

Research Flash

Genex Power (GNX) – SPECULATIVE BUY, TP 36cps

Our view

The commitment by the NAIF board is very positive news for GNX and the pumped hydro project. We note that this is not yet a suite of executed binding agreements to tie the whole project together but it appears that the final signing of those contracts is drawing much closer.

We maintain our SPECULATIVE BUY rating and target price of 36cps.

Key points:

- NAIF board makes refreshed Investment Decision for loan facility for Kidston Hydro project which we understand is still subject to approval by relevant state and federal ministers.
- Offtake agreement expiry with EnergyAustralia extended to 28 February 2021.
- J-POWER share subscription agreement expiry also extended to 28 February 2021.

Disclosures

Analyst(s) own shares in the following stock(s) mentioned in this report: GNX

Corporate disclosure: Morgans Corporate Limited was a Participating Broker to the placement of shares in Genex Power Limited and may have received fees in this regard.