

Diversified supply chain on display; guidance maintained

Ricegrowers (ASX: SGLLV) trades as SunRice – the company’s main brand, which is ubiquitous in supermarkets. SunRice is a global fast-moving consumer goods (FMCG) business and one of Australia’s largest branded food exporters with more than 30 brands across 50 countries. SunRice has announced that notwithstanding Vietnam’s temporary ban on rice exports and the shortage of rice in Australia, the group is flexing its international supply capability to meet increased demand in Australia and other key markets. SunRice also noted that at this stage it does not anticipate any material change to its FY20 guidance for group NPAT. The company’s guidance is for full year FY20 revenue to be materially in line with FY19 but that 2H FY20 NPAT is expected to be lower than 1HFY20 NPAT. As we noted in our initiation report of late last year [Quality Income from Branded Products](#), SunRice has built significant resilience into the business with its international footprint in rice supply and branded products. In our view, the company is well positioned to trade through this turbulent time with leverage to upside from new consumer products emerging from the portfolio. We have revisited our sum-of-the-parts Compco valuation, adjusting for recent share price movements among peers and more conservative multiples, to derive a mid-point valuation of \$9.50/share (previously \$11.44/share) .

Business model

SunRice is a market leader in both core rice and value-added rice products such as microwave rice meals, rice cakes, rice flour and has a growing presence in the healthy snacking category. The company is currently executing a second five-year strategic plan aimed at expanding its presence in the fast-growing healthy snacking category, capitalising on growing global demand for sushi rice, expanding the footprint for its branded low GI rice products and developing new markets for new rice-based, value-added ingredients.

Key points from investor day

SunRice recently hosted an investor strategy day during which management highlighted significant opportunities to grow the business organically and if, opportunity presents, through acquisition. The diversified portfolio of assets, the disciplined approach to acquisitions and growth opportunities presented by new products from the Rice Food, CopRice and Riviana divisions were key highlights from the presentation.

Guidance for FY20 result intact; SOTP valuation addressed

The company noted that it does not see any material change to its FY20 guidance as a result of the COVID-19 developments. SunRice has previously stated it intends to maintain a fully-franked dividend at similar levels to prior years. This is in line with our expectations highlighted in our recent initiation report [Quality Income from Branded Products](#). We have revisited our Sum-of-the-Parts Compco valuation in light of recent share market volatility and our view that more conservative multiples will be applied. This derives a mid-point valuation of \$9.50/share (previously \$11.44/share). **This valuation does not give any guarantee regarding SunRice’s future financial performance, its outlook or its share price performance. It should also be noted that this is a valuation not a target price and the analysis belongs to RaaS alone.** SunRice is trading at a PER discount of ~80% to a defined list of agricultural and food companies (median 12-mth trailing PER of 41x), a discount, which in our view is unjustified given its superior NTA (1HFY20 was \$7.50) and yield (7.0%).

Historical earnings and ratios

Year end	Revenue (A\$m)	EBITDA Adj.* (A\$m)	NPAT Adj.* (A\$m)	NPAT Rep.	EPS Rep. (c)	P/E (x)	DPS (c)	Yield (%)	NTA/share (\$)
04/15a	1,238.1	111.1	52.5	43.4	77.9	6.0	31.0	6.6%	6.37
04/16a	1,265.9	110.4	52.0	49.1	87.9	5.3	33.0	7.0%	6.84
04/17a	1,109.3	75.3	37.5	34.2	61.3	7.7	33.0	7.0%	7.10
04/18a	1,174.0	94.3	43.6	42.7	75.9	6.2	33.0	7.0%	7.49
04/19a	1,189.5	85.8	40.1	31.5	54.5	8.6	33.0	7.0%	7.64

Source: Company data *EBITDA and NPAT adj for one-time, non-cash items inc forex costs

FMCG/Agriculture

14 April 2020

Share details

ASX Code	SGLLV
Share price	\$4.70
Market Capitalisation	\$280.6M
Shares on issue	59.7M
Net debt at 31/10/19	\$129.9M
Free float	98%

Share performance (12 months)



