

FY20 sales up 49%, DCF is \$1.29/share

Total Brain (ASX:TTB) is the developer of a neuroscience-based mental health & fitness platform powered by the largest standardized neuroscientific database in the world formed over almost two decades and with \$50m of R&D funding. Total Brain reported a 49% lift in FY20 revenue to \$3.9m driven by growth in corporate subscriptions and subscriptions generated by affinity partnerships. The company signed more than 20 contracts and partnerships representing more than \$2.1m in annual recurring revenue in the year. ARR now stands at around \$4.5m. Cost containment was a significant feature in the FY20 result, with costs of goods sold, employment costs and operating costs all coming in lower than our forecasts. We have incorporated the FY20 results into our model and rolled the model for the new financial year. Our base case valuation is adjusted to \$1.29/share (previously \$1.27/share) and on a fully diluted basis for all options on issue is \$1.22/share. In our view, continued momentum with new contracts should underpin Total Brain's share price performance.

Business model

Total Brain operates a subscription as a service (SaaS) model for its mental health and fitness platform. The science behind the platform has been developed over almost two decades with input from the leading academic institutions in the field. This has generated a proprietary neuroscientific database of scale which underpins the scientific validation that differentiates Total Brain from other brain training and wellness applications. The app, promoted by affinity partners, assesses the four core brain capacities (emotion, feeling, cognition, self-control), pre-screens seven common mental health conditions and delivers personalised brain and mind/body training.

Better than forecast cost containment

Total Brain reported a 49% increase in revenue in FY20 to \$3.9m and a net loss of \$7.6m. Top line, the result was below our forecasts for \$5.4m chiefly for lower than forecast contributions from licence fees from iSpot and from B2B corporate, but costs were also \$1m lower than our forecasts. Employment costs for the year were \$6.8m, up from \$5.5m but below our expectations for \$7.4m with COVID-19 playing a part in the decision to more carefully add to the team. We have taken the results into account for FY21 and FY22 making adjustments to both the top line and costs line with the net result being a reduction in our forecasts for both years.

Base case valuation upgraded to \$1.29/share

We use the discounted cashflow methodology to value Total Brain. Having incorporated the FY20 results and rolled the model we arrive at a base case valuation of \$140.6m or \$1.29/share (previously \$137m or \$1.27/share) on a WACC of 14.7%. Our valuation reflects a 34.6% CAGR in free cashflows from 2023-2030. Using the same WACC, the last closing share price of \$0.39 reflects an estimated 10.4% CAGR in free cashflows from 2022-2030.

Historical earnings and RaaS Advisory estimates

Year end	Revenue (A\$m)	EBITDA reported (A\$m)	NPAT reported (A\$m)	EPS* (c)	P/E (x)	EV/Sales (x)
06/19	2.6	(6.7)	(8.6)	(12.21)	na	6.8
06/20	3.9	(7.4)	(7.6)	(8.07)	na	7.0
06/21e	7.4	(3.6)	(2.9)	(2.65)	na	4.8
06//22e	16.8	3.5	2.1	1.97	19.8	2.1

Source: Company data, RaaS Advisory Estimates for FY20e, FY21e, FY22e *adj for one-time items

Healthcare services

1 September 2020

Share details

ASX Code	TTB
Share price	\$0.39
Market Capitalisation	\$42.24M
Shares on issue	108.3M
Net cash at June 30	\$10.0m
Free float	~57%

Share performance (12 months)



Upside Case

- Highly scalable SaaS model
- Significant validation from IBM choosing the platform as the engine for Mental Health 360
- Targeting predominantly US corporates and consumers

Downside Case

- Enterprise sales cycle for the B2B product takes from 9-18 months
- New consumer product yet to be fully trialed in market
- Commercial success to date has been elusive

Board of Directors

Dr Evian Gordon	Executive Chairman/ Founder
Louis Gagnon	Managing Director/ CEO
Matthew Morgan	Non-Executive Director
David Torrible	Non-Executive Director
David Daglio	Non-Executive Director

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FY20 result

Total Brain reported a 49% increase in revenue to \$3.9m in FY20 and 42% increase in gross profit to \$3.2m. The net loss for the year was \$7.6m which was an 11% reduction on the \$8.6m loss in FY19. While revenues were lower than we had forecast, cash receipts were in line with our forecasts (\$4.9m versus our forecast for \$5.0m). The company also ended the year with much higher than expected contract liabilities (or unearned income) of \$0.96m, versus \$0.21m a year before and our forecast for \$0.33m.

