

Jimmy Crow Limited

Strong revenue growth in H1 19

Jimmy Crow Limited was created following the demerger of tourism and property assets from Trustees Australia Ltd (TAU.AX). The company listed on the National Stock Exchange of Australia on 11th September 2017 and has subsequently announced that it has identified several potential projects for the commercially-zoned land that it owns in Airlie Beach, including the Whitsunday Skyway with eco adventure activities, experiences and 360 degree views of the Whitsunday Islands and Conway National Park, expansion of the current backpacker facilities and an apartment development above the Australian Leisure Holdings-operated Magnums Hotel venue.

Business model

Jimmy Crow owns the multi-award-winning Magnums Backpackers operation in Airlie Beach, North Queensland and adjacent undeveloped, commercial-zoned property. The company also owns 5.73% of Australian Dairy Nutritionals Ltd (AHF.AX), a listed dairy group with operations in Victoria. The company's operating revenue comes from the backpacker operation, which the company has noted has now recovered from the damage inflicted by Cyclone Debbie in March 2017. The company has a history of successful business and property development at Airlie Beach.

Site development

In October 2017, Jimmy Crow's board announced it was actively pursuing the Whitsunday Skyway development, a cablecar project that it scoped prior to the GFC, and one which is receiving strong support at both Local Authority and State levels. Jimmy Crow again noted that while there was strong support, there were numerous regulatory hurdles to overcome and that the project should be viewed as speculative at this point. A feasibility and environmental impact study of the project is now materially complete, and the proposal is reported as receiving regulatory consideration.

H1 19 result and outlook

JCC reported an interim net loss, unadjusted, of \$0.54m. Adjusted for a \$0.492m impairment charge on financial assets, the net loss was \$0.051m. operating revenue rose 11.8% on pcp however operating costs were higher, driving a 10.8% decline in EBITDA. The company paid no tax and has minimal debt, is in a net cash position with additional property and financial assets on the balance sheet. The Directors noted that flooding in North Queensland in February 2019 had not materially impacted the property.

Earnings history (A\$m)

Year ended	Revenue	EBITDA	PBT	NPAT	EPS (c)*	OpCF	EV//EBITDA (x)	P/E (x)
Jun-17	2.28	-0.08	0.182	-0.37	n/a	0.50	n/a	n/a
Jun-18	2.80	1.95	0.202	1.79	\$0.06	0.05	0.72	1.67
Half Year ended								
Dec-17	1.53	0.01	-0.07	-0.21	-\$0.03	0.01	n/a	n/a
Dec-18	1.71	0.04	-0.15	-0.05	-\$0.01	-0.08	n/a	n/a

Source: Company data as reported *Based on shares on listing (70.4m)

Shares Summary

Share Code	JCC
Share price at 26 th March	\$0.13
Market Capitalisation	\$4.4M
Number of Shares	34.1M
Net Cash at 31 December 2018	\$0.39M
Share Registry	Boardroom Ltd

RaaS 5-Point Score* = 4/5

Revenue increasing (1); EPS increasing (1), Return on Capital Employed [ROCE] (1); EBIT interest cover >3x (1) Gross Operating cash flow/EBITDA >90%(0)

Upside Case

- Higher revenues following refurbishment
- Skyway allows business expansion
- Continuing strong growth in tourism

Downside Case

- Operating costs high relative to revenue
- Single location risks
- Weather dependent business

Board of Directors

Executive Chairman	Elizabeth Hackett
Non-Executive Director	Kerry Daly
Non-Executive Director	Nathan Leman

Catalysts

- Full year update including announcement re Skyway progress

RaaS Advisory contacts

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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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