Upside Case

- Significant opportunity in Asian rice markets
- Proven ability to develop and expand brands, deliver new product initiatives through cycles
- Significant growth opportunities in healthy snacks low GI and sushi rice

Downside Case

- Complicated corporate structure
- Poor harvests limit Rice Pool’s ability to absorb fixed costs & overheads
- Competing with other crops for water allocation

Board of Directors

Laurie Arthur	Chairman
Rob Gordon	CEO
John Bradford	Grower director
Luisa Catanzaro	Non-Executive Director
Andrew Crane	Non-Executive Director
Ian Glasson	Non-Executive Director
Gillian Kirkup	Grower director
Ian Mason	Grower director
Jeremy Morton	Grower director
Leigh Vial	Grower director
Julian Zanatta	Grower director

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COVID-19 update

SunRice has noted that the COVID-19 outbreak has created a number of responses relevant to its businesses including:

- The Vietnam government has decided to place a temporary ban on exports of rice until at least May 31 in response to domestic food security concerns;
- The outbreak has led to changes in Australian consumer shopping behaviour, in particular generating a significant increase in demand for SunRice's products domestically which has exacerbated the current shortage in Australian rice due to drought and water policy.

The company has responded to these developments by flexing its capabilities in international rice supply chains to source additional rice for Australia and other key markets. SunRice has also commenced discussions with the Federal government around the potential for an allocation of water to be made available to Australian rice growers ahead of the planting season in October and November.

Guidance for FY20 intact

While SunRice noted that COVID-19 was creating increasing instability around supply and demand of rice across key markets, at this point, the company does not anticipate any material change to its guidance for full-year group NPAT. SunRice has previously guided that it expects FY20 revenue to be materially in line with FY19 and that 2H FY20 NPAT to be lower than 1HFY20 NPAT (\$12.5m on a reported basis and \$14.8m attributable to B Class shareholders) due to the cost of reconfiguring the Riverina assets and the risk of further deterioration of trading conditions in PNG. SunRice has noted that it is too early to comment on whether there would be any impact from the COVID-19 developments on the FY21 financial year.

Investor strategy day highlights

SunRice recently hosted an investor strategy day, providing a comprehensive overview of the opportunities for its International Rice business which both sources and sells branded rice internationally, its Rice Food operations which produces and manufactures branded rice and value-added rice products such as microwave meals, snack products and flour/cake mix, the CopRice animal nutrition business and the Riviana specialty foods business. A corporate video of the highlights has been posted on LinkedIn and can be accessed [here](#).

The key takeaways from the investor strategy day are as follows:

- The company continues to actively manage risks presented by the reduced Australian crop by strategically sourcing from existing and new supply chains globally;
- Sourcing countries outside Australia include Cambodia, China, Myanmar, and Vietnam;
- The Rice Food division is poised to launch a rice-based infant food range aimed at toddlers to pre-schoolers in FY21, designed to capitalise on both Australian and Chinese demand for "clean and green" infant food;
- The company takes a disciplined approach to acquisitions; requiring that those strategic businesses/assets acquired are NPV positive, EPS accretive no later than year three and that the transaction multiples paid in line with comparable trading multiples;
- The Rice Foods business continues to look for ways to extend its reach into the healthy snacking revolution, and sees its rice cakes, rice chips and rice crackers as a key platform for growth in the business;
- Rice Foods has also recently taken its low GI microwave products into China and plans to launch its rice chips into 27 countries in FY21;
- SunRice has made a <\$3m capital investment into repurposing its existing Coleambally mill into what will become Australia's largest ruminant nutrition plant for the sheep/beef/dairy industry

(1/10th the cost of a greenfield's site); management expects an 18-month payback on this investment;

- The acquisition of the assets of supplier Feedrite extends CopRice's footprint into the higher value petfood/equine sectors and this together with the new Leeton stabilised rice bran plant positions the company to be a leader in value added animal nutrition. The company will open its second pet food plant at this Wangaratta site in FY21;
- Riviana Foods continues to look for organic and acquired opportunities to expand its share of the consumer entertainment platter;
- The division works with 70-80 different suppliers offshore and domestically and has met forex challenges over the past eight years by taking more than \$30m in net working capital out of the business;
- The acquisition of Roza's expanded Riviana into the chilled and frozen supply chains and gave the business a presence in premium supermarkets such as Harris Farms. Roza's will now look for product category expansion opportunities in hemp based foods;
- Riviana has also recently started selling its original range into home delivery food service business Hello Fresh, which is also supplied by Roza's.

