | - | 4.000 | 4.000 |
| RWC | - | 3.700 | 3.700 | |
| ELO | 3.700 | - | 3.700 | |
| BAP | - | 3.691 | 3.691 | |
| SLC | 3.214 | - | 3.214 | |
| DMP | 0.792 | 2.408 | 3.200 | 0.792 |
| JBH | - | 2.839 | 2.839 | |
| IVC | - | 2.300 | 2.300 | |
| GXY | 2.300 | - | 2.300 | |
| MNY | 1.641 | 0.459 | 2.100 | |
| SXY | 2.100 | - | 2.100 | |
| IPH | - | 2.098 | 2.098 | 1.700 |

| Company | JobKeeper received (\$mn) | Other govt. subsidies (\$mn) | Total govt. subsidies (\$mn) | JobKeeper repayments (\$mn) |
|---------|---------------------------|------------------------------|------------------------------|-----------------------------|
| LYC | 2.021 | - | 2.021 | 1.060 |
| BWX | - | 1.900 | 1.900 | |
| BIN | 1.714 | - | 1.714 | |
| LIC | 1.660 | - | 1.660 | |
| REH | - | 1.500 | 1.500 | |
| SDF | 1.500 | - | 1.500 | |
| ADB | 1.193 | 0.088 | 1.281 | |
| PNI | 1.128 | - | 1.128 | |
| GWA | - | 1.048 | 1.048 | |
| BLD | - | 0.800 | 0.800 | |
| SSM | 0.800 | - | 0.800 | |
| IFM | - | 0.783 | 0.783 | |
| SPL | 0.775 | - | 0.775 | |
| CCP | - | 0.747 | 0.747 | |
| PGH | 0.600 | - | 0.600 | |
| ORE | - | 0.360 | 0.360 | |
| ABC | 0.200 | - | 0.200 | 0.200 |
| PNV | - | 0.191 | 0.191 | |
| AUB | 0.080 | - | 0.080 | |
| PET | 0.043 | - | 0.043 | 1.060 |

Update on JobKeeper & other government subsidies in ASX300

Appendix 2: JobKeeper recipients in 2HCY20 who improved earnings and included JobKeeper in earnings

Our Bespoke Analysis is a précis of interesting governance and disclosure issues that have potentially material impacts on shareholder returns.

Ownership Matters analysts focus only on what matters to your ownership interest.

| Company | JobKeeper received (\$mn) | Underlying earnings measure | Underlying earnings (\$mn) 1H21 | Underlying earnings (\$mn) 1H20 | JobKeeper as % of earnings in 1H21 |
|------------------|---------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
| SXL | 31.908 | EBITDA | 75.300 | 67.500 | 42% |
| AMA | 30.736 | EBITDAI | 46.076 | 21.748 | 67% |
| AX1 | 24.513 | PBT | 75.219 | 48.400 | 33% |
| MMS | 10.450 | EBITDA | 68.100 | 57.200 | 15% |
| ARB | 9.819 | PBT | 72.083 | 34.388 | 14% |
| IDX | 9.500 | EBITDA | 52.000 | 34.600 | 18% |
| SLK | 8.600 | EBITDA | 96.200 | 94.600 | 9% |
| DHG | 6.500 | EBIT | 34.700 | 24.700 | 19% |
| HUM | 6.100 | Cash PBT | 62.100 | 45.100 | 10% |
| CAR | 6.000 | PBT | 101.900 | 85.900 | 6% |
| INA | 5.100 | EBIT | 40.300 | 32.200 | 13% |
| TYR | 4.476 | EBITDA | 8.457 | 1.499 | 53% |
| CKF | 4.200 | EBIT | 44.700 | 40.100 | 9% |
| RDC | 4.000 | EBITDA | 40.900 | 38.700 | 10% |
| HVN | 3.840 | PBT | 610.220 | 285.870 | 1% |
| CCX | 3.500 | EBITDA | 23.300 | 19.100 | 15% |
| NCK | 3.368 | PBT | 57.600 | 28.800 | 6% |
| NHF | 3.200 | Operating profit | 86.900 | 83.200 | 4% |
| GUD | 2.759 | EBIT | 52.300 | 44.500 | 5% |
| SLC | 2.500 | EBITDA | 8.200 | 4.100 | 30% |
| NEC ⁸ | 8.400 | EBITDA | 355.400 | 250.800 | 1% |
| ELO | 1.700 | EBITDA | (0.800) | (2.600) | 213% |
| SDF | 1.500 | NPAT | 60.400 | 50.600 | 2% |

