

### Relatively resilient without R&D sacrifice

Shekel Brainweigh Limited (ASX:SBW) has released its unaudited accounts for 1HCY20, with the results far better than feared in the early stages of COVID uncertainty. Group sales declined only 5% to US\$7.9m, driven predominantly by the group's own brand, Healthweigh, which was impacted by a distributor's temporary closure. R&D spend remained elevated in order to bring new products to market, and in this light a US\$2.0m EBIT loss was well within forecast. Some COVID-related operating cost savings aided the result as management sought to progress commercialisation momentum with existing resources. Cash resources are tight and the company is "intensively dealing with money raising" to sure up the balance sheet. New Retail sales were modest but paid trials and customer interest remains, as too does the strong partnership alliances. While no guidance was given we expect improvement from pent-up demand over 2HCY20, remembering historically the 2H is always stronger (~45/55 skew). Despite a solid share price rally since our last update we still believe no value is being attributed to the New Retail division if the core scales business is valued at 6x ex-R&D EBIT (which we estimate at US\$2.0m-\$2.5m). Our DCF valuation remains relatively unchanged, just impacted slightly from the higher A\$ (earnings translation). The group continues to trade well below our selected peer group on an EV/sales basis.

### Business model

SBW produces weighing scale hardware/software that is employed by OEMs for self-checkout and healthcare applications requiring speed and accuracy. Prices received from customers are typically fixed, and gross margins are in-line with that achieved by most OEM equipment suppliers. The group is looking to extend this market leading technology into new verticals, opening up larger market opportunities, potentially higher gross margins and some recurring SaaS style revenue from data analytics. One of the new verticals (Innovendi vending machines) is in commercialisation while others are nearing commercialisation (Innovendi Dry (previously called Soter), smart shelving and the Micro-market Capsule).

### 1HCY20 result and outlook implications

Relative to initial fears unit sales and therefore revenue across the group held up well over the COVID disrupted half, with revenue down 5% to US\$7.9m. R&D spend was maintained at elevated levels in order to maintain the momentum of commercial launch, and represented 21.5% of sales over the half. In this light the \$2.0m EBIT loss was within expectations. Looking forward the 2H has historically been the strongest period for SBW sales and earnings, and we expect some further pent-up demand this year.

### Base case valuation A\$0.38/share fully diluted

We have reduced our base case DCF valuation to A\$0.38/share (\$53m) from A\$0.40/share predominantly driven by the higher A\$ and resulting US\$ translation. While the share price has improved significantly since our last update we still believe there is little value being attributed to the New Retail Division despite a number of products in the early stages of commercialisation. SBW continues to trade at a discount to our nominated peers.

### Historical earnings and RaaS Advisory estimates on a reported basis

Year end	Revenue (US\$m)	EBIT (US\$m)	NPAT (US\$m)	EPS (c)	PER (x)	EV/sales(x)
12/19a	18.8	(2.1)	(2.4)	(0.02)	(7.3)	0.82
12/20e	18.9	(2.3)	(2.6)	(0.02)	(8.3)	0.87
12/21e	23.6	0.2	(0.1)	0.00	53.6	0.75
12/22e	26.8	2.0	1.3	0.01	10.8	0.63

Source: Company Data, RaaS Advisory Estimates

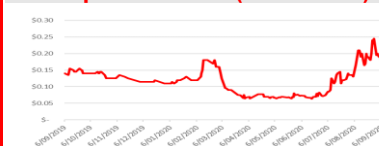
### Technology – Hardware/software

7 September 2020

#### Share details

ASX Code	SBW
Share price at 2nd Sep	\$0.19
Market Capitalisation	\$26.4M
Shares on issue	139M
Enterprise value	\$23.1M
Cash at 30 Jun '20	\$3.3M
Free float	~13.6%

#### Share performance (12 months)



#### Upside Case

- Strong growth expected in the group's core self-checkout and healthcare markets
- New verticals have commenced commercialisation, with significant opportunities.
- Mix shift to recurring SaaS fees will increase gross margins and lower days receivables

#### Downside Case

- Low liquidity with 20% free float
- Currency translation from USD and AASB16 adds complexity for investors
- Near term ROE likely to be impacted by R&D expenditure

#### Management

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## 1HCY20 result comments

Despite early predictions of “a large reduction in sales volumes for the duration of the pandemic crisis” SBW delivered a relatively strong result in 1HCY20, with sales down only 5%, EBIT losses holding around \$2.0m and R&D spending maintained at elevated levels as New Retail products continue to be developed. Relative to the peers we use for SBW this was an excellent performance.