CEO Rob Gordon noted that the company has a conservative balance sheet; that SunRice was well positioned to take advantage of both acquired and organic growth opportunities. At the end of H1 FY20, the company had drawn down on less than half its \$220m facility.

Sum of the parts valuation revisited

In our initiation information paper of November 26, 2019, we highlighted that SunRice was trading at a significant discount to a broad range of listed Australian FMCG and agricultural peers. Narrowing down this sector to our core group of domestic peers that we consider most relevant to SunRice, we yield a median trailing twelve months (TTM) PER of 41x, compared with SunRice on 7.1x PER.

Exhibit 1: Domestic peers used in sum-of-the-parts compco valuation

Ticker	Company	P/E TTM
BGA.AX	Bega Cheese	63.9
CGC.AX	Costa Group Holdings	56.2
ELD.AX	Elders	12.2
FNP.AX	Freedom Foods Group	91.6
HUO.AX	Huon Aquaculture Group	63.8
ING.AX	Inghams Group	18.2
RIC.AX	Ridley Corporation	27.0
TGR.AX	Tassal Group	10.0

Source: Refinitiv

There are no clear direct comparisons for the SunRice business. At a divisional level the two consumer-oriented businesses – Rice Foods and Riviana are focused on branded, fast-moving consumer goods. Raw material sourcing for these foods is both international and domestic. We use the sector ratios for the Branded FMCG sub-sector as the best domestic comparison for these businesses and have included Freedom Foods and Huon Aquaculture in this analysis and have excluded wine and milk export companies as they have attracted higher multiples due to growing Asian demand. The companies we use as compcos for SunRice are set out in Exhibit 2.

Exhibit 2: FMCG Agricultural Companies

Ticker	Name	Primary Agricultural Exposure	Market Cap (A\$m)	Sector Weight	Beta 5 Year	EV/EBITDA LTM	EBITDA Growth 1 Year	EBITDA Growth 5 year	EBITDA Margin LTM
ING	Inghams	Poultry	1,491.6	3%	0.20	7.9	7.7%	20.2%	8.4%
FNP	Freedom Foods	Grains	1,386.3	3%	0.62	41.8	9.2%	24.0%	10.9%
BGA	Bega Cheese	Milk products	1,021.6	2%	0.42	14.2	7.4%	13.8%	6.4%
CGC	Costa Group	Horticulture	990.0	2%	0.48	15.3	12.2%	23.6%	9.2%
TGR	Tassal	Fish	874.4	2%	0.63	8.9	20.7%	14.6%	19.9%
HUO	Huon Aquaculture	Fish	392.3	1%	0.45	9.5	15.2%	-2.6%	16.6%

Source: Refinitiv, RaaS Analysis

We use the long term (5-year average) EV/EBITDA multiple to derive a median multiple of 11.9x to which we apply a 25% and 50% discount to arrive at an EV/EBITDA range of 7.9x-9.5x. We previously used a range of 7x-11x but felt that a greater upper end discount was needed. We acknowledge that the discount is arbitrary on our part. From this we derive a comparable valuation based on 5-year average EBITDA for the divisions below. We average EBITDA in this case to acknowledge the impact that changes in rice harvest size and foreign exchange rates can have on raw material costs for these divisions. SunRice divisional contribution to profit are reported post finance charges which are not disclosed by segment. We have made estimates on how finance charges are allocated by division by using segment asset weights to derive an estimated EBITDA.

Exhibit 3: Food/FMCG division valuations based on Peers

\$'000	5 Year Average EBITDA	FY19 EBITDA	EV/EBITDA range	Value range - Avg EBITDA FY15-FY19 (\$'000)
Rice Foods	6,404	6,868	7.9x 9.5x	50,623 60,748
Riviana	10,648	9,687	7.9x 9.5x	84,172 101,006

Source: RaaS analysis

The CopRice business is at the higher value-added end of the livestock feed supply market, providing nutritional supplements rather than bulk feed. The best comparison domestically is clearly Ridley Corp despite a business mix which includes meat, pet food, livestock and fish feeds. Internationally companies with significant feed businesses are trading in a similar range.

