
Support / Potential "buy" levels
\$8,738.
Resistance
\$9,019.
KEY TAKEAWAYS
ASX 200 Ends Lower Despite Select Stock Gains – Recommendation: GNP

Today, we are looking at GenusPlus' standout year, where revenue jumped 36% to \$751 million, EBITDA surged 49% to \$67.4 million, and net profit climbed 84% to \$35.4 million. A record \$2 billion order book and \$2.4 billion in tenders give the company excellent visibility, while strong cash flow and a net cash position of \$113.5 million reinforce balance sheet strength. With the stock up more than 191% since our \$2.16 call, we now move to a HOLD, noting stretched valuations despite the compelling long-term outlook.

Market Movers: Australian stocks closed lower Tuesday, with the ASX 200 slipping 0.16% as Energy, Telecoms and IT losses weighed. Stanmore Coal, DroneShield and Capstone Copper led gains, while IperionX, Beach Energy and Telix Pharmaceuticals lagged. The RBA kept rates at 3.6%, citing contained inflation but lingering global risks. The Australian dollar strengthened, bonds rose, and gold hit record highs, while oil eased. Chinese equities advanced, and US markets steadied on AI optimism.

Unlock Exclusive Investment Opportunities

Investor Pulse is giving sophisticated investors (708 certified) access to exclusive capital raises and high-growth opportunities not available to retail investors. Open your **CHES** Sponsored (HIN) account today to secure priority access and enjoy **flat-rate trading at just \$9.50 per trade**. Submit your certification now and be among the first to explore our latest deals.

[Click here to get started](#)

OUR LATEST RECOMMENDATION

GenusPlus achieves record growth, robust balance sheet, but HOLD warranted on valuation


Key Takeaways:

GenusPlus Group has delivered a standout year, with record earnings, strong cash flow, and a \$2 billion order book that provides excellent visibility. The company is benefiting from powerful tailwinds in Australia's energy transition and digital connectivity rollout, fueling demand across its infrastructure, energy, and communications businesses. Profitability continues to climb, dividends are on the rise, and a strong balance sheet gives room for both reinvestment and shareholder returns. Importantly, since our initial recommendation at \$2.16 per share, the stock has gained more than 191%, highlighting the strength of our call and the company's ability to execute. With valuations now looking stretched, however, we move to a HOLD, acknowledging GenusPlus' strong positioning and long-term prospects but waiting for a better entry point before adding further exposure.

Building the backbone of Australia's energy and communications future

GenusPlus Group Limited (ASX: GNP) is a critical enabler of Australia's energy and communications networks. The company designs, builds, and maintains electrical transmission lines, substations, and large-scale battery systems. It also extends its expertise into fibre networks and data cabling, offering complete lifecycle solutions.

Its operations span Infrastructure, Energy & Engineering, and Services, with Infrastructure contributing the majority of revenue. Through its integrated offering, GenusPlus has become a trusted partner for utilities, mining operators, and

governments as Australia pushes forward with its energy transition and digital connectivity expansion.

Record earnings and a growing pipeline highlight strong growth trajectory

The fiscal year ended June 30, 2025, marked a record performance for GenusPlus:

- Revenue rose 36% to \$751 million.
- Normalised EBITDA climbed 49% to \$67.4 million.
- Statutory net profit after tax increased 84% to \$35.4 million.

Supporting this growth, the company reported a record \$2 billion order book, alongside \$2.4 billion in tendered projects.

These figures provide exceptional revenue visibility and highlight the scale of opportunities ahead. Strategic acquisitions have also deepened capabilities and widened the company's geographic reach, reinforcing its upward trajectory.

Benefiting from structural tailwinds in energy transition and digital connectivity

GenusPlus is well positioned in two sectors undergoing significant change. In energy, government initiatives are driving large-scale investment in renewable projects, battery storage, and grid modernisation. In communications, the expansion of digital health systems and connectivity infrastructure is accelerating demand for specialist services. These macro drivers align perfectly with the company's expertise, strengthening its long-term growth outlook.

Rising profitability and dividend growth underline value creation for shareholders

Operational gains are translating directly into profitability. Basic earnings per share reached 19.7 cents, up more than 80% from the prior year. Net profit margin expanded to 4.71%, reflecting improved scale and cost management.

Shareholders will also see higher returns, with a final fully franked dividend of 3.6 cents per share, a 44% increase. This balance between reinvestment and distributions

underscores GenusPlus' ability to generate value on multiple fronts.

Valuation and Recommendation

Strong balance sheet and cash generation provide financial flexibility

The company's financial position is solid. As of June 30, 2025, GenusPlus reported \$160.8 million in cash and a net cash position of \$113.5 million. Operating cash flow rose 46% to \$120.9 million, with an exceptional free cash flow-to-EBITDA conversion rate of 212.3%.

