Research as a Service

Wisr Ltd

Capital raise and update

Growth trajectory earns a valuation upgrade

Online lending

3rd May 2019

Wisr Limited (ASX:WZR) is an online consumer lending platform focused on financial wellness and competing in the rapidly growing marketplace lending sector. Wisr is tracking ahead of our forecasts for loan originations, reporting total loan originations had exceeded $86.9m as at March 31, 2019, three months ahead of our forecasts. Fiscal year to date originations are up 367% over the first nine months of FY18. We have examined Wisr's loan performance relative to its unlisted peers and have upgraded our forecasts to a similar growth trajectory. Our forecasts have also been adjusted to align with the company's practice of capitalising the cost of writing loans in the broker channel and its investment in new initiatives, not previously factored in. We have also included Wisr's over-subscribed $15m share placement of 220m shares at $0.068/share, an 8% premium to the last traded price. Our base case DCF valuation (WACC 14.0%, terminal value 2.2%) has increased to $0.29/share fully diluted for the new issue (previously $0.134/share). The same discount rate derives an upside case valuation of $1.51/share.

Business model

Wisr writes personal loans to Australian consumers for 3- and 5-year maturities and on-sells these loans either through internal mechanisms or to institutional, retail and wholesale investors. The company has passed $86.9m in loan originations after writing $47m in new loans in the nine months to Q319, an increase of 367% on the same period in FY18. In our view, Wisr is demonstrating similar growth patterns to its unlisted peers, SocietyOne and Ratesetter, albeit at an earlier stage in its development. Wisr has also used its technology platform to launch a range of non-lending initiatives, including Wisr Credit, a comparison site for credit scores, which are driving down the cost of acquisition for the neo-lender. Wisr Credit had 25,000 users at March 31, having launched in October 2018.

Loan originations up 367% in the 9 months to March 31

WZR has reported $18.8m in new loan originations in Q3 FY19, bringing total YTD loans to $47m, versus $10m in the first nine months of FY18. Cash burn for Q3 was $2m, with total cash burn for the YTD at $5.07m, reflecting the investment the company has made in its new products: Wisr Credit; Wisr App (which allows consumers to round up their spending to pay down debt and which had 13,500 downloads in its first month); Wisr@Work, (in which affordable personal loan products and financial apps are offered to partners) and Wisr & Co (a white label service for companies). Marketing costs declined more than $0.5m to $0.77m this YTD, showcasing Wisr Credit's benefit to direct marketing and customer acquisition costs (CAC).

Base case valuation upgraded to $0.29/share fully diluted

We have significantly recast our mid to long range forecasts for WZR as a result of its new initiatives and now anticipate its cumulative loan book will surpass $1bn by June 2022, 30 months earlier than previous. As a result, our base case DCF valuation has been upgraded to $0.29/share (previously$0.134/share) based on a WACC of 14.0% and terminal value in Year 10 of $0.172/share. Our forecasts are predicated on the company following a similar growth trajectory to its Australian and international peers. Our base case implies that at 30 June 2028, WZR will have 7.5% share of the $110bn consumer credit market in Australia.

Historical earnings and RaaS Advisory estimates

Year end	Revenue(A$m)	EBITDA (A$m)	NPAT (A$m)	EPS (c)	EV/Rev (x)	P/E (x)
Jun-18a	1.6	(6.1)	(6.2)	(1.4)	21.4	n/a
Jun-19e	3.3	(6.0)	(6.3)	(1.1)	13.1	n/a
Jun-20e	9.3	(1.9)	(2.6)	(0.3)	6.2	n/a
Jun-21e	18.8	5.9	3.1	0.41	3.9	19.8

Source: Company Data, RaaS Advisory

Share details

ASX Code	WZR
Share price at 2 May (intraday)	$0.081
Market Capitalisation (post issue)	$62.6M
Shares on issue (post raise and fully diluted)	773.0M
Enterprise value	$50.6M
Net cash at 30 Apr	~$12.0M
Free float	~63%

Share performance (12 months)

Upside Case

- Board and management team experienced in building financial services businesses
- Well capitalised following $15m raising and strong backers (255 Finance and Bendigo and Adelaide Bank) for its loan book
- Loan book is growing faster than its larger peers

Downside Case

- Small player in a segment of less than 1% of the personal lending market
- Competitors have aggressively grabbed market share over the past two years
- Takeover potential could diminish the upside for existing shareholders