Key points to note from the 1HCY20 accounts include:

- **Sales** down just 5% despite COVID disruptions. While we don’t have unit sales our higher-level understanding is self-checkout was modestly down, Healthcare up and own brand products Healthweigh down significantly due to distributor closures. Historically 1H sales are always lower than the 2H (~45%/55%), with the skew to 2H20 likely to be greater this year.

New retail sales were modest and lower than expected due to COVID disruptions representing \$0.1m of the \$7.9m over the half.

- **Gross margins** down from 45% to 40%, adjusting for the first-time amortisation of capitalised software (which we have moved into operating costs from COGS), driven by the mix shift relating to higher margin own brand Healthweigh sales.

Even adjusting for the amortisation New Retail COGS were higher than sales.

- **R&D spend** was maintained at elevated levels at \$1.7m or 21.5% of sales as new products continue to be developed. This is encouraging given COVID disruptions and the company’s limited funding.
- **EBITDA** was a loss of \$1.7m, adding back rent paid to operating costs.

<b>Exhibit 1: 1HCY20 results summary</b>			
<b>Line item (US\$m)</b>	<b>1H19</b>	<b>1H20</b>	<b>Comment</b>
Sales	8.4	7.9	-5% - not as bad as initial guidance
Gross Profit	3.8	3.2	Adjusted for amortisation
GP%	45%	40%	1H19 was a strong base
Operating costs	5.1	4.9	Includes some COVID related savings
R&D (ex SBP)	2.1	1.7	Lower than 1H19 but still elevated
Other	3.0	3.2	
EBITDA	-1.3	-1.7	Modestly negative due to R&D spend
Depreciation	0.1	0.1	Excludes AASB16 impacts
Amortisation	0.0	0.2	Capitalised software
EBIT	-1.3	-2.0	
(EBIT margin)	-15.0%	-21.6%	
(EBITDA margin)	-15.9%	-25.5%	
Share based pay	0.4	0.2	
Other	0.0	0.0	
Reported EBIT	-1.7	-2.2	

Sources: Company financials & RaaS estimates

Other key comments relating to the result include:

- **Cash balance of \$2.3m (A\$3.3m)**, which included a €400k loan from the French Government (further highlighting the link to Groupe-Casino). This is tight and the company is “intensively dealing with raising money”.
- **\$4.4m working capital facility against \$2.0m net receivables**. While short-term debt is essentially a working capital facility it does currently exceed net receivables. The company breached debt covenants (surrounding debt/EBITDA) this half but has been waived until February 2021.

## Segment reporting

Divisionally the impact of the New Retail divisions on group earnings can be seen in exhibit 2 below with negative COGS (before amortisation) and a significant operating cost base including the R&D spend is the key reason for operating losses.

The Scales division is cycling ~\$0.8m EBIT in the PCP with a similar R&D spend, with the loss of sales volume impacting earnings.

<b>Exhibit 2: 1HCY20 results summary</b>			
Line item (US\$m)	Scales	New retail	Total
Sales	7.8	0.1	7.9
COGS	4.5	0.3	4.8
Gross Profit	3.3	-0.2	3.2
GP%	42%	nm	40%
Operating costs (R&D)	4.5	1.8	6.5
	0.8	0.9	1.7
Reported EBIT	0.0	-2.0	-2.0

Sources: Company financials & RaaS

## R&D allocations

Adjusted for share-based payments we estimate SBW spent US\$1.64m in R&D over 1H20.

The table below splits out this spend by segment. We estimate a US\$0.9m spend for the New Retail division and US\$0.8m for the Scales division.

Within the Scales business we estimate continued spending on the Edgify product which is looking to use AI and cameras to better identify product at the checkout and potentially be retro-fitted to any checkout machine irrespective of whether SBW supplies the OEM weighing systems.

<b>Exhibit 3: SBW R&amp;D breakdown</b>		
Line item	US\$	Comments
Reported	1,803,000	Per P&L
less Share based payments	151,000	Not treating as R&D
add capitalised software	0	Key new Retail products in commercialisation
<b>Underlying Spend</b>	<b>1,652,000</b>	
New Retail	890,000	All growth and down from ~US\$1.30m in 1H19
Scales	762,000	A combination of maintenance & growth and in-line with 1H19

Source: Company financial & RaaS estimates

## Outlook

Our estimates have been updated for the 1HCY20 result and any outlook comments, with key assumptions summarised below.