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⁸ Includes JobKeeper received by DHG
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| Company | JobKeeper received (\$mn) | Underlying earnings measure | Underlying earnings (\$mn) 1H21 | Underlying earnings (\$mn) 1H20 | JobKeeper as % of earnings in 1H21 |
|------------|---------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
| HLS | 1.300 | EBIT | 136.600 | 63.300 | 1% |
| PNI | 0.564 | PBT | 30.300 | 13.800 | 2% |
| PGH | 0.300 | EBIT | 98.571 | 78.638 | 0% |
| AUB | 0.080 | EBIT | 76.700 | 47.900 | 0% |

Appendix 3: JobKeeper recipients in 2HCY20 who grew earnings but excluded JobKeeper from underlying earnings

| Company | JobKeeper received (\$mn) | Underlying earnings measure | Underlying earnings (\$mn) 1H21 | Underlying earnings (\$mn) 1H20 |
|-------------|---------------------------|-----------------------------|---------------------------------|---------------------------------|
| APE* | 129.70 | PBT | 209.400 | 100.400 |
| SGM | 11.800 | EBIT | 56.400 | (23.200) |
| VRT | 7.400 | PBT | 33.300 | 20.900 |
| MVF | 5.058 | EBIT | 18.400 | 14.200 |
| SXY | 1.300 | EBITDA | 24.600 | (1.300) |
| LYC | 1.060 | EBITDA | 80.600 | 44.200 |

* reflects 12-month to 31-December 2020

Update on JobKeeper & other government subsidies in ASX300

Appendix 4: JobKeeper recipients in 2HCY20 where earnings fell relative to pcg

Note that some entities below have made statements or representations that JobKeeper and/or other subsidies would be returned.

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| Company | JobKeeper received in 2HCY20 (\$mn) | Other subsidies received in 2HCY20 (\$mn) | Total subsidies in 2HCY20 (\$mn) |
|---------|-------------------------------------|---|----------------------------------|
| QAN | 459.000 | 253.000 | 712.000 |
| CWN | 143.600 | 2.600 | 146.200 |
| FLT | 122.000 | 55.891 | 177.891 |
| SGR | 87.900 | - | 87.900 |
| EVT | 41.730 | 6.460 | 48.190 |
| COH | 23.100 | 1.500 | 24.600 |
| CIM | 20.000 | 13.000 | 33.000 |
| VEA | 19.800 | - | 19.800 |
| QUB | 16.800 | - | 16.800 |
| GEM | 16.519 | 70.954 | 87.473 |
| SKC | 15.400 | 10.200 | 25.600 |
| OML | 13.475 | 0.492 | 13.967 |
| VCX | 12.400 | - | 12.400 |
| MGR | 10.000 | - | 10.000 |
| SEK | 9.800 | - | 9.800 |
| SYD | 8.000 | - | 8.000 |
| TAH | 8.000 | - | 8.000 |
| ILU | 7.600 | - | 7.600 |
| MND | 7.143 | - | 7.143 |
| IEL | 5.837 | - | 5.837 |
| CTD | 5.248 | 8.466 | 13.714 |
| GPT | 4.700 | 0.400 | 5.100 |
| EOS | 3.873 | 0.905 | 4.778 |
| STO | 2.500 | - | 2.500 |
| GXY | 2.300 | - | 2.300 |

| Company | JobKeeper received in 2HCY20 (\$mn) | Other subsidies received in 2HCY20 (\$mn) | Total subsidies in 2HCY20 (\$mn) |
|---------|-------------------------------------|---|----------------------------------|
| BIN | 0.877 | - | 0.877 |
| LIC | 0.802 | - | 0.802 |
| SSM | 0.800 | - | 0.800 |
| ADB | 0.759 | 0.069 | 0.828 |
| SPL | 0.376 | - | 0.376 |
| ABC | 0.200 | - | 0.200 |

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Update on JobKeeper & other government subsidies in ASX300

**Nikitha Kariyawasam
& James Samson, CFA**
17 March 2021

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