Its debt-to-equity ratio stands at just 6.3%, giving the company ample headroom to pursue organic expansion or acquisitions without relying heavily on debt.

Valuation supported by earnings momentum but limits upside potential

On FY2025 earnings per share of AU\$0.20, GenusPlus trades at a P/E ratio of 32.2x and a price-to-sales ratio of 1.5x. While these multiples reflect strong investor confidence and the company's role in critical infrastructure development, they also suggest that much of the growth story is already priced in.

Since our initial recommendation at \$2.16 per share, GenusPlus has delivered a remarkable gain of more than 191%, reflecting the company's ability to execute on its strategy and capture structural tailwinds. However, with the current valuation stretched relative to peers and fundamentals, we believe upside is now more limited.

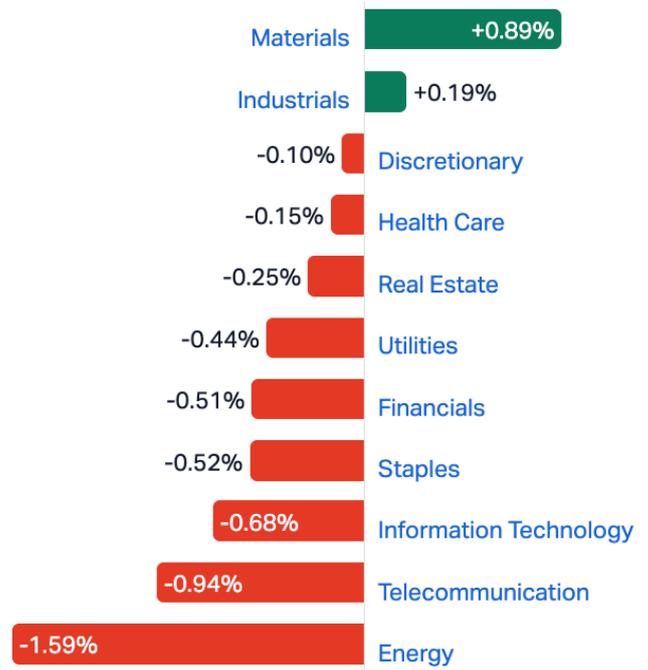
We therefore shift to a **HOLD** rating, recognising GenusPlus' strong balance sheet, record order book, and attractive industry positioning, but waiting for a more compelling entry point before recommending additional exposure.

MARKET MOVERS

Australia's share market closed slightly lower on Tuesday, with the ASX 200 edging down 0.16% as losses in the Energy, Telecoms Services and IT sectors weighed on the broader index.



While the decline was modest, it highlighted the fragile sentiment prevailing in equity markets as investors digested the Reserve Bank of Australia's latest policy decision and monitored global macroeconomic headwinds.



The day's trading session was mixed, with pockets of strength seen in select stocks even as the broader market softened. Stanmore Coal stood out as the best performer, climbing sharply to close 8.72% higher, while DroneShield continued to attract investor interest, gaining nearly 6% and setting a fresh all-time high. Capstone Copper also rose, adding close to 4% to end the session at a record level. On the downside, IperionX led the laggards, falling more than 5%, while Beach Energy and Telix Pharmaceuticals also declined. Overall, falling stocks outnumbered advancing

ones by a narrow margin, reinforcing the day's subdued tone.

The Reserve Bank of Australia was once again at the centre of attention. The board held the cash rate steady at 3.6% in September, following its 25-basis point cut in August, leaving borrowing costs at their lowest level since April 2023. This outcome was widely anticipated by market participants, with the bank emphasizing that inflation remains broadly within its 2–3% target range. However, policymakers cautioned that Q3 inflation may prove higher than expected, given early data signals, and reiterated that global uncertainties continue to cloud the domestic outlook. The RBA also pointed to patchy signs of private sector demand and ongoing risks from geopolitical developments, reinforcing its preference for a cautious and data-dependent approach going forward.

Currency markets reacted positively to the central bank's decision, with the Australian dollar rising for a third consecutive session to around \$0.660.



Crosses	Price	Day	Year	Date
AUDUSD	0.66008	▲ 0.00225 0.34%	-4.09%	14:58
EURAUD	1.7797	▼ -0.0035 -0.19%	10.70%	Sep/30
GBPAUD	2.0379	▼ -0.0045 -0.22%	5.66%	Sep/30
AUDNZD	1.1379	▼ -0.0001 -0.01%	3.94%	Sep/30
AUDJPY	97.6920	▼ -0.0690 -0.07%	-1.15%	Sep/30
AUDCNY	4.7033	▲ 0.0150 0.32%	-2.80%	Sep/30
AUDCHF	0.5252	▲ 0.0007 0.13%	-9.83%	Sep/30
AUDCAD	0.9181	▲ 0.0027 0.29%	-1.16%	Sep/30

Gains were also helped by weakness in the US dollar, as traders weighed the potential for a looming US government shutdown. On the domestic side, private credit growth slowed marginally, while dwelling approvals fell at a softer pace, adding to the picture of a moderating but still resilient economy.