- **Traditional Scales business.** We expect a 42%/58% 1H/2H sales split over CY20 as COVID impacts ease and we see some pent-up demand, particularly in Healthweigh as distributors come back on-line.
- **Innovendi.** Following modest 1HCY20 unit sales we have lowered our medium-term expectations despite significant market interest. That said we expect ~70 units sales in 2H20 against ~4 in 1H.
- **Innovendi Dry (previously called Soter)** We have delayed any Innovendi Dry sales until CY21.
- **The capsule.** We suspect the paid trials currently underway for the capsule are related to Groupe-Casino trials in France, given the snippet in Exhibit 4 below by Groupe-Casino themselves in their recent annual report.

This is a massive market opportunity for SBW with one of the world's largest retailers and has application for the likes of Universities and Airports (eventually!).

- **Funding.** We currently have no equity or debt/hybrid raisings in our numbers but acknowledge that funding is required to take the group well into commercialisation. A successful and well-structured raise will be a re-rating catalyst.

**Exhibit 4: Exert from Groupe-Casino Annual report**

**“A REVOLUTION IN THE RETAIL LANDSCAPE”**

When we started discussions for the Black Box automated store project, Casino Group's vision was perfectly clear. We meet with many retailers across the globe, and Casino Group is one of the very few that know exactly what they can provide to customers thanks to new technology. It's a pleasure to work with a partner that knows what it wants! As a result, decisions can be taken easily, and the project can be set up really quickly. Together, with the Group's retail expertise and our smart shelf technology, we are spearheading a veritable revolution in the retail landscape. It's the first fully autonomous store in Europe, offering customers a completely new experience. This is a very important signal to the market, and a highly concrete way to get closer to what consumers expect.



**RAMI BAHAR**

Chief Business Development Officer, Shekel Brainweigh

Source: 2019 Annual Report, Page 23, Vercé

Our 2HCY20 estimates are tabled in exhibit 5 below. We expect a modest increase in 2HCY20 sales growth off a modest base, and well above 1HCY20 due to historical seasonality.

R&D spend is expected to remain elevated and EBITDA breakeven achieved.

**Exhibit 5: 2HCY20 earnings estimates**

Line item	2H19A	2H20F	Comment
Sales	10.4	10.9	+5% and seasonally strongest half
Gross Profit	4.4	5.1	
GP%	42%	46%	Improved mix from own band sales
Operating costs	3.8	4.8	
R&D (ex SBP)	0.8	1.8	R&D remains elevated
Other	3.0	3.0	
EBITDA	0.6	0.2	Modestly profitable at the EBITDA line
Deprecation	0.1	0.1	
Amortisation	0.0	0.2	Continued software amortisation
EBIT	0.5	-0.1	
(EBIT margin)	5.7%	2.1%	
(EBITDA margin)	5.0%	-0.9%	
Share based pay	0.2	0.0	
Other	0.7	0.0	
Reported EBIT	-0.4	-0.1	

Sources: Company financials & RaaS estimates

## Longer –term unit sales assumptions

The table below highlights our current unit sales assumptions by key product category. For FY20 we have skewed expected sales to the second half but lowered Healthcare and Innovendi slightly.

This table does not include the expected increase in SaaS/data analytic fees which result from New Retail sales, which accelerate as units increase in circulation.

Exhibit 6: SBW product sales by units					
Year-end	2019A	2020F	2021F	2022F	2023F
Self-checkout	34,587	35,285	37,402	39,647	42,025
Healthcare	16,500	14,850	16,038	17,321	18,707
Innovendi	110	99	350	400	400
Innovendi Dry	0	50	350	400	400
Smart Shelves	0	50	300	525	900
Capsule	0	0	25	50	100

Source: Company Financials & RaaS estimates

## Peer comparison update

We consider listed peers to SBW to be:

- Small/micro-cap in size;
- Predominantly a technology hardware producer making a “one-time” unit sale;
- Supplying OEM’s with components to a branded end-product;
- Utilising their core technology to develop new products or push into new verticals;
- Dealing mainly with Blue-Chip customers.

