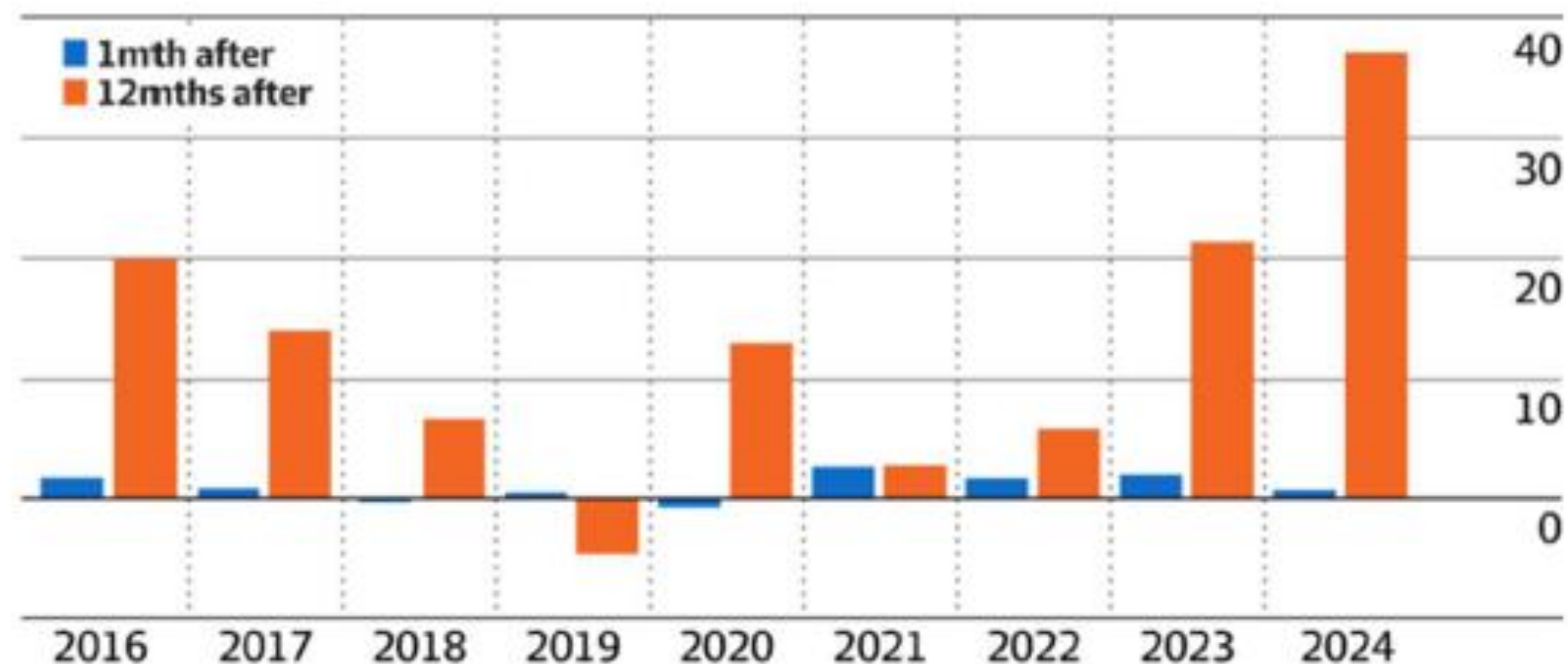


ASX 200 Companies Reporting...



Buybacks are shareholder friendly -
median relative return after new buyback announced (%)



Source: Quilla Consulting, MST Marquee

ASX reporting season delivers

The ASX reporting season was better than expected as companies 'controlled the controllables' to deliver earnings beats. Key takeaways included:

- **Banks underperformed** - with net interest margins (NIMs) under pressure from competition, funding costs, staff costs and technology spend. RBA cuts will be a margin headwind.
- **Margin strength** - industrial profit margins surprised positively on cost-cutting and efficiency drives as companies offset slower revenues.
- **Buybacks** - were more prevalent as companies look to boost earnings growth. Increased buybacks have historically been a positive sign for future returns. Dividends still matter, but the S&P/ASX 200 now only yields 3.3%, the lowest since the early 2000s (ex Covid).