Board of Directors

John Nantes	Executive Chairman
Craig Swanger	Non-Executive Director
Chris Whitehead	Non-Executive Director

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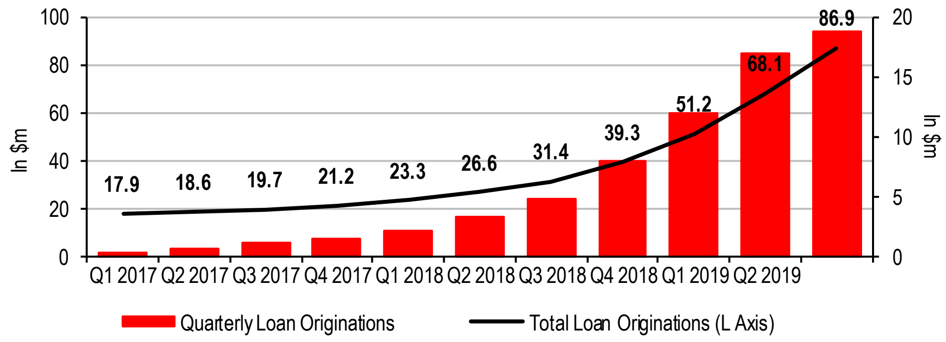
Loan originations tracking ahead of our forecasts

Wisr announced with its Q3 FY19 quarterly statement that it had written $18.8m in new loans in Q319, an increase of 293% over Q318 and up 11% on Q219. Year to date (YTD) loan originations stand at $47m, an increase of 367% on the same period in FY18. Cumulative loan originations at the end of Q3 were $86.9m, well ahead of our forecasts. We had previously anticipated that Wisr would end FY19 with a cumulative loan book of $89m. More importantly loan originations growth is gathering momentum with Q319 loan originations totalling $18.8m versus Q2 loan originations of $16.98m and Q1 of $11.9m in Q119 and $4.8m the same quarter a year ago. Exhibit 1 below sets out Wisr's growth in total and quarterly loan originations since the beginning of FY17.

Exhibit 1: Wisr growth in total and quarterly loan originations since Q1 FY17

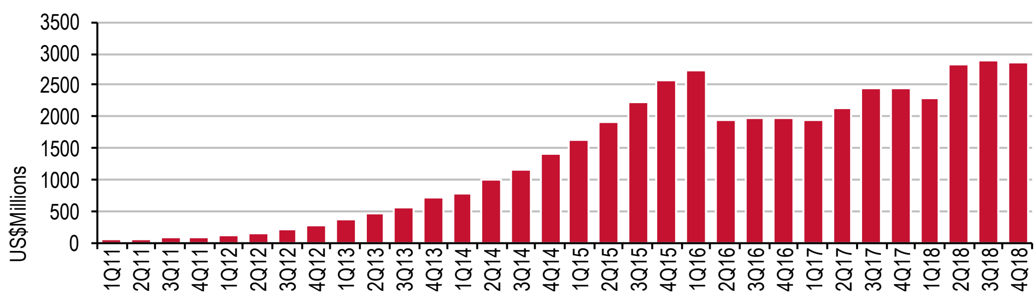


Source: Wisr Q3 FY19 announcement

The rapid growth being experienced by Wisr after a year's pause in 2017 to restructure the business is significant, in our view. We highlighted the potential of the company's new strategy in our initiation report of just over a year ago, Restructured and poised for growth. In this report we examined the growth trajectory experienced by more mature fintechs such as the US listed Lending Club (LC) and Australia's two unlisted consumer lenders, SocietyOne and Ratesetter.

As the exhibit below demonstrates, Lending Club's quarterly loan originations grew rapidly from 2011 to Q1 2016. Loan originations slowed in CY16 and CY17 to recover to earlier levels of growth in CY18. Since inception in 2007, Lending Club has lent more than US$44bn in consumer loans.

Exhibit 2: Lending Club's quarterly loan originations



Source: Lending Club reports

SocietyOne, one of Australia's largest non-bank consumer lenders, has just surpassed $600m in cumulative loans. The business, which commenced operations in January 2013, is forecasting it will reach $1bn loans by early CY2020. We've set out the growth of its loan book by time in the exhibit on the following page.