Exhibit 4: Feed Comparable Company

Ticker	Name	Primary Agricultural Exposure	Market Capitalisation A\$m	Sector Weight	Beta 5 Year	EV/EBITDA LTM	EBITDA Growth 1 Year	EBITDA Growth 5 year	EBITDA Margin LTM
RIC	Ridley Corp	Feed	366.3	1%	0.62	8.3	4.9%	4.5%	5.6%

Source: Refinitiv, RaaS Analysis

We have used a smaller valuation range given the clear comparability of the businesses. CopRice has grown capacity in the last two years and we expect further revenue growth in stock feed demand in the next two years, particularly with the commissioning of the new Leeton stabilised rice bran plant and the repurposed Coleambally mill. Consequently, we have used the most recent reported EBITDA. Taking Ridley's long-term EV/EBITDA multiple of 8.3x, we have applied a discount of 25% and 50% to give us a range of 5.5x-6.6x (previously 7-9.5x). We view this conservatism appropriate in this current environment.

Exhibit 5: CopRice valuation based on peer comparison

\$'000	5 Year Average EBITDA	FY19 EBITDA	EV/EBITDA range	Value range
CopRice	6,748	10,458	5.5x 6.6x	57,922 69,506

Source: RaaS Analysis

International Rice is primarily a trader and distributor of branded consumer product in the Pacific and the Middle East. The closest comparable companies found are Asian, South American and European entities – some of which are also more diversified. Focusing on the closest comparables gives us the selection shown below.

Exhibit 6: International Comparable Companies

Ticker	Name	Domicile	Primary Agricultural Exposure	Detail	Market Cap in US\$m
EBRO.MC	Ebro Foods	Spain	Rice production, processing and trading	Rice 51% and Pasta products - inc Riviana	3,162.9
BG	Bunge	US	Feed and Oils	Global Agribusiness and Food	5,820.3
KRBL.NS	KRBL	India	Rice production, processing and trading	Agricultural products, chiefly rice	420.9

Source: RaaS Analysis, Refinitiv

Exhibit 7: International Comparable Companies, performance

Ticker	Name	Beta 5 Year	EV/EBITDA LTM	EBITDA Growth 1 Year	EBITDA Growth 5 year	EBITDA Margin LTM
EBRO.MC	Ebro Foods	0.0	9.8	11.74%	1.41%	13.09%
BG	Bunge	1.02	8.9	3.70%	1.11%	2.90%
KRBL.NS	KRBL	1.74	12.6	20.92%	14.30%	18.85%

Source: Refinitiv, RaaS Analysis

These companies are more diversified than SunRice's International Rice division and are clearly of larger scale. The observed EV/EBITDA range has been reduced to 6.5x-7.8x (a 25%-50% discount to the compco of 9.8x) We previously used a median range of 8x-12x but feel a greater discount is warranted in the current uncertain environment. We use the five-year average of divisional EBITDA to account for the unusual impact of currency on the FY19 result.

Exhibit 7: International Rice valuation based on peer comparison

\$'000	5 Year Average EBITDA	FY19 EBITDA	EV/EBITDA range		Value range - Avg EBITDA	
International Rice	34,007	7,519	6.5x	7.8x	221,688	266,026

Source: RaaS Analysis

SunRice's corporate division is structured as a profit-making entity - unlike most corporate head-offices. However, SunRice covers costs associated with maintaining Rice Pool operations and marketing the crop by booking asset charges and associated costs as a profit in the Corporate segment. We have estimated brand charges and asset charges received by Corporate based on disclosures in the FY19 AGM presentation. The Rice Pool has no direct net impact on valuation as it is essentially a "not-for-profit" service to rice growers. However, fees earned from the pool by Corporate are a source of profit. The closest comparison we find in the sector is Elders which provides a range of services to the rural sector in Australia.

