

**Analyst**

Chris Savage 612 8224 2835

**Authorisation**

TS Lim 612 8224 2810

# Automotive Holdings (AHG)

## Net positive trading update

**Recommendation**  
**Buy** (unchanged)  
**Price**  
**\$4.23**  
**Target (12 months)**  
**\$4.80** (unchanged)

**Expected Return**

Capital growth	<b>13.5%</b>
Dividend yield	<b>5.7%</b>
Total expected return	<b>19.1%</b>

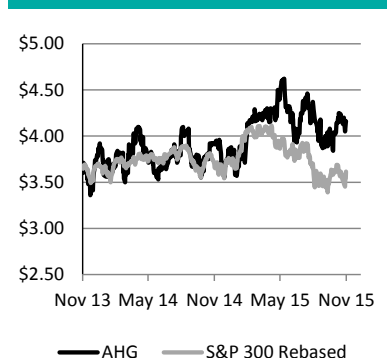
**Company Data & Ratios**

Enterprise value	<b>\$2,109m</b>
Market cap	<b>\$1,296m</b>
Issued capital	<b>306.4m</b>
Free float	<b>100%</b>
Avg. daily val. (52wk)	<b>\$3.7m</b>
12 month price range	<b>\$3.55 - \$4.68</b>
GICS sector	
<b>Automobiles and Components</b>	

**Price Performance**

	(1m)	(3m)	(12m)
Price (A\$)	4.04	4.31	3.92
Absolute (%)	2.97	-3.48	6.12
Rel market (%)	3.39	-1.53	9.76

**Absolute Price**



SOURCE: IRESS

### Net positive trading update

Automotive Holdings Group (AHG) provided a net positive trading update at its AGM today with consolidated EBITDA up 11.5% to \$68.6m for the four months to 31 October 2015. It was, however, the usual story of Automotive driving most of the growth (Automotive EBITDA up 13.5% to \$48.8m) and the logistics businesses dragging the chain (Refrigerated Logistics EBITDA up 2.3% to \$15.3m and Other Logistics EBITDA down 14.1% to \$3.2m). AHG said the market for Refrigerated Logistics remains challenging while various factors such as the weaker A\$ negatively impacted Other Logistics. AHG did not provide guidance for the first half or full year (it is not company policy to do so) but did point to continued growth in Automotive and a focus on improved performance in Refrigerated Logistics.

### EPS forecasts close to unchanged

Our EPS forecasts over the next three years (FY16-FY18) are close to unchanged (i.e. <1% movement). There is, however, a change in the mix with an increase in our Automotive forecasts but a reduction in our Refrigerated Logistics and Other Logistics forecasts. Overall we continue to forecast mid to high single digit growth in EBITDA over the next three years (versus 11.5% growth in the first four months of FY16) and high single digit to low double digit growth in operating NPAT (versus 14.3% growth in the first four months of FY16).

### Investment view: Retain BUY, PT \$4.80

We maintain our BUY recommendation and \$4.80 price target on AHG. We have updated each valuation we use in the determination of our price target for the earnings changes and also market movements and the time creep. We have also increased the discount we apply in the relative valuations (i.e. SOTP and PE ratio) from 10% to 15% due to the continued underperformance of the Refrigerated Logistics business. The net result, however, is no change in our \$4.80 PT which is a 13% premium to the current share price and so supports a BUY recommendation.

**Earnings Forecast**

Year end 30 June	2015	2016e	2017e	2018e
Total revenue (A\$m)	5,245.8	5,546.0	5,737.2	5,900.2
EBITDA (A\$m)	215.8	232.6	248.3	261.5
NPAT (A\$m)	88.1	99.9	109.2	117.0
EPS (diluted) (cps)	28.7	32.6	35.6	38.2
EPS growth (%)	7%	13%	9%	7%
PER (x)	14.7	13.0	11.9	11.1
Price/CF (x)	11.4	10.7	8.4	7.8
EV/EBITDA (x)	9.8	9.2	8.7	8.4
Dividend (€ps)	22.0	24.0	26.0	28.0
Yield (%)	5.2%	5.7%	6.1%	6.6%
ROE (%)	13.1%	14.2%	14.9%	15.2%
Franking (%)	100.0%	100.0%	100.0%	100.0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

# Trading Update

Automotive Holdings Group (AHG) provided a net positive trading update at its AGM today with consolidated EBITDA up 11.5% to \$68.6m for the four months to 31 October 2015. The breakdown of the result is shown in Figure 1 below.