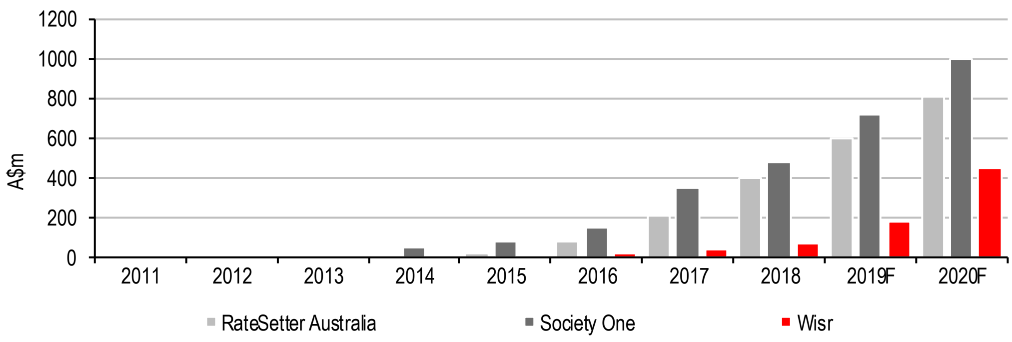
Exhibit 3: Timeline of SocietyOne's cumulative loan book

	A$m
Jan-13	1
Jul-13	2
Mar-14	4
Jul-14	10
Jun-15	20
Sep-15	50
Apr-16	100
Sep-16	150
Mar-17	250
Jun-17	310
Oct-17	350
Jun-18	465
Sep-18	500
Mar-19	600

Source: SocietyOne website and press reports

In comparison, Ratesetter Australia has recently passed $437m total loan originations, having added $187m in H2 CY18. We have set out a comparison of the actual cumulative loan books and the forecast for these three players for the next two calendar years. We expect Wisr to grow at a similar rate to that exhibited by Ratesetter and SocietyOne in their earlier years of operation.

Exhibit 4: Comparison of actual and forecasted cumulative loan books



Source: Company sources, RaaS Analysis

As we highlighted in our initiation report on Wisr, analysis of the UK and US consumer loan markets demonstrated that the tipping point for fintechs as a significant group of players in the consumer lending market appeared to emerge once they collectively hit 1.5% share of the consumer lending market. Based on our analysis, SocietyOne, Ratesetter and Wisr combined should reach that point by the end of CY2019 or early CY2020.

The following exhibit demonstrates the rapid increase in fintechs' share of the US consumer loan market from 2012 when they had a combined share of 4% to market leaders in 2018 with a combined 38% share.

Exhibit 5: Share of US consumer loan market

Timeframe/Lender	Banks	Credit Unions	FinTechs	Traditional Finance
2018	28%	21%	38%	13%
2017	30%	22%	35%	13%
2016	32%	23%	29%	16%
2015	35%	25%	21%	19%
2014	39%	28%	11%	22%
2013	40%	31%	5%	24%
2012	35%	32%	4%	29%

Source: TransUnion, February 2019

In comparison, according to the Australian Bureau of Statistics, Australia's big 4 banks still control an estimated 72% of personal loans with 28% controlled by smaller non-bank lenders including traditional finance companies and credit unions. While non-bank lenders have doubled their share of the Australian personal loan market, there is still much room for growth. In our view, a combination of the introduction of the National Payments Platform, the upcoming shift to open banking and the move to comprehensive credit reporting are creating the perfect storm for Australia's fintechs to increase their share of consumer loans. We see Wisr as one of the beneficiaries of these changes.

Competitive advantage

In our view, Wisr's competitive advantage is its Intelligent Credit Engine (ICE), which through interactions with customers via Wisr Credit, Wisr App, broker channels and direct applications, the platform's decision engine, using customer transaction data and credit checks, automates the decision-making process. More than 80% of Wisr's loan approvals are automated in this way.

The company has demonstrated the demand for its Wisr Credit product which has attracted 25,000 users from launch in October 2018 to March 31. Wisr Credit is the only site in Australia that allows consumers to compare their credit scores from multiple bureaus. It delivers to Wisr potential customers with an intention to borrow.

We see this as significant due to the overseas experience. Part of the momentum in the shift to non-bank, non-traditional lenders in the UK and US markets was driven by the introduction of independent credit score businesses, Credit Karma in the US and ClearScore in the UK which both derive income from referrals to the non-traditional online lenders. Credit Karma has achieved a valuation of US$4bn after private equity firm Silver Lake invested US$500m in 2018. This equates to US$50 per subscriber. ClearScore has achieved a similar valuation, ~£45 per subscriber, based on the recent, but now withdrawn, takeover offer from Experian.