While the technologies and potential addressable markets may vary by industry and product, these companies share similar challenges in terms of gross margins, brand recognition, balancing payables and receivables and funding growth requirements.

SBW continues to trade at a material discount to all selected peers including a 70% discount to the next lowest EV/sales (RVS). Like most small, loss making companies there has been some serious share price erosion across the peer group over the last month.

Considering SBW’s material sales, modest PBT losses and solid GP% the current discount in our view is unjustified.

## Exhibit 7: Peer financial comparison

Company Name	Ticker	Share price (cps)	Mkt Cap (\$m)	Jun-30 Debt/(cash) (A\$m)	CY20 Adj PBT (A\$m)	CY20 sales (A\$m)	CY20 GP%	CY20 WC/Sales	CY20 EV/Sales	CY20 R&D/sales
Pivotal Systems		1.15	137	-7.4	-8.0	24.0	10%	60%	5.4	23%
Atomos *		0.65	121	-18.8	-8.1	44.4	40%	29%	2.3	24%
Revasum		0.20	18	-1.1	-19.5	15.0	13%	72%	1.1	31%
Elsight		0.61	64	-2.4	-4.0	0.8	10%	-12%	77.2	221%
MicroX *		0.19	66	-10.3	-10.0	4.3	16%	54%	13.1	58%
Mobilicom		0.09	22	-3.6	-1.2	1.2	67%	18%	15.3	113%
Shekel Brainweigh		0.20	28	-3.7	-3.4	26.9	44%	37%	0.9	22%

Sources: Company financials, Thomson Reuters \*FY20 June year-end, 1H20 numbers & consensus where available

## DCF Valuation

Our base case DCF valuation now sits at \$0.38/share (or A\$53m), down from our most recent update (A\$0.40), with the higher A\$ relative to the US\$ the main driver.

<b>Exhibit 8: Base case DCF valuation</b>	
<b>Parameters</b>	
Discount Rate / WACC	10.8%
Terminal growth rate assumption (inflation adjusted)	2.0%
In A\$m	
Present value of cashflows	16.5
Present value of terminal value	32.6
PV of enterprise	49.1
Net value (\$m)	52.7
Net value per share	\$0.38
Source: RaaS estimates	

