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## A "particularly complicated" Australian reporting season

After a volatile start to the year for markets, Australian Shares Fund senior analysts Alex Shevelev and Gaston Amoros say they think this reporting season will be a "particularly complicated" one.

<https://www.youtube.com/watch?v=tdTEwfJI-Bk>

Pandemic earnings-related pains have emerged as one particular challenge for businesses. For example, while some physical retailers such as **Nick Scali** (NCK) were impacted by lockdowns, some online retailers like **Redbubble** (RBL) were later impacted by a bout of revenge spending after lockdowns were lifted again. Cost increases have been another challenge, with businesses such as **Ansell** (ANN) announcing poor results to investors on the basis of increased freight and labour costs.

Interestingly, several software names have reported business as usual. But are we now at a level of valuation that makes software businesses attractive? Gaston says the dilemma this reporting season is that we're either seeing real-economy businesses with decent valuations but poor operating performance, or tech businesses with questionable valuations but great operating performance.

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