

BHP splits analysts

KARINA BARRYMORE

ANALYSTS are at odds about the outlook for shares in embattled miner BHP as criticism of its management continues amid concern about the potential for a boardroom shake-out.

Investment bank UBS has upgraded its recommendation on BHP shares from "neutral" to "buy", saying they are trading below their value.

But Christopher LaFemina, an analyst at US-based investment bank Jefferies, has downgraded his rating on the stock from "buy" to "hold", citing weaker demand for its resources from China.

UBS analyst Glyn Lawcock said the stock was "out of favour and management is under increasing pressure ... to show its strategy is working after three years of underper-

forming Rio". However, BHP's cash flow was "too compelling", Mr Lawcock said.

"Unloved, activist interest,

attractive value and a greater

than 5 per cent dividend yield,"

made it worthy of a buy rating, he said.

At Jefferies, Mr LaFemina said the recovery in demand driven by Chinese stimulus was over, potentially undermining BHP's performance.

It comes as investor Tribeca Investment Partners seeks to overhaul BHP's 11-member board because of losses and writedowns at the mining titan in recent years.

Tribeca and fellow activist investor Elliott Management have both called for BHP to sell energy assets and return capital to shareholders.

Motley Fool analyst Mike King said yesterday that while

a return of capital to shareholders would be welcome, the sale of BHP's oil business was "unlikely to be a good move over the long term".

Mr King said that whether or not it sold assets, iron ore prices were expected to fall further and BHP's "huge" debt level was too high as interest rates started to rise again.

BHP shares closed up 1 per cent yesterday at \$23.54.

AIMING TO BE HOME OF DRONES

TOM GILLESPIE

GARY King has watched drones go from gimmicks to hi-tech military equipment and now stocking fillers for kids at Christmas.

Now he wants to make Toowoomba the industry's Australian capital.

The businessman and former army officer will open his new store, Universal Drones, in the southeast Queensland regional city next week.

As well as being one of the largest retail shops in Queensland for drones, it will feature a secure research and development facility, flight simulation and testing rooms to let customers try out the machines.

Mr King (pictured) said half the business would be aimed at farmers, who now use hi-tech drones to spray crops, scan large areas for water points and even muster livestock.

"I've been working with drones since 2002 and we have the largest agricultural drones in Australia, in terms of size and weight," he said.

"We're talking about crop spraying, analytical, crop count, your water analysis."



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Beddow taking CFO role

ORMEA U-BASED National Veterinary Care has appointed a new chief finance officer – four months after founding CFO Katherine Baker stood down.

Jason Beddow will leave his job as CFO at Brisbane-based PPK Group, which he has held since April 2015.

Mr Beddow's experience includes holding the roles of CFO and company secretary at National Dental Care and group financial controller for Terry White Chemists, where he helped to implement an IT system.

He began his career at international accounting firm Deloitte.

NVL boss Tomas Steenackers said Mr Beddow's skill-set was an ideal fit for the veterinary services company.

"His experience as CFO and company secretary with dental surgery roll-up National Dental Care will be invaluable as we continue to follow through with our growth strategy," he said.

Mr Steenackers will take over from Laura Fanning and Janita Robba, who were appointed interim joint chief finance officers after Ms Baker left.

NVL said Ms Fanning and Ms Robba will continue as joint company secretaries through the FY17 reporting period.

Ms Baker was the fast-growing firm's first finance boss and also held the role of company secretary.

She joined from rival Greencross and oversaw the company's stock market listing in 2015 and its rapid expansion in Australia and New Zealand.

Ms Baker was one of the few female CFOs of a listed Australian company.

NVL shares closed up 2¢ at \$2.42.