Exhibit 1: FY20 results snapshot versus FY19 and RaaS fct (in A\$m unless otherwise noted)					
Year ending June 30	FY19	FY20	% chg	RaaS fct	
Revenue	2.6	3.9	49%	5.4	
Gross profit	2.3	3.2	42%	4.4	
EBITDA underlying	(6.7)	(7.4)	10%	(6.8)	
EBIT underlying	(7.2)	(7.7)	7%	(7.1)	
NPAT reported	(8.6)	(7.6)	(11%)	(7.0)	
NPAT underlying	(8.6)	(7.6)	(11%)	(7.0)	

Source: Company data, RaaS forecasts

Operational progress

The growth in affinity partnerships is a key plank in the company's strategy with this revenue stream increasing by 106% in FY20, in line with our expectations. The company's corporate revenues increased 27% to \$2.26m in FY20 but was below our forecast for the year with COVID-19 playing a part in 2H growth (up 9% to \$1.18m over H1FY20 versus our forecast for \$1.8m for the half). Revenues from data licencing and iSPOT in FY20 were up substantially on FY19 but the second half growth that we had anticipated did not translate into revenues.

Exhibit 2: Revenue breakdown FY20 vs FY19 and RaaS fct (in A\$m unless otherwise noted)					
Year ending June 30	FY19	FY20	% chg	RaaS fct.	
Total Brain Corporate	1.79	2.26	26.6%	2.88	
Total Brain Affinity	0.19	0.40	105.8%	0.41	
Total Brain all other	0.09	0.14	59.1%	0.22	
Clinical	0.32	0.30	-7.8%	0.35	
Discovery	0.04	0.03	-18.6%	0.04	
iSPOT/data licencing	0.17	0.74	344.1%	1.46	
Total Revenue	2.60	3.88	49.0%	5.36	

Source: Company annual report, RaaS forecasts

Total Brain's costs for the year were well contained, rising less than 20% over FY19. Corporate and operating costs in particular were well contained, growing just 6.6% year on year to \$3.55m and below our forecast for \$3.79m. Employment costs were up 23% to \$6.8m but well below our forecast for \$7.37m for the year.

Exhibit 3: Costs breakdown FY20 vs FY19 and RaaS fct (in A\$m unless otherwise noted)					
Year ending June 30	FY19	FY20	% chg	RaaS	
COGS	0.32	0.64	100.0%	0.95	
Employment	5.53	6.81	23.1%	7.37	
Corporate and operating	3.33	3.55	6.6%	3.79	
Total Costs	9.18	11.00	19.8%	12.11	

Source: Company annual report, RaaS forecasts

Earnings Adjustments

We have incorporated the FY20 result in our forecast which has resulted in some forward adjustments on both revenues and costs. The costs containment in FY20 was better than forecast, with COGS and employments costs well contained during the second half. We have assumed that the company keeps a check on its cost base through FY21 in response to the continued uncertainty being brought about by COVID-19. Correspondingly, we have adjusted our revenue estimates, predominantly for lower iSPOT/data licencing revenues and lower corporate sales over the next 12 months. The net impact has been a reduction to our forecasts for FY21 and FY22.

Exhibit 4: Earnings Adjustment for FY21 and FY22 (in A\$m unless otherwise stated)

Year ending June 30	FY21 old	FY21 new	FY22 old	FY22 new
Revenue	12.6	7.4	21.5	16.8
Gross profit	10.4	6.3	17.7	14.3
EBITDA underlying	(1.6)	(3.6)	4.6	3.5
EBIT underlying	(2.0)	(4.0)	4.1	3.1
NPBT	(1.8)	(4.0)	4.3	2.9
NPAT	(1.3)	(2.9)	3.1	2.1

Source: RaaS estimates

DCF valuation

We are of the view that the discounted cashflow methodology is the most appropriate methodology for valuing early stage companies. Having rolled our model for the new financial year and adjusted our costs forecasts to reflect the lower starting cost base in FY21, our base case valuation has increased to \$1.29/share or \$140.6m (previously \$137m or \$1.27/share). This includes some in the money options (0.3m). If we include the 6.94M \$0.80 options issued to employees and with various expiry dates, the valuation is \$1.22/share. Our terminal value is \$0.73/share within this valuation. Our valuation assumes a CAGR in free cashflows from FY22-30 of 34.6%. As a sense check, the CAGR in free cashflows built into the current share price is 10.4%.