Exhibit 8: Ag Services Comparable Company

Ticker	Name	Market Cap A\$m	Sector Weight	Beta 1 Year	EV/EBITDA LTM	EBITDA Growth 1 Year	EBITDA Growth 5 year	EBITDA Margin LTM
ELD	Elders	895	2%	0.41	10.6	4.4%	26.6%	4.4%

Source: Refinitiv, RaaS Analysis

Elders is more diversified - geographically by service and by commodity, than SunRice Corporate and it can be argued is priced on depressed earnings – inflating the long term EV/EBITDA multiple. This division is also more dependent on the rice harvest – in a low harvest year there may be an under-recovery of costs giving a higher possibility of a recorded loss across the combined corporate and rice pool divisions. Accordingly, we discount the Elders' long run EV/EBITDA multiple of 10.6x by 25%-50% to further reflect this relative volatility. We apply a range of 7.1x-8.5x EBITDA to our 5-year average EBITDA (previously 7x-9x).

Exhibit 9: Corporate division valuation based on peer analysis

\$'000	5 Year Average EBITDA	FY 19 EBITDA	EV/EBITDA range		Value range - Avg EBITDA	
Corp Brand Charges	12,526	14,064	7.1x	8.5x	88,584	106,301
Corp Asset Charges	21,556	24,203	7.1x	8.5x	152,447	182,937

Source: RaaS Analysis

Summarising, based on this analysis of comparable company trading multiples and using an average, through-cycle style, historical earnings assessment we arrive at a valuation range of \$8.40 to \$10.59 per share from historical earnings with a mid-point of \$9.50/share. As a sense check the mid-point puts SunRice on a PER TTM of 17.4x versus its current 7.1x, still a substantial discount to the peer group of 41x.

Exhibit 10: Comparable Company Sum of the Parts Valuation

Division	Method	5 Year Average EBITDA	FY19 EBITDA	Multiple range		Value range \$'000	
Rice Foods	Avg EBITDA	6,404		7.9x	9.5x	50,623	60,748
Riviana	Avg EBITDA	10,648		7.9x	9.5x	84,172	101,006
CopRice	FY19 EBITDA		10,458	5.5x	6.6x	57,922	69,506
International Rice	Avg EBITDA	34,007		6.5x	7.8x	221,688	266,026
Corp Brand Charges	Avg EBITDA	12,526		7.1x	8.5x	88,584	106,301
Corp Asset Charges	Avg EBITDA	21,556		7.1x	8.5x	152,447	182,937
Sub-total \$'000						655,437	786,524
Less							
Net Debt H1 FY20		\$M	129.9				
Minority share of Net Assets		\$M	23.9				
Equity Value		\$M				501.6	632.7
Shares on Issue Oct 2019		m	59.7				
							per share
Comparable Value Range						\$8.40	\$10.59
Average Valuation							\$9.50
Net Assets ex intangibles at 31/10/2019		\$M	447.7			\$7.50	
Share price at 14 April 2020 (intraday)						\$4.70	