**Figure 1 - Consolidated performance for July to October 2015**

Year end 30 June	FY15 Jul-Oct	FY16 Jul-Oct	Change
<b>Operating EBITDA* (A\$m)</b>			
Automotive	43.0	48.8	13.5%
Refrigerated Logistics	15.0	15.3	2.3%
Other Logistics	3.7	3.2	-14.1%
Property	-0.2	1.3	NM
<b>Consolidated Group EBITDA</b>	<b>61.5</b>	<b>68.6</b>	<b>11.5%</b>
Depreciation and amortisation	-12.8	-14.5	13.1%
Group interest	-12.0	-12.2	1.7%
<b>Operating NPAT*</b>	<b>24.4</b>	<b>27.9</b>	<b>14.3%</b>

SOURCE: COMPANY DATA \* BEFORE UNUSUAL ITEMS

The key take-outs are:

- Automotive EBITDA up 13%:** Automotive EBITDA rose a strong 13% to \$48.8m which was partly driven by a full four month contribution from the Bradstreet acquisition (it only contributed for two months in the pcp). Overall, however, trading conditions appear to be good with AHG saying the new and used car market remains strong and parts & service is also performing well. Also, the decline in WA new vehicle volumes has been offset by continued strong performance from east coast markets as well as growth in the New Zealand operation.
- Refrigerated Logistics up 2%:** Refrigerated Logistics EBITDA rose only 2% to \$15.3m with AHG saying the market remains challenging. The company added that cold store utilisation is near capacity and pointed to new initiatives to drive growth and better performance (i.e. new warehouse technology and a new transport management system). AHG also said a dedicated project was in place to help drive cost, integration and efficiency initiatives for the business.
- Other Logistics EBITDA down 14%:** Other Logistics EBITDA fell 14% to \$3.2m which was actually in line with company expectations. The business was, however, negatively impacted by various factors including a weaker A\$ (which impacts KTM), the change in distribution by Mitsubishi (which impacts AMCAP) also the delay in the sale of Covs (which is negatively impacting the business). On the flip side, however, AHG noted there was a positive turnaround in the performance of VSE/GTB and the restructure of WMC was also completed with Chinese brands.
- Consolidated EBITDA up 12%:** Consolidated EBITDA rose 12% to \$68.6m which was mostly driven by the growth in the Automotive business. This rate of growth is notably ahead of the 8% growth in EBITDA we are forecasting for the full year but note the Covs business is still to come out in 2HFY16 and we still forecast a modest net loss for the Property business for the full year. Offsetting this, however, is the several months' contribution from the recently acquired Mercedes dealerships in Perth so, overall, our forecast EBITDA growth of 8% for the full year looks reasonable if not conservative.

# Earnings and Valuation Changes

## EPS Forecasts Close to Unchanged

Our EPS forecasts over the next three years (FY16-FY18) are close to unchanged (i.e. <1% movement). There is, however, a change in the mix with an increase in our Automotive forecasts but a reduction in our Refrigerated Logistics and Other Logistics forecasts. Overall we continue to forecast mid to high single digit growth in EBITDA over the next three years (versus 11.5% growth in the first four months of FY16) and high single digit to low double digit growth in operating NPAT (versus 14.3% growth in the first four months of FY16).

A summary of the changes in our key forecasts is shown in Figure 2 below. Note there is no change in our dividend forecasts due to the only modest changes in our EPS forecasts.