**Exhibit 9: Financial Summary**

Shekel Brainweigh (SBW.ASX)						Share price (4 September 2020)						A\$	0.19				
Profit and Loss (US\$m)						Interim (US\$m)						H118A	H218A	H119A	H219A	H120	H220F
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	Revenue	8.8	9.9	8.4	10.4	7.9	10.9					
Revenue	18.7	18.8	18.9	23.6	26.8	EBITDA	0.2	(0.5)	(1.6)	(0.3)	(1.9)	0.2					
Gross profit	8.3	8.2	8.2	11.2	13.1	EBIT	0.1	(0.6)	(1.7)	(0.4)	(2.2)	(0.1)					
GP margin %	44.5%	43.7%	43.6%	47.4%	48.7%	NPATA (normalised)	(0.0)	(1.1)	(1.6)	(0.9)	(2.1)	0.0					
EBITDA	(0.3)	(1.9)	(1.6)	0.9	2.7	Adjustments	0.0	0.0	(0.5)	(0.8)	(0.4)	(0.2)					
Depn	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	NPAT (reported)	(0.0)	(1.1)	(2.1)	(1.6)	(2.5)	(0.2)					
Amort	0.0	0.0	(0.5)	(0.5)	(0.5)	EPS (normalised)	(0.000)	(0.010)	(0.011)	(0.006)	(0.015)	0.000					
EBIT	(0.5)	(2.1)	(2.3)	0.2	2.0	EPS (reported)	(0.000)	(0.010)	(0.015)	(0.012)	(0.018)	(0.002)					
Interest	(0.7)	(0.3)	(0.3)	(0.2)	(0.3)	Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000					
Tax	0.1	(0.0)	(0.0)	(0.1)	(0.5)	Imputation	0.0	0.0	0.0	0.0	0.0	0.0					
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	na	na	na	na	na	na					
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	na	na	na	na	na	na					
NPAT pre significant items	(1.2)	(2.4)	(2.6)	(0.1)	1.3	<b>Divisionals</b>	<b>H118A</b>	<b>H218A</b>	<b>H119</b>	<b>H219</b>	<b>H120</b>	<b>H220F</b>					
Significant items	(0.4)	(1.2)	0.0	0.0	0.0	Traditional Scales	8.8	9.9	8.4	10.4	6.4	9.2					
<b>NPAT (reported)</b>	<b>(1.5)</b>	<b>(3.6)</b>	<b>(2.6)</b>	<b>(0.1)</b>	<b>1.3</b>	New Retail	-	-	-	-	1.5	1.7					
<b>Cash flow (US\$m)</b>							Total Revenue	<b>8.8</b>	<b>9.9</b>	<b>8.4</b>	<b>10.4</b>	<b>7.9</b>	<b>10.9</b>				
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	Gross profit	3.3	5.1	3.8	4.4	3.2	5.1					
Adj EBITDA inc. rent	0.8	(0.7)	(1.5)	1.0	2.9	Gross Profit Margin %	37.2%	51.0%	45.5%	42.2%	39.7%	46.4%					
Interest	(0.2)	(0.2)	(0.3)	(0.2)	(0.3)	R&D	0.5	1.1	2.1	0.8	1.7	1.8					
Tax	0.0	0.2	(0.0)	(0.1)	(0.3)	General & Admin & Other	2.2	2.6	3.0	3.0	3.2	3.0					
Working capital changes	0.5	(0.9)	1.2	(1.5)	(1.0)	One-off costs & Non-cash	0.3	1.8	0.4	0.9	0.2	-					
Operating cash flow	1.2	(1.6)	(0.7)	(0.8)	1.3	Total costs	<b>3.1</b>	<b>5.6</b>	<b>5.4</b>	<b>4.7</b>	<b>5.0</b>	<b>4.8</b>					
Mtce capex	(0.1)	(0.2)	(0.2)	(0.3)	(0.3)	<b>EBITDA</b>	<b>0.2</b>	<b>(0.5)</b>	<b>(1.6)</b>	<b>(0.3)</b>	<b>(1.9)</b>	<b>0.2</b>					
Free cash flow	1.0	(1.8)	(0.9)	(1.0)	1.1	EBITDA margin %	2.1%	(5.1%)	(19.2%)	(3.0%)	(23.5%)	2.1%					
Capitaised Software	(0.8)	(1.3)	0.0	0.0	0.0	<b>Margins, Leverage, Returns</b>	<b>FY18A</b>	<b>FY19A</b>	<b>FY20F</b>	<b>FY21F</b>	<b>FY22F</b>						
Acquisitions/Disposals	(0.2)	(0.1)	0.0	0.0	0.0	EBITDA margin %		(1.7%)	(10.2%)	(8.7%)	3.7%	10.1%					
Other	0.0	0.0	0.0	0.0	0.0	EBIT margin %		(2.8%)	(11.1%)	(12.0%)	0.9%	7.5%					
Cash flow pre financing	0.0	(3.2)	(0.9)	(1.0)	1.1	NPAT margin (pre significant items)		(6.2%)	(13.0%)	(13.7%)	-0.5%	4.7%					
Equity	6.1	0.0	0.0	0.0	0.0	Net Debt (Cash)	-	6.25	- 2.57	- 1.50	- 0.30	- 1.20					
Debt	(0.4)	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	nm	nm	nm	nm	nm					
Net Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	33.8%	21.4%	18.0%	4.3%	13.0%					
Net cash flow for year	5.7	(3.2)	(0.9)	(1.0)	1.1	EBIT interest cover (x)	(x)	n/a	n/a	n/a	108.7%	12.4%					
<b>Balance sheet (US\$m)</b>							ROA		(2.2%)	(10.6%)	(12.4%)	1.2%	9.8%				
Y/E 31 Dec	FY18A	FY19A	FY20F	FY21F	FY22F	ROE		(9.4%)	(25.9%)	(37.8%)	(1.8%)	15.7%					
Cash	6.3	2.6	1.5	0.3	1.2	<b>NTA (per share)</b>		0.11	0.07	0.05	0.04	0.04					