Wisr also has the potential to deepen its relationship with customers with its recently launched Wisr App, which was launched in March 2019 and garnered more than 13,500 downloads in that first month. The app aims to add to consumer financial wellness by providing a rounding up to the nearest dollar opportunity on small purchases such as coffee which can then be applied to credit card debt or mortgage debt. WZR estimates that consumers will on average add $100 a month to their debt repayments this way.

Wisr has also announced it has partnered with global leader in engaging workplace cultures, OC Tanner, to provide employees with access to Wisr@Work, the company's financial wellness program which was launched in July 2018 to provide affordable personal loans and financial education and apps to employees. OC Tanner, which is based in the US, creates employee benefit programs for global companies such as AstraZeneca, Dow Chemical and Norton Healthcare. Wisr@Work will be made available to the benefit programs offered to OC Tanner's clients' Australian employees. Wisr & Co is a white label or co-branded program offered through the proprietary technology platform. Wisr & Co is the first full turnkey white label/co-branded solution available to Australian companies and organisations wanting to distribute a consumer finance product to their employees or members. We have previously explored the impact of each of these revenue streams on our earnings forecasts and valuation in our report titled New Products to Underpin Growth and published 9 July 2018, and have now incorporated these in our long term forecasts.

Oversubscribed capital raise

Wisr has announced an equity placement of $15m after costs to existing and new shareholders. The placement has been priced at $0.068/share, an 8% premium to the last traded price (25 March) before the company went into trading halt. The ~220m shares will be issued in two tranches, 134.8m immediately, and the remaining shares to be issued to be approved by shareholders at an extraordinary general meeting in early May. Wisr initially set out to raise $10m but raised the placement to $15m after an overwhelming response.

Wisr intends to use the proceeds for its ongoing rollout of strategic growth channels and strengthen its balance sheet. We have included the impact of the capital raise (cash and additional shares) in our forecasts and valuation.

Earnings forecasts

We have adjusted our near-term forecasts for WZR following the company's Q3 and previously announced interim result. The chief changes relate to the capitalising of loan costs from its broker channel, which we estimate currently make up half the loans that WZR writes, although our expectation is that Wisr will increasingly generate its income from direct loans driven by Wisr Credit and Wisr App. Our forecasts assume that the 2.0% cost of the broker channel loans to Wisr will be amortised over four years and have applied this to our forecasts. We have also included the cost of acquisition for Wisr Credit customers ($6.17 per customer), which previously was not in our forecasts. While this has a near term cost effect, we anticipate that the long-term benefit to Wisr from Wisr Credit will be increased direct loans at a lower overall cost of acquisition including a substantial reduction in marketing costs (down $0.5m YTD versus the same period in FY18), which in turn is positive for earnings and valuation. We have also factored in the cost of investment (mainly staff) in the company's new initiatives, Wisr App, Wisr Credit, Wisr@Work and Wisr & Co (launched March 2019). This has resulted in near term earnings adjustments but longer-term upgrades to earnings and valuation. We are of the view that these initiatives will help fast-track Wisr's share of the personal lending market and have factored this in accordingly.

We are now forecasting that Wisr's cumulative loan book will reach $1bn by June 2022, whereas previously we had forecast that this milestone would be achieved in December 2024. Our forecasts beyond FY21 have been upgraded to reflect this change.

Exhibit 6: Earnings adjustments

	FY19 old	FY19 new	FY20 old	FY20 new	FY21 old	FY21 new
Revenue	6.4	3.3	12.2	9.3	19.0	18.8
EBITDA	(0.9)	(6.0)	3.6	(1.9)	9.4	5.9
EBITDA	(0.9)	(6.2)	3.5	(2.6)	9.4	4.6
NPAT	(0.6)	(6.3)	2.4	(2.6)	6.5	3.1
EPS	(0.1)	(1.1)	0.5	(0.3)	1.2	0.4

Source: RaaS forecasts

We have set out our forecasts from FY19 to FY28 in the exhibit below. The business's cost base is largely fixed, predominantly comprising staff costs, and therefore will benefit from increased margins as its revenues expand. Our base case forecasts, highlighted in the exhibit below, assume that Wisr will have a 7.5% share of the personal loan market by June 30, 2028.