Figure 2 - Changes in key forecasts

Year end 30 June	FY16e			FY17e			FY18e		
	Old	New	Change	Old	New	Change	Old	New	Change
Total revenue (A\$m)	5,539.9	5,546.0	0.1%	5,726.4	5,737.2	0.2%	5,893.2	5,900.2	0.1%
EBITDA before unusual items	233.2	232.6	-0.3%	248.5	248.3	-0.1%	261.7	261.5	-0.1%
NPAT after minority interests	100.7	99.9	-0.8%	110.0	109.2	-0.8%	117.9	117.0	-0.7%
<b>Diluted EPS</b>	<b>32.8c</b>	<b>32.6c</b>	<b>-0.8%</b>	<b>35.9c</b>	<b>35.6c</b>	<b>-0.8%</b>	<b>38.4c</b>	<b>38.2c</b>	<b>-0.7%</b>
DPS	24.0c	24.0c	0.0%	26.0c	26.0c	0.0%	28.0c	28.0c	0.0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

## Price Target Unchanged at \$4.80

We have updated each valuation we use in the determination of our price target for the earnings changes and also market movements and the time creep. We have also increased the discount we apply in the relative valuations (i.e. SOTP and PE ratio) from 10% to 15% due to the continued underperformance of the Refrigerated Logistics business. There is no change in the key assumptions we employ in the DCF valuation of a 10.8% WACC and 3.0% terminal growth rate.

The change in each valuation and the impact on the price target calculation is shown in Figure 3 below.

Figure 3 - Change in valuations and impact on price target

Methodology	Old (as at 14-Aug-15)			New (as at 20-Nov-15)		
	Valuation per share	% weighting	Price target	Valuation per share	% weighting	Price target
SOTP	\$5.72	40%	\$2.29	\$5.65	40%	\$2.26
PE ratio	\$4.68	20%	\$0.94	\$4.50	20%	\$0.90
DCF	\$3.94	40%	\$1.58	\$4.09	40%	\$1.64
<b>Total</b>			<b>\$4.80</b>			<b>\$4.80</b>

SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 3 shows there has been modest falls in the relative valuations (due mainly to the increase in discount applied) but a modest rise in the DCF valuation (due mainly to the time creep). We note, however, there is still a relatively wide range in the valuations which does not support any particular valuation and makes valuation difficult. The net result, however, is no change in our \$4.80 PT which is a 13% premium to the current share price and so supports a BUY recommendation.

# Automotive Holdings Group

## Company Description

Automotive Holdings Group (AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The company is Australia's largest automotive retailer with a national market share of c.6% for new vehicle sales and is also Australia's largest refrigerated food transport and warehousing provider. AHG was founded in 1952 and head office is in Perth, Western Australia. The company employs over 7,500 staff across Australia and New Zealand.

## Investment Thesis

We retain our BUY recommendation on AHG. Our investment thesis is based on:

- **Valuation:** Our 12 month price target for AHG is \$4.80. The price target is generated from a blend of the three valuation methodologies: SOTP, PE ratio and DCF. The price target is a 13% premium to the current share price and the total expected return (including the forecast dividend yield) is 19%.
- **Market leader:** AHG is Australia's largest automotive retailer and also the largest refrigerated food transport and warehousing provider. These market leading positions generate competitive advantages for the company including range of goods and services, economies of scale and customer support.
- **Diversity:** AHG generates revenue from a variety of different areas in its two key markets of automotive retailing and logistics including the sale of new and used vehicles, finance, insurance, aftermarket products and services, vehicle servicing and parts in the former and refrigerated transport and cold storage, warehousing and distribution of automotive parts and accessories, import and distribution of motorcycles, vehicle storage and engineering to the trucking industry in the latter.

