

# Ansarada Group Ltd

## SaaS solution for keeping the deal on foot

Ansarada Group Ltd (ASX:AND) is a global provider of cloud-based SaaS-information governance solutions for corporates, investment banks and advisory firms. The company came about as a result of a merger between ASX-listed thedocyard and privately held Ansarada NEWCO Pty Ltd. The merger resulted in an additional \$45m being raised at \$1.48/share to give a market capitalisation of \$131.3m to the merged group on relisting in December 2020. Proceeds from the merger raise were applied to the following: \$21m to redeem Ansarada's convertible notes, \$3.5m to product design and development, \$4.0m to sales and marketing, \$0.5m to integration costs, \$5.7m on transaction costs and \$10.3m in additional working capital. The combined group brought together thedocyard's transaction management platform and recently acquired Athena Board, a secure document creation and sharing platform for boards, with Ansarada's AI-powered virtual data room (VDR) platform, and tenders and compliance platform which provides enterprises with a single engine room to manage and measure the quality of their information within a compliance regime. Ansarada is debt free with \$21m in cash available for growth opportunities.

### Business model

The combined group services more than 3,020 enterprises across the globe, with 2,082 of these subscription customers. The group generates revenue through the provision of its software as a service (SaaS) platform to customers under a subscription model, either as monthly, annual or multi-year agreements or under Ansarada's legacy data-based model (based on a dollar a megabyte) which is being phased out. Subscriptions accounted for 79% of platform revenues in H1 FY21, up from 73% in H1 FY20. Research group Marketsandmarkets is forecasting that the global enterprise, governance, risk and compliance market will grow at a CAGR of 14% to 2027 from US\$31.3b in 2019.

### Interim result demonstrates new group's leverage to growth

Ansarada reported pro forma revenues of \$15.8m for H1 FY21, which were down 9% on the previous corresponding period due to the impact of COVID on transaction volumes and the transition to subscription. Geographically, 42% of group revenues were generated outside Australia and New Zealand in H1 FY21. Around 80% of revenues were generated by subscriptions in the half, versus 75% in the previous corresponding period. Gross profit margin for the period was 92%, up 100bps from H1 FY20, and the group reported adjusted (excluding business combination and restructure costs) pro forma EBITDA of \$2.2m up from \$0.5m on pcp. Operating cashflow for the half was \$1.2m excluding restructure and business combination costs. Cash at the end of the period was \$21m, with no debt.

### A global peer group of diverse size

Most of the peers within the eGRC software are global players along the lines of IBM, SAP, Oracle and Microsoft. Board portals management solutions providers include the privately held Diligent, Brainloop, BoardVantage and Directors Desk while transaction management software competitors include Citrix, Brainloop and Datasite. In Australia, we look to Computershare (ASX:CPU) as a peer on secure corporate portal management as well as the smaller and recently listed Complii (ASX:CF1) which targets the wealth management sector.

#### Pro Forma Historical earnings and ratios

Year end	Subscription Rev. (A\$m)	Revenue (A\$m)	Gross Profit (A\$m)	EBITDA (A\$m)	NPAT (A\$m)	EPS (c)	EV/Sales (x)
06/18a	2.8	38.9	36.2	2.6	(0.8)	na	na
06/19a	15.9	37.1	33.8	(11.7)	(15.5)	na	na
06//20a	29.4	34.0	30.9	(0.6)	(10.5)	(11.8)	3.1

Source: Company data

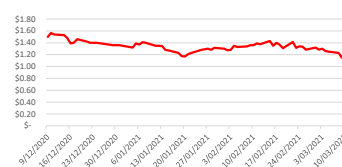
## Software & Services

12<sup>th</sup> March 2021

### Share details

ASX Code	AND
Share price	\$1.25
Market Capitalisation	\$110.9M
Shares on issue	88.7M
Net cash at 31/12/2020	\$21.0M
Free float	59.92%

### Share performance (since relisting)



### Upside Case

- Scalable technology delivering to global client base
- Growing demand for Enterprise Governance Risk & Compliance (eGRC) solutions
- High calibre corporate & government client base with a high retention rate

### Downside Case

- Competitors are mainly global players
- Enterprise contracts have long lead times
- Dependant on transaction volumes, which were impacted by COVID

### Catalysts/upcoming events

Demonstrated continued growth in subscribers and customers; increasing retention rates  
FY21 results (August 2021)

### Comparable companies (Aust/NZ)

Complii (ASX:CF1) Computershare (ASX:CPU)

### Top 5 shareholders

Andrew Slavin (CTO)	8.08%
Moelis Australia	7.89%
Sam Riley (CEO)	6.11%
United Super	6.03%
Herald Investment Management	5.82%

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# FINANCIAL SERVICES GUIDE

**RaaS Advisory Pty Ltd**

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**of**

**BR SECURITIES AUSTRALIA PTY LTD**

**ABN 92 168 734 530**

**AFSL 456663**

**Effective Date: 26<sup>th</sup> November 2018**

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- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

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  - Securities

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In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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