Exhibit 7: RaaS Forecasts FY19-FY28

Year ending June 30	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	3.3	9.3	18.8	28.4	40.3	55.2	72.2	92.2	116.2	145.0
EBITDA	(6.0)	(1.9)	5.9	13.2	22.6	35.5	48.5	66.1	87.4	113.1
EBITDA margin	*nm*	*nm*	*31%*	*47%*	*56%*	*64%*	*67%*	*72%*	*75%*	*78%*
EBIT	(6.2)	(2.6)	4.6	11.3	20.2	32.5	44.9	62.0	82.8	107.9
NPAT	(6.3)	(2.6)	3.1	7.5	13.4	21.6	29.9	41.4	55.6	72.9
FCF	(5.5)	(2.1)	3.7	8.9	15.0	23.4	32.4	43.9	58.2	75.7

Source: RaaS forecasts

DCF Valuation Upgraded

Our base case DCF valuation has increased to $0.29/share (previously $0.134/share) as a result of our mid to long term upgrades from the new initiatives and the impact we anticipate this will have on the company's loan book. Our DCF is derived from a WACC of 14.0% (previously 16.0%) and terminal growth rate of 2.2%. The terminal value represents $0.172/share in our valuation. We have reduced the discount rate for Wisr on the basis that the capital raise has, in our view, de-risked the company's balance sheet. We anticipate that Wisr will be able to fund its new initiatives and achieve break even at H1FY21 without further recourse to the equity markets.

Exhibit 8: Base case DCF valuation

Parameters	
Discount Rate / WACC	14.0%
Terminal growth rate assumption (inflation adjusted)	2.20%
In A$m	
Present value of cashflows	90
Present value of terminal value	125
PV of enterprise	215
Add Estimated cash post raise	12
Net value ($m)	227
Net value per share	$0.29

Source: RaaS estimates

Valuation sensitive to discount rate

The valuation is highly sensitive to the discount rate. We have set out on the following exhibit the impact of discount rate on our base case valuation and an upside case valuation which assumes Wisr secures a 24% share of the personal loan market by June 2028.

Exhibit 9: Sensitivity on DCF valuation

Discount rate	Base Case	An Upside Case
9%	$0.64	$ 3.33
10%	$0.53	$ 2.76
11%	$0.45	$ 2.33
12%	$0.39	$ 2.00
13%	$0.34	$ 1.73
14%	$0.29	$ 1.51
15%	$0.26	$ 1.33
16%	$0.23	$ 1.18

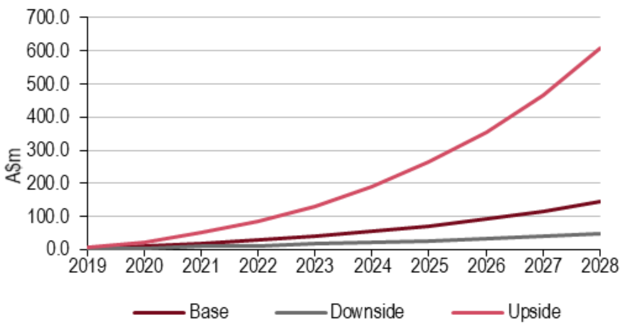
Source: RaaS estimates

Scenario Analysis

Our financial model contemplates an upside and downside cases on our base case forecasts. These scenarios are sensitive to Wisr's share of the consumer lending market.

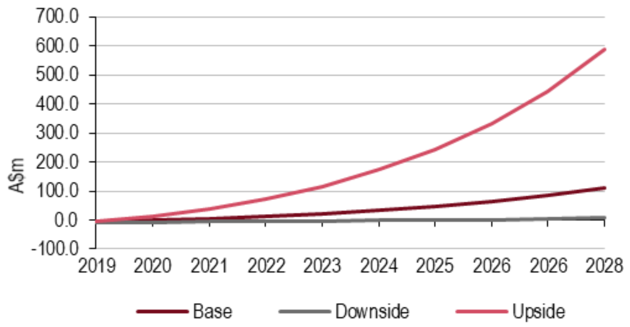
The upside case contemplated in our model assumes that by 2028, Wisr will have 24% of the $110m consumer credit market and derives a DCF valuation of $1.51/share, based on the same discount rate and terminal value applied in our base case valuation. It could be argued that a lower discount rate would apply if Wisr gained a much larger market share, as contemplated by the upside case in our model. In which case, as we highlight in the exhibit above, based on lower discount rates, the potential valuation could be higher than $1.51 a share. The downside case we have considered in the model generates a DCF valuation of $0.002/share and assumes that the business breaks even in the second half of 2026. We have set out the scenario analysis graphically in the following two exhibits.