## Key Risks

Key downside risks to our estimates and valuation include (but are not limited to):

- **Market downturns:** AHG's revenue and growth are susceptible to downturns in one or both of its two key markets (automotive retailing and logistics) resulting from economic, regulatory or legislative changes, or changes in consumer preferences, competitor activity or relevant technology. The company's diversity across revenue streams and geographies provides some protection against such downturns but does not mean the company is immune from such impacts.
- **Acquisition/investment risk:** AHG has made a number of acquisitions over the past few years and, should some of these acquisitions not achieve their performance targets (or achieve them at a slower rate), then this may negatively impact the financial performance of the company. Similarly, the company has made a number of investments in greenfield developments in recent years and, again, if these do not meet their performance targets, it may adversely impact the group.
- **Loss or change in key agreements:** AHG has a number of key agreements in its business including franchise agreements with manufacturers, property leases with landlords and funding facilities with banks and floorplan financiers. The loss or change in one or more of these agreements could have an adverse impact on the group particularly if an appropriate replacement or alternative relationship can be found.

# Automotive Holdings

as at 20 November 2015

Recommendation

Buy

Price

\$4.23

Target (12 months)

\$4.80

Table 1 - Financial summary

Automotive Holdings Group (AHG)						Share price:	\$4.23	Target price:	\$4.80		
						No. of issued shares:	306.4m	Market cap:	\$1,296m		
<b>Profit &amp; Loss (A\$m)</b>						<b>Valuation data</b>					
Year end 30 Jun	2014	2015	2016e	2017e	2018e	Year end 30 Jun	2014	2015	2016e	2017e	2018e
Revenue	4,734.8	5,245.8	5,546.0	5,737.2	5,900.2	NPAT after minorities (A\$m)	72.9	88.1	99.9	109.2	117.0
Change	10%	11%	6%	3%	3%	Diluted EPS (c)	26.9	28.7	32.6	35.6	38.2
EBITDA bef. unusual items	178.6	215.8	232.6	248.3	261.5	Change	8%	7%	13%	9%	7%
Depreciation	-21.8	-30.0	-32.3	-33.9	-35.6	P/E ratio (x)	15.8	14.7	13.0	11.9	11.1
Amortisation	-8.6	-10.6	-11.3	-11.7	-12.0	CFPS (c)	37.6	37.0	39.5	50.5	54.2
EBIT bef. unusual items	148.3	175.2	188.9	202.6	213.8	Price/CF (x)	11.2	11.4	10.7	8.4	7.8
Net interest expense	-30.7	-33.6	-35.1	-36.0	-36.3	DPS (c)	21.0	22.0	24.0	26.0	28.0
EBT bef. unusual items	117.5	141.7	153.8	166.7	177.5	Yield	5.0%	5.2%	5.7%	6.1%	6.6%
Unusual items	-8.0	-11.6	-5.0	-4.5	-4.0	Franking	100%	100%	100%	100%	100%
EBT bef. impairments	109.5	130.0	148.8	162.2	173.5	EV/EBITDA (x)	11.1	9.8	9.2	8.7	8.4
Impairment of intangibles	0.0	0.0	0.0	0.0	0.0	EV/EBIT (x)	16.8	14.9	14.0	13.0	12.3
EBT	109.5	130.0	148.8	162.2	173.5	NTA per share (c)	125.5	99.0	99.0	107.2	116.1
Tax expense	-33.3	-35.9	-42.4	-46.2	-49.4	Price/book (x)	3.4	4.3	4.3	3.9	3.6
NPAT bef. minority interests	76.3	94.1	106.4	116.0	124.0	<b>Performance ratios</b>					
Minority interests	-3.4	-6.0	-6.5	-6.8	-7.0	Year end 30 Jun	2014	2015	2016e	2017e	2018e
NPAT after minority interests	72.9	88.1	99.9	109.2	117.0	EBITDA margin	3.6%	3.9%	4.1%	4.2%	4.4%
<b>Cash Flow (A\$m)</b>						EBIT margin	2.3%	2.5%	2.7%	2.8%	2.9%
Year end 30 Jun	2014	2015	2016e	2017e	2018e	Return on assets	4.1%	4.5%	5.0%	5.2%	5.4%
EBITDA after unusual items	170.6	204.2	227.6	243.8	257.5	Return on equity	11.2%	13.1%	14.2%	14.9%	15.2%