Exhibit 5: Base Case DCF valuation

Parameters	Outcome
Discount Rate / WACC	14.7%
Beta	2.1
Terminal growth rate assumption	2.20%
Sum of PV	56.7
PV of terminal Value	73.9
PV of Enterprise	130.6
Debt (Cash) at June 301	(10.0)
Net Value - Shareholder	140.6
No of shares on issue (m) + in the money options	108.6
NPV	\$1.29

Source: RaaS estimates

Exhibit 6: Financial year financial summary

Total Brain (TTB.AX)						Share price (August 31 2020)						A\$	0.39				
Profit and Loss (A\$m)						Interim (A\$m)						H119A	H219A	H120A	H220A	H121F	H221F
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Revenue	1.1	1.5	2.2	1.7	2.3	5.1					
Revenue	2.6	2.6	3.9	7.4	16.8	EBITDA	(4.4)	(3.7)	(3.8)	(3.6)	(3.0)	(0.7)					
Gross profit	2.5	2.3	3.2	6.3	14.3	EBIT	(4.5)	(4.0)	(3.9)	(3.7)	(3.2)	(0.9)					
GP margin %	95.3%	87.8%	83.4%	84.7%	84.7%	NPAT (normalised)	(4.5)	(4.1)	(3.9)	(3.7)	(2.3)	(0.6)					
EBITDA	(4.9)	(6.7)	(7.4)	(3.6)	3.5	Minorities	0.0	0.0	0.0	0.0	0.0	0.0					
Deprn	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	NPAT (reported)	(4.5)	(4.1)	(3.9)	(3.7)	(2.3)	(0.6)					
Amort	(0.1)	(0.4)	(0.2)	(0.4)	(0.4)	EPS (normalised)	(6.9)	(0.6)	(4.8)	(3.3)	(2.1)	(0.6)					
EBIT	(23.4)	(7.2)	(7.7)	(4.0)	3.1	EPS (reported)	(6.9)	(0.6)	(4.8)	(3.3)	(2.1)	(0.6)					
Interest	(0.5)	0.0	0.0	0.1	(0.1)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0					
Tax	0.8	0.0	0.0	1.1	(0.8)	Imputation	30.0	30.0	30.0	30.0	30.0	30.0					
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(2.3)	(3.4)	(4.3)	(1.7)	0.2	(0.9)					
Equity accounted assoc	(0.0)	0.0	0.0	0.0	0.0	Free Cash flow	(1.0)	(2.0)	(3.2)	(0.1)	1.2	0.1					
NPAT pre significant items	(23.1)	(8.6)	(7.6)	(2.9)	2.1	Divisionals	H119A	H219A	H120A	H220A	H121F	H221F					
Significant items	0.0	0.0	0.0	0.0	0.0	Total Brain - Corporate	0.9	0.9	1.1	1.2	1.6	2.5					
NPAT (reported)	(23.1)	(8.6)	(7.6)	(2.9)	2.1	Total Brain Affinity	-	0.2	0.1	0.3	0.5	2.4					
Cash flow (A\$m)						Other revenues	0.2	0.4	1.0	0.2	0.2	0.2					
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Total Revenue	1.1	1.5	2.2	1.7	2.3	5.1					
EBITDA	(4.9)	(6.7)	(7.4)	(3.6)	3.5	Gross profit	1.0	1.3	1.8	1.4	1.9	4.3					
Interest	0.0	0.0	0.0	0.1	(0.1)	Gross Profit Margin %	89%	87%	82%	85%	85%	85%					
Tax	0.0	0.0	0.0	0.0	(0.8)	Employment	2.8	2.7	3.7	3.1	3.2	3.2					
Working capital changes	1.0	1.1	1.4	2.8	(0.7)	Marketing	0.4	0.4	0.4	0.5	0.5	0.5					
Operating cash flow	(3.9)	(5.6)	(6.0)	(0.8)	1.9	Other costs	1.2	1.3	1.5	1.2	1.2	1.3					
Mtce capex	0.0	0.0	(0.1)	(0.1)	(0.1)	Total costs	4.4	4.4	5.6	4.8	4.9	5.0					
Free cash flow	(3.9)	(5.6)	(6.1)	(0.9)	1.8	EBITDA	(3.4)	(3.1)	(3.8)	(3.4)	(3.0)	(0.7)					
Growth capex	(1.7)	(2.7)	(2.6)	(2.0)	(2.0)	EBITDA margin %	nm	nm	nm	nm	nm	-13%					
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	Margins, Leverage, Returns						FY18A	FY19A	FY20A	FY21F	FY22F	
Other	(0.1)	0.1	0.0	0.0	0.0	EBITDA margin %		(186.7%)	(258.7%)	(191.6%)	(49.2%)	21%					