In fixed income, Australia's 10-year bond yield climbed toward 4.35%, revisiting a three-week high.



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.3100	▼ -0.00%	-0.016%	0.318%	14:54
Australia 52W	3.57	▲ 0.043%	0.158%	-0.265%	Sep/30
Australia 20Y	4.92	▼ -0.019%	-0.054%	0.362%	Sep/30
Australia 2Y	3.51	▲ 0.014%	0.156%	-0.116%	Sep/30
Australia 30Y	4.99	▼ -0.025%	-0.089%	0.399%	Sep/30
Australia 3Y	3.57	▲ 0.021%	0.173%	0.007%	Sep/30
Australia 5Y	3.76	▲ 0.003%	0.175%	0.108%	Sep/30
Australia 7Y	4.04	▼ -0.007%	0.104%	0.225%	Sep/30

Investors focused on sticky inflation dynamics, with August's 3% reading marking the highest level since July 2024, while GDP growth in Q2 at 1.8% showed momentum was picking up. These factors, combined with the RBA's cautious tone, underscored expectations that rate cuts will proceed carefully from here, with Governor Michelle Bullock emphasizing the importance of global conditions in shaping the outlook.

Developments in Asia provided a supportive backdrop, with Chinese equities extending recent gains. The Shanghai Composite rose modestly, while the tech-heavy Shenzhen Component advanced further, continuing a strong September performance fuelled by strength in artificial intelligence and semiconductor shares. Positive manufacturing data, which suggested the sector's contraction was less severe than feared, added to optimism, although trading volumes remained thin ahead of China's National Day holiday.



Indexes	Price		Day	Month	Year	Date
HK50	26,886.00	▲ 263.12	0.99%	4.95%	19.79%	Sep/30
SHANGHAI	3,883.13	▲ 20.60	0.53%	0.20%	11.27%	Sep/30
CSI 300	4,641.42	▲ 21.37	0.46%	2.60%	9.05%	Sep/30
SHANGHAI 50	2,989.82	▲ 16.78	0.56%	0.29%	4.79%	Sep/30
CH50	15,142.31	▼ -46.74	-0.31%	1.60%	3.80%	Sep/30

In the US, futures were steady following Monday's gains on Wall Street, which saw the major indexes push higher on the back of renewed enthusiasm for artificial intelligence-related stocks.



Indexes	Price		Day	Month	Year	Date
US30	46260	▼ 57	-0.12%	2.12%	9.72%	14:58
US400	3,261.32	▼ -6.47	-0.20%	0.66%	4.46%	Sep/29
US2000	2,435.25	▲ 0.93	0.04%	3.53%	9.21%	Sep/29
US500	6655.39	▼ 5.82	-0.09%	3.73%	16.58%	14:58
Trade Desk	49.64	▲ 2.50	5.30%	-8.38%	-54.73%	Sep/29
US100	24572	▼ 39	-0.16%	5.76%	24.25%	14:58
USVIX	16.59	▲ 0.47	0.47%	0.47%	-0.14%	Sep/30

Nvidia, AMD and Micron were among the notable advancers, helping the Nasdaq lead gains. However, the looming risk of

a government shutdown kept investors cautious, with funding deadlines approaching and political negotiations showing little progress. Market participants also continued to track the impact of new US tariffs, which are scheduled to come into effect this week.

In commodities, oil prices eased further, with WTI crude slipping toward \$63 per barrel.



	Price		Day	Month	Year	Date
Crude Oil	62.775	▼ 0.675	-1.06%	-2.74%	-9.98%	14:59
Brent	66.362	▼ 0.728	-1.09%	-2.45%	-9.67%	14:59
Natural gas	3.2496	▼ 0.0174	-0.53%	8.99%	12.24%	14:58
Gasoline	1.9199	▼ 0.0114	-0.59%	-3.57%	-3.11%	14:59
Heating Oil	2.3145	▼ 0.0342	-1.46%	0.29%	5.55%	14:59
Coal	106.75	▲ 0.35	0.33%	-2.87%	-27.16%	Sep/29
Ethanol	1.89	▲ 0.0150	0.80%	-7.60%	19.30%	Sep/29
Urals Oil	63.04	▼ -2.85	-4.33%	2.25%	-4.08%	Sep/29

Traders weighed the possibility of an OPEC+ output increase alongside the resumption of Iraqi Kurdistan exports via Turkey. Hopes of progress toward a ceasefire in Gaza also helped ease risk premiums, though geopolitical tensions remained high as Washington and Tel Aviv continued discussions on a US-backed peace framework.