Change in working capital	-1.8	-17.9	-28.9	-6.7	-5.7	ROIC	8.8%	9.1%	9.6%	10.1%	10.4%
Gross operating cash flow	168.9	186.2	198.6	237.1	251.8	Payout ratio	78%	77%	74%	73%	73%
Net interest	-30.7	-33.6	-35.1	-36.0	-36.3	Effective tax rate	-30%	-28%	-29%	-29%	-29%
Tax paid	-35.9	-39.3	-42.4	-46.2	-49.4	<b>Leverage ratios</b>					
Net operating cash flow	102.2	113.3	121.1	154.9	166.0	Year end 30 Jun	2014	2015	2016e	2017e	2018e
Payments for acquisitions	-83.2	-75.0	-75.0	-20.0	-20.0	Net debt/(cash) (\$m)	683.0	813.1	852.5	876.0	891.7
Payments for PPE	-111.4	-98.4	-60.0	-55.0	-55.0	Net debt/equity	103%	117%	117%	115%	112%
Proceeds of sale of PPE	9.2	17.1	0.0	0.0	0.0	Gearing	51%	54%	54%	54%	53%
Proceeds of sale of	0.9	0.6	44.0	0.0	0.0	Net debt/EBITDA (x)	4.0	4.0	3.7	3.6	3.5
Net investing cash flows	-184.5	-155.7	-91.0	-75.0	-75.0	Net interest cover (x)	4.8	5.2	5.4	5.6	5.9
Net proceeds from borrowings	-0.5	83.8	25.0	15.0	10.0	<b>Segmentals</b>					
Proceeds from issue of shares	141.3	0.0	0.0	0.0	0.0	Year end 30 Jun	2014	2015	2016e	2017e	2018e
Dividends paid to members	-53.4	-65.9	-70.5	-76.6	-82.8	Revenue (A\$m)					
Dividends paid to minorities	-3.0	-5.2	-5.5	-5.8	-6.0	Automotive retail	3,883.3	4,271.1	4,614.0	4,791.8	4,911.6
Net financing cash flows	84.3	12.7	-51.0	-67.4	-78.7	Transport and cold storage	429.7	609.1	639.5	674.7	708.4
Net change in cash	2.1	-29.6	-20.9	12.5	12.3	Other logistics	421.4	365.2	292.2	270.2	279.7
Cash at end of period	99.5	69.9	49.0	61.5	73.8	Property	0.3	0.4	0.4	0.4	0.5
<b>Balance Sheet (A\$m)</b>						Total revenue	4,734.8	5,245.8	5,546.0	5,737.2	5,900.2
Year end 30 Jun	2014	2015	2016e	2017e	2018e	EBITDA bef. unusuals (A\$m)					
Cash	99.5	69.9	49.0	61.5	73.8	Automotive retail	132.5	161.2	174.9	183.3	189.1
Receivables	293.0	318.6	332.8	344.2	354.0	Transport and cold storage	29.7	45.2	49.6	57.3	63.8
Inventories	671.9	732.0	748.7	774.5	796.5	Other logistics	17.1	10.5	8.8	8.8	9.8
Other assets	34.3	36.5	36.5	36.5	36.5	Property	-0.7	-1.2	-0.6	-1.1	-1.2
PPE	303.9	349.2	365.9	386.9	406.3	Total EBITDA bef. Unusuals	178.6	215.8	232.6	248.3	261.5
Intangibles - Goodwill	158.6	186.6	202.1	212.1	222.1	EBITDA margin (%)					
Intangibles - Other	165.0	205.4	220.6	218.8	216.8	Automotive retail	3.4%	3.8%	3.8%	3.8%	3.9%
Deferred tax assets	42.6	58.8	58.8	58.8	58.8	Transport and cold storage	6.9%	7.4%	7.8%	8.5%	9.0%
Total assets	1,768.9	1,957.1	2,014.4	2,093.5	2,164.9	Other logistics	4.1%	2.9%	3.0%	3.3%	3.5%
Payables	237.2	269.0	277.3	286.9	295.0	Property	-231.0%	-301.0%	-150.0%	-250.0%	-250.0%
Current borrowings	590.4	616.5	610.1	631.1	649.0	Total gross margin	3.8%	4.1%	4.2%	4.3%	4.4%
Current provisions	61.6	73.8	73.8	73.8	73.8	<b>Interims</b>					
Other liabilities	0.0	0.0	0.0	0.0	0.0	Year end 30 Jun	1HFY15	2HFY15	1HFY16e	2HFY16e	
Non-current borrowings	192.1	266.5	291.5	306.5	316.5	Revenue (A\$m)	2,564.5	2,681.3	2,688.2	2,857.9	
Deferred tax liability	6.0	12.9	12.9	12.9	12.9	EBITDA before unusuals	104.1	111.7	111.3	121.2	
Non-current provisions	17.2	22.9	22.9	22.9	22.9	EBITDA margin	4.1%	4.2%	4.1%	4.2%	
Total liabilities	1,104.5	1,261.4	1,288.4	1,334.0	1,370.0	EBIT before unusuals (A\$m)	84.2	91.1	90.1	98.8	
Shareholders' equity	541.5	541.5	541.5	541.5	541.5	NPAT after minorities	45.0	43.1	46.9	53.0	
Reserves	1.4	1.5	1.5	1.5	1.5	Diluted EPS (c)	14.7	14.1	15.3	17.3	
Retained earnings	107.1	129.3	158.7	191.2	225.5	DPS (c)	9.0	13.0	10.0	14.0	
Non-controlling interest	14.3	23.3	24.3	25.3	26.3						
Total shareholders' equity	664.4	695.6	726.0	759.6	794.9						