Source: RaaS Analysis

Exhibit 11: Financial Summary

Ricegrowers t/a SunRice						Share price (14 April 2020)					AS\$ 4.70
Profit and Loss (A\$m)						Interim (A\$m)					
Y/E 30 April	FY2015	FY2016	FY2017	FY2018	FY2019		1H18	2H18	1H19	2H19	1H20
Sales Revenue	1,238.1	1,265.9	1,109.3	1,174.0	1,189.5	Total Revenue	544.7	632.3	582.6	610.0	542.9
Total Revenue	1,245.1	1,269.6	1,112.2	1,176.9	1,192.6	EBITDA Reported	51.2	42.1	35.3	41.9	31.8
EBITDA reported	102.0	107.5	72.0	93.3	77.2	EBIT reported	40.3	32.1	25.8	31.0	19.4
EBITDA Adjusted*	111.1	110.4	75.3	94.3	85.8	NPAT Reported	24.1	21.1	13.8	19.0	12.5
Deprn	(18.0)	(19.5)	(18.8)	(18.9)	(19.5)	Minorities	(0.9)	(1.6)	(0.5)	(0.7)	2.4
Amort	(2.3)	(2.6)	(2.6)	(2.0)	(2.2)	NPAT attributable to B Class shareholders	23.2	19.5	13.3	18.2	14.8
EBIT Adjusted*	90.8	88.4	53.9	73.3	64.1	EPS (attributable to B Class holders)	41.4	34.5	23.3	31.8	25.3
Interest	(11.2)	(12.3)	(10.3)	(9.3)	(8.4)	Dividend (cps)	0.0	33.0	0.0	33.0	0.0
Tax	(21.5)	(21.2)	(6.1)	(17.7)	(15.6)	Imputation	30.0	30.0	30.0	30.0	30.0
Minorities	(5.7)	(2.9)	(0.0)	(2.4)	(1.3)	Operating cash flow	(37.7)	177.1	(56.3)	47.2	29.5
Equity accounted assoc	0.1	0.1	0.0	(0.2)	1.3	Free Cash flow	(50.0)	167.7	(76.9)	27.0	10.4
NPAT Adjusted*	52.5	52.0	37.5	43.6	40.1	Divisions	1H18	2H18	1H19	2H19	1H20
Adjustment for one time items	(9.1)	(2.9)	(3.3)	(1.0)	(8.6)	Rev - Rice Pool	159.1	219.9	182.5	143.4	124.1
NPAT (reported)	43.4	49.1	34.2	42.7	31.5	Rev - International Rice	217.4	239.3	208.7	273.7	235.1
Cash flow (A\$m)						Rev - Rice Food	55.3	51.7	52.6	47.1	49.8
Y/E 30 April	FY2015	FY2016	FY2017	FY2018	FY2019	Rev - Riviana	59.0	61.1	59.1	67.5	64.5
EBITDA	102.0	107.5	72.0	93.3	77.2	Rev - CopRice	52.4	58.7	77.9	76.7	67.5
Interest	(10.8)	(12.3)	(10.4)	(8.9)	(8.2)	Costs - Raw materials	(339.4)	(371.3)	(358.4)	(377.9)	(332.1)
Tax	(10.7)	(28.9)	(30.6)	(13.2)	(5.4)	Costs - Freight and distribution	(57.3)	(59.8)	(56.3)	(53.9)	(52.0)
Working capital changes	(44.9)	(37.6)	110.8	9.2	(72.7)	Costs - Employee benefits	(68.9)	(71.4)	(74.1)	(69.4)	(74.2)
Operating cash flow	35.7	28.7	141.8	80.5	(9.1)	Other Operating Costs	(34.0)	(87.2)	(60.3)	(66.6)	(52.8)
Mtce capex	(34.4)	(24.3)	(21.9)	(21.7)	(40.8)	EBITDA reported	51.2	42.1	35.3	41.9	31.8
Free cash flow	1.2	4.4	119.9	58.7	(49.9)	Margins, Leverage, Returns	FY2015	FY2016	FY2017	FY2018	FY2019
Growth capex	0.0	0.0	0.0	0.0	0.0	EBITDA	8.2%	8.5%	6.5%	7.9%	6.5%
Acquisitions/Disposals	(4.1)	0.3	(2.4)	0.3	(5.7)	EBIT	7.3%	7.0%	4.9%	6.2%	5.4%
Other	0.0	0.0	0.0	0.0	0.0	NPAT pre significant items	4.2%	4.1%	3.4%	3.7%	3.4%
Cash flow pre financing	(2.9)	4.7	117.5	59.0	(55.6)	Net Debt (Cash)	154.1	177.4	84.9	42.5	109.6
Equity	(2.8)	(1.3)	(4.4)	0.9	0.7	Net debt/EBITDA (x)	(x)	1.5	1.7	1.2	0.5
Debt (Repayment less drawdown)	21.0	72.8	(157.8)	29.5	(46.0)	ND/ND+Equity (%)	(%)	29.8%	31.3%	17.3%	8.9%
Dividends paid (inc non controlling interests)	(18.7)	(14.5)	(23.0)	(16.6)	(13.7)	EBIT interest cover (x)	(x)	0.1	0.1	0.2	0.1