Meanwhile, gold extended its spectacular rally, climbing above US\$3,860 per ounce to notch another all-time high.

The safe-haven metal is on track for its largest monthly advance in over a decade as investors seek shelter from political and economic uncertainty. Concerns about a potential US government shutdown, combined with rising expectations of further Federal Reserve rate cuts, have intensified demand for bullion. Gold's ascent has been underpinned by persistent volatility in global markets and the perception that monetary policy will remain supportive of the precious metal's upward trajectory.



	Price		Day	Month	Year	Date
Gold	3843.65	▲ 10.38	0.27%	10.60%	44.54%	14:59
Silver	46.752	▼ 0.169	-0.36%	14.92%	49.22%	14:59
Copper	4.8565	▲ 0.0007	0.01%	7.65%	7.48%	14:59
Steel	3,006.00	▼ -26.00	-0.86%	-1.41%	-10.80%	Sep/30
Lithium	73,550.00	▲ 0	0%	-7.67%	-3.86%	Sep/30
Platinum	1,616.20	▲ 2.30	0.14%	13.54%	63.50%	Sep/30
Iron Ore	105.35	▼ -0.09	-0.09%	2.75%	12.28%	Sep/29

Altogether, Tuesday's session in Sydney reflected the delicate balance markets are trying to maintain. Strong performances from select names like DroneShield and Capstone Copper highlighted investor appetite for growth-oriented and sector-specific stories, while broader weakness underscored the drag from global uncertainties and cautious central bank messaging. With geopolitical risks intensifying, inflation signals mixed, and monetary policy finely balanced, the near-term outlook for Australian equities remains tied to how well the global economy can navigate a period of heightened uncertainty.

Regards,
 Mark Elzayed
 Investor Pulse

MARKET DATA
ASX Top 20

 CBA ^D Commonwealth Bank	166.90 -1.53 -0.91%	 WOW ^D Woolworths	26.70 -0.20 -0.74%
 BHP ^D BHP	42.53 +0.62 +1.48%	 TLS ^D Telstra	4.82 -0.07 -1.43%
 CSL ^D CSL	198.20 -0.80 -0.40%	 GMG ^D Goodman Group	32.78 -0.27 -0.82%
 WBC ^D Westpac Bank	38.97 +0.02 +0.05%	 TCL ^D Transurban	13.80 +0.04 +0.29%
 NAB ^D National Australia Bank	44.15 -0.14 -0.32%	 SQ2 Block Inc	
 ANZ ^D ANZ	33.21 -0.18 -0.54%	 ALL ^D Aristocrat Leisure	69.98 -0.12 -0.17%
 FMG ^D Fortescue Metals	18.68 -0.05 -0.27%	 NCM Newcrest Mining	
 WES ^D Wesfarmers	92.02 -0.40 -0.43%	 REA ^D REA Group	231.06 +0.13 +0.06%
 MQG ^D Macquarie Group	219.33 -0.87 -0.40%	 WDS ^D Woodside Energy	23.03 -0.39 -1.67%
 RIO ^D Rio Tinto	122.03 +0.78 +0.64%	 XRO ^D Xero	157.50 +0.16 +0.10%


Commodities & Forex

 TIO1! IRON ORE	 AUDUSD Australian Dollar / U.S. Dollar	0.65979 +0.33% +0.00
 GC1! GOLD	 AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND	0.4904 +0.22% +0.0011
 SI1! SILVER	 AUDEUR AUSTRALIAN DOLLAR / EURO	0.5619 +0.25% +0.0014
 HG1! COPPER	 AUDNZD Australian Dollar / New Zealand Dollar	1.13782 +0.01% +0.00
 ZW1! WHEAT	 AUDJPY Australian Dollar / Japanese Yen	97.706 0.00% +0.00
 CL1! CRUDE OIL	 AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN	4.6980 +0.37% +0.0173
 NG1! NATURAL GAS	 AUDTHB AUSTRALIAN DOLLAR / THAI BAHT	21.335 +0.72% +0.153
 NCF1! COAL	 AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ...	10,995.0 +0.44% +48.1

Economic Calendar

		Actual	Forecast	Prior
 				
September 30				
21:00	 		7.185 MPerson	7.181 MPerson
October 1				
19:15	 		50 KPerson	54 KPerson
21:00	 		49 Index	48.7 Index
October 2				
16:00	 		6.2%	6.2%
19:30	 		223 KPerson	218 KPerson
October 3				
15:30	 	54.2 Index (diffusion)	53.6 Index (diffusion)	51.8 Index (diffusion)
19:30	 		50 KPerson	22 KPerson
			4.3%	4.3%
20:45	 	54.6 Index (diffusion)		55.1 Index (diffusion)
21:00	 		51.7 Index	52 Index
October 6				
15:30	 			45.5 Index (diffusion)
October 7				
		Actual	Forecast	Prior