Exhibit 10: Scenario analysis impact on forecast revenues



Source: RaaS estimates

Exhibit 11: Scenario analysis impact on forecast EBITDA



Source: RaaS estimates

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Exhibit 12: Financial Summary

Wisr Limited (WZR)					
Profit and Loss (A$m)					
Y/E 30 June	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Revenue	1.2	1.6	3.3	9.3	18.8
Other income	0.4	0.2	0.0	0.0	0.0
EBITDA	(5.3)	(6.1)	(6.0)	(1.9)	5.9
Depn	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Amort	0.0	0.0	(0.2)	(0.7)	(1.3)
EBIT	(5.4)	(6.2)	(6.2)	(2.6)	4.6
Interest	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)
Tax	0.0	0.0	0.0	0.0	(1.3)
Minorities	0.0	0.0	0.0	0.0	0.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0
NPAT pre significant items	(5.4)	(6.2)	(6.3)	(2.6)	3.1
Significant items	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	**(5.4)**	**(6.2)**	**(6.3)**	**(2.6)**	**3.1**
Cash flow (A$m)					
Y/E 30 June	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
EBITDA	(5.3)	(6.1)	(6.0)	(1.9)	5.9
Interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Tax	0.0	0.0	0.0	0.0	(1.3)
Working capital changes	2.6	4.0	0.5	(0.2)	(0.7)
Operating cash flow	(2.7)	(2.2)	(5.5)	(2.1)	3.7
Mtce capex	(0.1)	0.0	0.0	0.0	0.0
Free cash flow	(2.8)	(2.2)	(5.5)	(2.1)	3.7
Growth capex	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals	0.0	(0.0)	(0.4)	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Cash flow pre financing	(2.8)	(2.2)	(5.9)	(2.1)	3.7
Equity	5.4	0.6	19.0	0.0	0.0
Debt	(0.4)	(0.3)	3.9	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow for year	2.2	(1.9)	16.9	(2.1)	3.7
Balance sheet (A$m)					
Y/E 30 June	**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
Cash	3.5	1.5	17.6	15.5	19.3
Accounts receivable	0.1	0.3	0.3	1.0	1.9
Loan receivables	1.7	0.9	7.7	18.4	33.5
Other current assets	0.3	0.6	0.5	0.5	0.5
Total current assets	5.6	3.3	26.1	35.4	55.3
PPE	0.1	0.0	0.0	0.0	0.0
Intangibles	0.0	0.0	0.3	0.3	0.3
Investments	0.5	0.5	0.5	0.5	0.5
Deferred tax asset	0.0	0.0	0.0	0.0	0.0
Loan receivables	4.7	2.7	5.8	7.3	15.2
Total non current assets	5.3	3.3	6.6	8.0	16.0
Total Assets	10.8	6.6	32.7	43.5	71.3
Accounts payable	0.8	1.3	1.6	2.1	2.4
Debt	0.7	0.4	4.3	4.3	4.3
Loan funding	0.0	0.0	6.8	18.2	34.6
Tax payable	0.0	0.0	0.0	0.0	0.0
Other current liabilities	0.2	0.2	0.3	0.3	0.3
Total current liabilities	1.6	2.0	12.9	24.9	41.6
Long term debt	0.0	0.0	2.8	4.2	12.3
Other non current liabs	0.0	0.0	0.0	0.0	0.0
Total long term liabilities	0.0	0.0	2.8	4.2	12.3
Total Liabilities	1.6	2.0	15.7	29.1	53.9
Net Assets	**9.2**	**4.7**	**17.1**	**14.4**	**17.4**
Share capital	28.6	29.3	47.6	47.6	47.6
Accumulated profits/losses	(20.8)	(26.6)	(32.4)	(35.0)	(32.0)
Reserves	1.4	1.9	1.8	1.8	1.8
Minorities	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**9.2**	**4.7**	**17.0**	**14.4**	**17.4**