Ex change rate adjustment	4.3	(12.0)	2.6	0.2	2.1	ROA	10.1%	9.2%	6.1%	8.0%	6.9%
Net cash flow for year	0.9	49.7	(65.2)	73.0	(112.5)	ROE	13%	13%	9%	10%	7%
Balance sheet (A\$m)						ROIC	13%	11%	7%	11%	9%
Y/E 30 April	FY2015	FY2016	FY2017	FY2018	FY2019	ROCE	12%	18%	11%	14%	12%
Cash	68.4	120.1	60.0	122.9	22.4	NTA (per share)	\$ 6.37	\$ 6.84	\$ 7.10	\$ 7.49	\$ 7.64
Accounts receivable	142.6	144.1	123.1	151.2	168.3	NTA per share growth	12%	7%	4%	5%	2%
Inventory	495.1	453.5	371.6	506.8	361.4	NTA premium (discount) to price	36%	46%	51%	59%	63%
Other current assets	0.4	0.0	8.6	4.0	3.4	Working capital	534.7	478.3	393.2	528.9	395.6
Total current assets	706.6	717.7	563.3	784.9	555.4	WC/Sales (%)	43%	38%	35%	45%	33%
PPE	217.6	218.0	218.0	217.7	239.7	Revenue growth	8.8%	2.2%	(12.4%)	5.8%	1.3%
Intangibles/Goodwill	8.5	8.8	9.1	9.0	14.1	EBIT growth pa	41.8%	8.1%	(36.9%)	45.0%	(12.5%)
Investments	3.0	2.8	2.9	2.6	5.7	Pricing	FY2015	FY2016	FY2017	FY2018	FY2019
Deferred tax asset	14.5	23.2	17.3	19.9	14.9	No of shares (y/e)	(m)	55.8	55.8	55.8	56.2
Other non-current assets	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	55.8	55.8	55.8	56.2
Total non current assets	243.6	252.8	247.2	249.3	274.5	EPS Reported	cps	77.9	87.9	61.3	75.9
Total Assets	950.2	970.6	810.5	1,034.2	829.9	EPS Normalised/Diluted	cps	94.2	93.2	67.3	77.6
Accounts payable	103.0	119.3	101.5	129.1	134.1	EPS growth (norm/dil)		76.8%	19.7%	(23.5%)	26.7%
Short term debt	117.6	218.0	65.8	86.2	39.5	DPS	cps	31.0	33.0	33.0	33.0
Tax payable	22.8	22.2	0.8	1.1	5.7	DPS Growth		35%	6%	0%	0%
Other current liabilities	197.5	123.6	132.5	272.9	89.6	Dividend yield		6.6%	7.0%	7.0%	7.0%
Total current liabilities	440.9	483.1	300.6	489.4	268.9	Dividend imputation		30.0	30.0	30.0	30.0
Long term debt	104.9	79.6	79.1	79.2	92.5	Dividend payout ratio		32.9%	35.4%	49.1%	42.5%
Other non current liabs	40.5	17.7	25.9	31.5	5.6	PE (x) based on EPS reported		6.0	5.3	7.7	6.2
Total long term liabilities	145.4	97.2	105.0	110.7	98.1	PE market		12.0	12.0	12.0	12.0
Total Liabilities	586.3	580.4	405.6	600.0	367.0	Premium/(discount)		(49.7%)	(55.4%)	(36.1%)	(48.4%)
Net Assets	363.9	390.2	404.9	434.1	462.9	EV/EBITDA		4.1	4.1	4.8	3.3
Share capital	107.8	107.8	107.8	111.9	122.9	FCF/Share	cps	2.2	7.8	214.9	104.4
Accumulated profits/losses	219.3	253.8	269.6	293.9	306.6	Price/FCF share		216.8	59.9	2.2	4.5
Reserves	17.4	9.4	4.6	4.0	7.4	Free Cash flow Yield		0.5%	1.7%	45.7%	22.2%
Minorities	19.4	19.2	22.8	24.4	26.1						
Total Shareholder funds	363.9	390.2	404.9	434.1	462.9						

Source: RaaS Advisory Note: NTA per share at 1HFY20 was \$7.50 and net debt was \$129.9m



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: 26th November 2018



About Us

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

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Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

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