Cash flow pre financing	(5.7)	(8.2)	(8.7)	(2.9)	(0.2)	EBIT margin %		(893.4%)	(274.8%)	(197.6%)	(54.9%)	18%					
Equity	10.5	6.7	13.7	0.0	0.0	NPAT margin (pre significant items)		(882.9%)	(329.4%)	(197.2%)	(39.0%)	13%					
Debt	(0.1)	0.0	1.1	2.2	2.2	Net Debt (Cash)		6.62	5.21	10.00	7.14	6.93					
Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	1.97					
Net cash flow for year	4.7	(1.5)	6.0	(0.6)	2.0	ND/ND+Equity (%)	(%)	(43.6%)	(34.8%)	(61.0%)	(44.1%)	(37.4%)					
Balance sheet (A\$m)						EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	3.8%					
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	ROA		(95.8%)	(32.3%)	(30.2%)	(14.0%)	10.1%					
Cash	6.6	5.2	11.1	10.5	12.5	ROE		(124.4%)	(40.8%)	(32.8%)	(11.6%)	8.7%					
Accounts receivable	1.3	0.8	2.8	0.9	1.2	ROIC		(162.5%)	(109.5%)	(159.0%)	(66.1%)	56.9%					
Inventory	0.0	0.0	0.0	0.0	0.0	NTA (per share)		41.0%	34.4%	27.8%	21.6%	23.5%					
Other current assets	0.0	0.2	0.1	0.1	0.1	Working capital		82.8%	35.3%	237.6%	64.3%	95.5%					
Total current assets	8.0	6.2	14.1	11.5	13.8	WC/Sales (%)		31.6%	13.6%	61.3%	8.7%	5.7%					
PPE	0.2	0.2	0.3	0.4	0.4	Revenue growth		10.4%	(0.5%)	49.0%	90.2%	128.2%					
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	(175.6%)					
Intangibles	14.7	14.9	15.0	16.6	18.2	Pricing		FY18A	FY19A	FY20A	FY21F	FY22F					
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	53	59	95	108	108					
Other non current assets	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)	36	59	95	108	108					
Total non current assets	14.9	15.2	15.3	17.0	18.6	EPS Reported	cps	(6.38)	(14.58)	(8.07)	(2.65)	1.97					
Total Assets	22.9	21.4	29.4	28.4	32.4	EPS Normalised/Diluted	cps	(12.98)	(12.21)	(8.07)	(2.65)	1.97					
Accounts payable	0.5	0.5	0.5	0.2	0.2	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	nm					
Short term debt	0.0	0.0	1.1	1.1	1.1	DPS	cps	-	-	-	-	-					
Tax payable	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a					
Deferred revenue	0.5	0.6	1.4	1.5	1.1	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Total current liabilities	1.0	1.1	3.0	2.8	2.4	Dividend imputation		30	30	30	30	30					
Long term debt	0.0	0.0	0.0	2.2	4.4	PE (x)		-	-	-	-	19.8					
Other non current liabs	0.1	0.1	0.1	0.1	0.1	PE market		15.6	15.6	15.6	15.6	15.6					
Total long term liabilities	0.1	0.1	0.1	2.3	4.5	Premium/(discount)		(100.0%)	(100.0%)	(100.0%)	(100.0%)	26.9%					
Total Liabilities	1.1	1.2	3.0	5.1	6.9	EV/EBITDA		(5.6)	(2.6)	(3.6)	(9.7)	10.0					
Net Assets	21.8	20.2	26.4	23.3	25.5	FCF/Share	cps	(7.3)	(9.6)	(6.2)	(0.6)	1.8					
Share capital	58.1	64.8	78.4	78.4	78.4	Price/FCF share		(5.3)	(4.1)	(6.3)	(61.0)	21.4					
Accumulated profits/losses	(40.2)	(48.8)	(56.4)	(59.5)	(57.3)	Free Cash flow Yield		(18.7%)	(24.6%)	(15.9%)	(1.6%)	4.7%					
Reserves	3.9	4.2	4.4	4.4	4.4												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	21.8	20.2	26.4	23.3	25.5												