Share price intraday (2 May 2019)					**A$**	**0.081**
Interim (A$m)	**H119A**	**H219F**	**H120F**	**H220F**	**H121F**	**H221F**
Revenue	1.2	2.1	3.7	5.6	8.2	10.5
EBITDA	(3.4)	(2.6)	(1.7)	(0.2)	2.0	3.9
EBIT	(3.4)	(2.8)	(2.0)	(0.6)	1.4	3.2
NPAT (normalised)	(3.5)	(2.8)	(2.0)	(0.6)	1.0	2.1
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	(3.5)	(2.8)	(2.0)	(0.6)	1.0	2.1
EPS (normalised)	(0.68)	(0.44)	(0.26)	(0.08)	0.13	0.28
EPS (reported)	(0.68)	(0.44)	(0.26)	(0.08)	0.13	0.28
Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0
Imputation	30.0	30.0	30.0	30.0	30.0	30.0
Operating cash flow	(3.1)	(2.4)	(1.7)	(0.4)	1.2	2.5
Free Cash flow	(3.1)	(2.4)	(1.7)	(0.4)	1.2	2.5
Divisions	**H119A**	**H219F**	**H120F**	**H220F**	**H121F**	**H221F**
Rev - Establishment fees	0.7	1.0	1.7	2.6	3.9	4.8
Rev - Margin	0.4	0.6	1.0	1.6	2.5	3.6
Rev - Referral Fees	0.1	0.4	0.7	1.1	1.6	1.8
Rev - Other revenue	0.0	0.0	0.3	0.3	0.3	0.3
Costs - Salaries	(2.2)	(2.3)	(2.9)	(2.9)	(2.9)	(3.0)
Costs - Marketing	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Costs - Prov for bad debts	(0.3)	(0.1)	(0.2)	(0.3)	(0.5)	(0.6)
Costs - Other costs	(1.3)	(1.8)	(2.0)	(2.2)	(2.4)	(2.6)
EBITDA	(3.0)	(2.4)	(1.5)	0.1	2.3	4.3
Margins, Leverage, Returns		**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
EBITDA		(460.9%)	(386.1%)	(182.7%)	(20.6%)	31.3%
EBIT		(461.9%)	(387.6%)	(188.9%)	(28.3%)	24.4%
NPAT pre significant items		(468.2%)	(390.3%)	(191.3%)	(28.3%)	16.6%
Net Debt (Cash)		2.8	1.2	10.6	7.0	2.7
Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	0.458
ND/ND+Equity (%)	(%)	(43.9%)	(33.8%)	(163.1%)	(95.8%)	(18.3%)
EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	3.0%
ROA		(49.4%)	(70.6%)	(31.4%)	(6.9%)	8.0%
ROE		(59.0%)	(89.6%)	(57.7%)	(16.9%)	19.6%
ROIC		(167.6%)	(426.7%)	(360.7%)	(38.5%)	164.6%
NTA (per share)		0.02	0.01	0.02	0.02	0.02
Working capital		1.0	- 0.1	6.4	17.3	33.0
WC/Sales (%)		**87%**	**-9%**	**195%**	**185%**	**176%**
Revenue growth			37%	105%	186%	101%
EBIT growth pa		n/a	n/a	n/a	n/a	-273%
Pricing		**FY17A**	**FY18A**	**FY19F**	**FY20F**	**FY21F**
No of shares (y/e)	(m)	437	455	759	759	759
Weighted Av Dil Shares	(m)	396	452	634	759	759
EPS Reported	cps	(1.4)	(1.4)	(1.0)	(0.3)	0.4
EPS Normalised/Diluted	cps	(1.4)	(1.4)	(1.1)	(0.3)	0.4
EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-217%
DPS	cps	-	-	-	-	-
DPS Growth		n/a	n/a	n/a	n/a	n/a
Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%
Dividend imputation		30	30	30	30	30
PE (x)		-	-	-	-	20.3
PE market				15.2	15.2	15.2
Premium/(discount)						34%
EV/EBITDA		(6.6)	(5.5)	(7.2)	(29.9)	12.4
FCF/Share	cps	(0.6)	(0.5)	(0.7)	(0.3)	0.5
Price/FCF share		(13.3)	(17.1)	(11.2)	(29.4)	16.4
Free Cash flow Yield		(7.5%)	(5.8%)	(8.9%)	(3.4%)	6.1%

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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