SOURCE: BELL POTTER SECURITIES ESTIMATES

**Recommendation structure**

**Buy:** Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

**Hold:** Expect total return between -5% and 15% on a 12 month view

**Sell:** Expect <-5% total return on a 12 month view

*Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.*

*Such investments may carry an exceptionally high level of capital risk and volatility of returns.*

**Research Team**

Staff Member	Title/Sector	Phone	@bellpotter.com.au
TS Lim	Head of Research	612 8224 2810	tslim
<b>Industrials</b>			
Sam Haddad	Industrials	612 8224 2819	shaddad
John O'Shea	Industrials	613 9235 1633	joshea
Chris Savage	Industrials	612 8224 2835	csavage
Jonathan Snape	Industrials	613 9235 1601	jsnape
Sam Byrnes	Industrials	612 8224 2886	sbyrnes
John Hester	Healthcare	612 8224 2871	jhester
Tanushree Jain	Healthcare/Biotech	612 8224 2849	tnjain
<b>Financials</b>			
TS Lim	Banks/Regionals	612 8224 2810	tslim
Lafitani Sotiriou	Diversified	613 9235 1668	Isotiriou
<b>Resources</b>			
Peter Arden	Resources	613 9235 1833	parden
David Coates	Resources	612 8224 2887	dcoates
<b>Associates</b>			
Hamish Murray	Associate Analyst	613 9256 8761	hmurray
Tim Piper	Associate Analyst	612 8224 2825	tpiper

**Bell Potter Securities Limited**

ACN 25 006 390 7721

Level 38, Aurora Place  
88 Phillip Street, Sydney 2000

Telephone +61 2 9255 7200

www.bellpotter.com.au

**The following may affect your legal rights. Important Disclaimer:**

This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited. In the USA and the UK this research is only for institutional investors. It is not for release, publication or distribution in whole or in part to any persons in the two specified countries. In Hong Kong this research is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. This is general investment advice only and does not constitute personal advice to any person. Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this document.

While this document is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in the document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued.

Except insofar as liability under any statute cannot be excluded, Bell Potter Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

**Disclosure of interest:**

Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.

**ANALYST CERTIFICATION**

Each research analyst primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers and were prepared in an independent manner and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research report.