Source: RaaS Advisory

Exhibit 7: Calendar year financial summary

Total Brain (ASX:TTB)						Share price (31 August 2020)						A\$	0.39			
Profit and Loss (A\$m)						Interim (A\$m)										
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	H1CY18A	H2CY18A	H1CY19F	H2CY19A	H1CY20A	H2CY20F					
Revenue	2.7	3.7	4.0	12.5	21.1	1.6	1.1	1.5	2.2	1.7	2.3					
Gross profit	2.5	3.1	3.4	10.6	17.7	(5.9)	(4.4)	(3.7)	(3.8)	(3.6)	(3.0)					
GP margin %	93.5%	84.2%	84.7%	84.7%	84.2%	(9.3)	(4.5)	(4.0)	(3.9)	(3.7)	(3.2)					
EBITDA	(10.2)	(7.5)	(6.6)	0.4	6.5	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(2.3)					
Depn	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0					
Amort	(0.2)	(0.3)	(0.2)	(0.4)	(0.4)	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(2.3)					
EBIT	(13.9)	(7.9)	(6.9)	(0.0)	6.0	(20.9)	(6.9)	(0.6)	(4.8)	(3.3)	(2.1)					
Interest	0.0	0.0	0.1	(0.0)	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0					
Tax	0.0	0.0	0.9	0.0	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0					
Minorities	0.0	0.0	0.0	0.0	0.0	30.0	30.0	30.0	30.0	30.0	30.0					
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
NPAT pre significant items	(15.5)	(8.0)	(6.0)	(0.0)	4.2	(2.2)	(2.3)	(3.4)	(4.3)	(1.7)	0.2					
Significant items	0.0	0.0	0.0	0.0	0.0	(0.8)	(1.0)	(2.0)	(3.2)	(0.1)	1.2					
NPAT (reported)	(15.5)	(8.0)	(6.0)	(0.0)	4.2	(0.8)	(1.0)	(2.0)	(3.2)	(0.1)	1.2					
Cash flow (A\$m)						Divisionals										
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	H1CY18A	H2CY18A	H1CY19A	H2CY19A	H1CY20A	H2CY20F					
EBITDA	(10.2)	(7.5)	(6.6)	0.4	6.5	0.7	0.9	0.9	1.1	1.2	1.6					
Interest	0.0	0.0	0.1	(0.0)	(0.2)	0.4	-	0.2	0.1	0.3	0.5					
Tax	0.0	0.0	0.0	(0.2)	(1.6)	0.5	0.2	0.4	1.0	0.2	0.2					
Working capital changes	5.7	(0.1)	5.0	(0.9)	(0.2)	Total Revenue	1.5	1.1	1.5	2.2	1.7	2.3				
Operating cash flow	(4.5)	(7.7)	(1.5)	(0.7)	4.4	1.5	1.0	1.3	1.8	1.4	1.9					
Mtce capex	0.0	(0.0)	(0.1)	(0.1)	(0.1)	Gross profit	331%	416%	339%	176%	753%	1005%				
Free cash flow	(4.5)	(7.7)	(1.7)	(0.8)	4.4	Employment	2.3	2.8	2.7	3.7	3.1	3.2				
Growth capex	(2.8)	(2.5)	(2.5)	(2.0)	(2.0)	Marketing	0.2	0.4	0.4	0.5	0.5					
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	Other costs	1.3	1.2	1.3	1.5	1.2	1.2				
Other	(0.1)	0.1	0.0	0.0	0.0	Total costs	3.7	4.4	4.4	5.6	4.8	4.9				
Cash flow pre financing	(7.4)	(10.0)	(4.2)	(2.8)	2.4	EBITDA	(2.2)	(3.4)	(3.1)	(3.8)	(3.4)	(3.0)				
Equity	1.2	14.8	5.6	0.0	0.0	EBITDA margin %	nm	nm	nm	nm	nm	nm				
Debt	0.0	0.0	1.1	2.2	2.2	Margins, Leverage, Returns						CY18A	CY19A	CY20F	CY21F	CY22F
Dividends paid	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	(384.5%)	(204.7%)	(167.1%)	3%	31%					
Net cash flow for year	(6.1)	4.7	2.5	(0.6)	4.6	EBIT margin %	(521.2%)	(215.3%)	(174.6%)	0%	28%					
Balance sheet (A\$m)						NPAT margin (pre significant items)										