Accounts receivable	5.6	5.8	5.1	6.0	6.6	<b>Working capital</b>		6.9	7.8	6.7	8.2	9.2					
Inventory	3.2	3.5	3.5	4.5	5.2	<b>WC/Sales (%)</b>		<b>37.0%</b>	<b>41.6%</b>	<b>35.4%</b>	<b>34.8%</b>	<b>34.2%</b>					
Other current assets	2.0	1.5	1.5	1.9	2.1	<b>Revenue growth</b>		2.4%	0.9%	0.3%	25.0%	13.8%					
<b>Total current assets</b>	<b>17.0</b>	<b>13.4</b>	<b>11.6</b>	<b>12.7</b>	<b>15.1</b>	<b>EBIT growth pa</b>		nm	nm	nm	(109.3%)	851.6%					
PPE	0.5	0.6	0.7	0.7	0.8	<b>Pricing</b>		<b>FY18A</b>	<b>FY19A</b>	<b>FY20F</b>	<b>FY21F</b>	<b>FY22F</b>					
Intangibles	2.0	3.2	2.8	2.3	1.8	No of shares (y/e)	(m)	113	139	139	139	139					
Right of Use Asset	0.0	2.4	1.7	0.9	2.5	Weighted Av Dil Shares	(m)	113	139	139	139	139					
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	EPS Reported	US cps	(0.01)	(0.02)	(0.02)	0.00	0.01					
Other non current assets	0.2	0.0	0.4	1.7	2.4	EPS Normalised/Diluted	US cps	(0.01)	(0.02)	(0.02)	0.00	0.01					
<b>Total non current assets</b>	<b>2.7</b>	<b>6.2</b>	<b>5.5</b>	<b>5.6</b>	<b>7.5</b>	EPS growth (norm/dil)		nm	nm	nm	nm	398%					
<b>Total Assets</b>	<b>19.7</b>	<b>19.6</b>	<b>17.1</b>	<b>18.3</b>	<b>22.7</b>	DPS	cps	0.000	0.000	0.000	0.000	0.000					
Accounts payable	1.9	1.5	1.9	2.3	2.7	DPS Growth		n/a	n/a	n/a	n/a	na					
Short term debt	4.0	4.1	4.1	5.1	5.8	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Lease Liability	0.0	1.8	1.5	0.7	2.3	Dividend imputation		0	0	0	0	0					
Other	1.4	2.6	2.6	3.2	3.7	PE (x)		27.8	- 7.3	- 8.3	53.6	10.8					
<b>Total current liabilities</b>	<b>7.2</b>	<b>9.9</b>	<b>10.0</b>	<b>11.3</b>	<b>14.4</b>	PE market		12.0	12.0	12.0	12.0	12.0					
Long term debt	0.0	0.0	0.0	0.0	0.0	Premium/(discount)			(161.2%)	(169.4%)	346.8%	(10.3%)					
Other non current liabs	0.3	0.3	0.3	0.3	0.3	EV/EBITDA		nm	nm	(9.2)	19.3	6.7					
<b>Total long term liabilities</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	FY/Share	US cps	(0.007)	(0.022)	(0.008)	(0.009)	0.006					
<b>Total Liabilities</b>	<b>7.5</b>	<b>10.2</b>	<b>10.2</b>	<b>11.6</b>	<b>14.7</b>	Price/FCF share		(20.4)	(6.0)	(17.3)	(15.4)	20.7					
<b>Net Assets</b>	<b>12.3</b>	<b>9.5</b>	<b>6.9</b>	<b>6.7</b>	<b>8.0</b>	Free Cash flow Yield		(4.9%)	(16.5%)	(5.8%)	(6.5%)	4.8%					
Share capital	7.7	7.7	7.7	7.7	7.7												
Accumulated profits/losses	2.9	(0.5)	(3.1)	(3.2)	(2.0)												
Reserves	1.3	1.8	1.8	1.8	1.8												
Minorities	0.3	0.4	0.4	0.4	0.4												
<b>Total Shareholder funds</b>	<b>12.3</b>	<b>9.5</b>	<b>6.9</b>	<b>6.7</b>	<b>8.0</b>												

Source: RaaS Advisory

# FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

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





### **About Us**

BR Securities Australia Pty Ltd (BR) is the holder of Australian Financial Services License ("AFSL") number 456663. RaaS Advisory Pty Ltd (RaaS) is an Authorised Representative (number 1248415) of BR.

This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS's services and includes such things as

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

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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

**What Financial Services are we authorised to provide?** RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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Website: [www.afca.org.au](http://www.afca.org.au); Email: [info@afca.org.au](mailto:info@afca.org.au); Telephone: 1800931678 (free call)

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

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BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

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