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	Net Debt (Cash)	3.27	7.62	9.12	6.31	8.66					
Cash	3.3	7.6	11.3	10.7	15.3	Net debt/EBITDA (x)	(x)	n/a	n/a	15.91	1.34					
Accounts receivable	0.5	2.5	0.8	1.0	1.4	ND/ND+Equity (%)	(%)	(22.9%)	(46.2%)	(61.5%)	(35.8%)	(44.5%)				
Inventory	0.0	0.0	0.0	0.0	0.0	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	3.2%				
Other current assets	0.1	0.3	0.1	0.1	0.1	ROA	(62.3%)	(36.1%)	(25.7%)	(0.2%)	18.2%					
Total current assets	3.8	10.4	12.3	11.9	16.8	ROE	(94.3%)	(38.2%)	(24.9%)	(0.2%)	16.2%					
PPE	0.2	0.2	0.3	0.4	0.4	ROIC	(102.9%)	(223.5%)	(115.6%)	(0.8%)	95.5%					
Goodwill	0.0	0.0	0.0	0.0	0.0	NTA (per share)						33.0%	41.1%	25.3%	22.1%	26.0%
Investments	0.0	0.0	0.0	0.0	0.0	Working capital						(6.6%)	193.3%	56.3%	76.6%	113.2%
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	WC/Sales (%)						(2.5%)	52.4%	14.2%	6.1%	5.4%
Other non current assets	14.5	14.7	15.8	17.4	19.0	Revenue growth						12.3%	38.5%	7.3%	217.1%	68.1%
Total non current assets	14.8	15.0	16.2	17.8	19.4	EBIT growth pa						n/a	n/a	n/a	n/a	(13774.9%)
Total Assets	18.6	25.4	28.4	29.7	36.2	Pricing						CY18A	CY19A	CY20F	CY21F	CY22F
Accounts payable	0.5	0.6	0.2	0.2	0.2	No of shares (y/e)	(m)	53	95	108	108	108				
Short term debt	0.0	0.0	1.1	1.1	1.1	Weighted Av Dil Shares	(m)	590	95	108	108	108				
Tax payable	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps	(29.19)	(9.31)	(6.05)	(0.04)	3.88				
Deferred revenue	0.4	0.6	2.0	1.0	1.2	EPS Normalised/Diluted	cps	(29.19)	(9.31)	(6.05)	(0.04)	3.88				
Total current liabilities	0.9	1.1	3.3	2.4	2.5	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-9608%				
Long term debt	0.0	0.0	1.1	3.3	5.5	DPS	cps	-	-	-	-	-				
Other non current liabs	0.1	0.1	0.1	0.1	0.1	DPS Growth		n/a	n/a	n/a	n/a	n/a				
Total long term liabilities	0.1	0.1	1.2	3.4	5.6	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%				
Total Liabilities	1.0	1.2	4.4	5.7	8.1	Dividend imputation		30	30	30	30	30				
Net Assets	17.5	24.1	24.0	23.9	28.1	PE (x)		-	-	-	-	10.0				
Share capital	58.1	72.6	78.4	78.4	78.4	PE market		15.8	15.8	15.8	15.8	15.8				
Accumulated profits/losses	(44.8)	(52.7)	(58.8)	(58.9)	(54.7)	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	(36.4%)				
Reserves	4.2	4.3	4.4	4.4	4.4	EV/EBITDA		(2.7)	(4.2)	(4.9)	88.5	5.5				
Minorities	0.0	0.0	0.0	0.0	0.0	FCF/Share	cps	(7.3)	(5.9)	(5.4)	-0.6	1.8				
Total Shareholder funds	17.5	24.1	24.0	23.9	28.1	Price/FCF share		(5.3)	(6.6)	(7.2)	61.0	21.4				
						Free Cash flow Yield		(18.7%)	(15.2%)	(13.9%)	(1.6%)	4.7%				

Source: RaaS Advisory



FINANCIAL SERVICES GUIDE

RaaS Advisory Pty Ltd

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Corporate Authorised Representative, number 1248415

of

BR SECURITIES AUSTRALIA PTY LTD

ABN 92 168 734 530

AFSL 456663

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

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