

Revisiting the investment case for US fixed odds

BetMakers Technology Group (ASX:BET) is a B2B software services business providing racing, wagering and integrity data, software and hardware products to bookmakers, racing authorities and rights holders globally. The company is rapidly on a path to become a key player in the transforming US horse racing industry, which has just launched fixed-odds wagering, initially in New Jersey. We have revisited the investment case for US fixed-odds horse wagering following its launch in New Jersey at Monmouth Park on May 6. In the (almost) 12 months since our previous report, [Eyeing the prize in the US wagering market](#), the investment opportunity for BET has been expanded with the company now exclusively locked in for 15 years as the licensee to operate fixed-odds wagering in NJ and the right to sub-license to NJ sports-book operators. What has not changed is our strong view that the US horse-wagering market is poised to undergo a similar transformation to that seen in Australia with the introduction of fixed-odds wagering and more recently experienced in the US sports-betting market which introduced fixed odds in 2018. The US opportunity represents ~\$0.70/share within our \$2.00/share valuation for BET. In other developments, BET has also been contracted as the new tote technology and services provider to Norway under a 10-year agreement signed between its subsidiary Racing Technology Ireland Limited and Stiftelsen Norsk Rikstoto, which is Norway's sole purveyor of wagering on horse racing. The deal extends BET's footprint across three of the four Nordic countries that offer betting on racing with Global Tote now the national tote services provider in Denmark, Finland and Norway. BET also recently announced a new five-year platform and services agreement with RobWaterhouse.com from 1 July, which extends the relationship forged in creating the Managed Trading Services platform.

Business model

BetMakers provides racing, wagering and integrity data, software and hardware products to bookmakers, racing authorities and rights holders globally. These include the supply of an international tote and other betting product engines, and services for bet types, including fixed odds, that monetise horse racing for stakeholders. BetMakers operates in more than 30 countries globally with greater than 200 customers and processes over \$15 billion of wagering turnover annually. This, combined with BET's 15-year exclusive deal to operate fixed-odds horse wagering in New Jersey, positions the company to be a significant player in the transforming US wagering market.

US fixed-odds opportunity equates to \$0.70/share in valuation

The first fixed-odds horse wager was taken at Monmouth Park on May 6, and fixed-odds betting was conducted on the Monmouth Park season launch meeting on course on May 8, using BetMakers full end-to-end technology and services solution. We have revisited the investment case for US fixed-odds wagering and note that our forecasts are for turnover to grow to US\$2.9b cumulatively over the first four years of operation, substantially below the US\$27.5b cumulative total generated by fixed-odds sports betting since it was introduced almost four years ago. We are forecasting fixed-odds horse wagering to grow to US\$64b by its 10th year in operation, which equates to a cumulative total of US\$149b, with BET's technology touching 36% of the handle.

Base-case DCF valuation is \$2.00/share

Our base-case DCF valuation is \$2.00/share on the current share count and \$1.75/share fully diluted for all in-the-money options and performance rights on issue. Our valuation incorporates a 3.5% risk-free-rate to reflect rising Treasury bond rates. We see evidence of the progress of fixed-odds wagering in New Jersey as a key catalyst, along with progression of its Heads of Agreement with Caesars Retail Sportsbooks to be the exclusive provider of pari-mutuel racing services at bricks-and-mortar locations in Nevada, and the rollout of the NTD platform in Australia and New Zealand, which are not yet in our forecasts.

Earnings history and RaaS' estimates (in A\$m unless otherwise stated)

Year end	Revenues	EBITDA	NPAT	EPS (c)	EV/Sales (x)	EV/EBITDA (x)
06/21a	19.5	(2.9)	(17.5)	(0.33)	14.2	nm
06/22e	91.8	6.0	(28.7)	(0.40)	3.5	45.7
06/23e	130.1	30.9	15.5	1.68	2.3	9.7
06/24e	163.9	57.7	35.7	3.42	1.6	4.5

Source: RaaS estimates for FY22e, FY23e and FY24e; Company data for historical earnings

Software & Services

6th June 2022

Share Details

ASX code	BET
Share price (3-Jun)	\$0.46
Market capitalisation	\$415.6M
Shares on issue	903.5M
In-the-money options	14.3M
Performance rights	119.1M
Net cash 31-Mar-2022	\$107.8M

Share Performance (12 months)



Upside Case

- Embedded in racing clubs' integrity systems
- Strong relationships with corporate bookmakers in Australia, UK and US
- Opportunity to deliver its Managed Trading Services and GRN on a global scale

Downside Case

- Dependent on volumes, clipping a very small portion of the wager
- Sensitive to regulation
- Potential backlash from incumbent totalisers

Catalysts

- Evidence of take-up of fixed odds wagering in NJ
- Demonstrated expansion in US wagering market

Board of Directors

Nicholas Chan	Non-Executive Chairman
Simon Dulhenty	Non-Executive Director
Anna Massion	Non-Executive Director
Rebekah Giles	Non-Executive Director
Todd Buckingham	Managing Director/CEO

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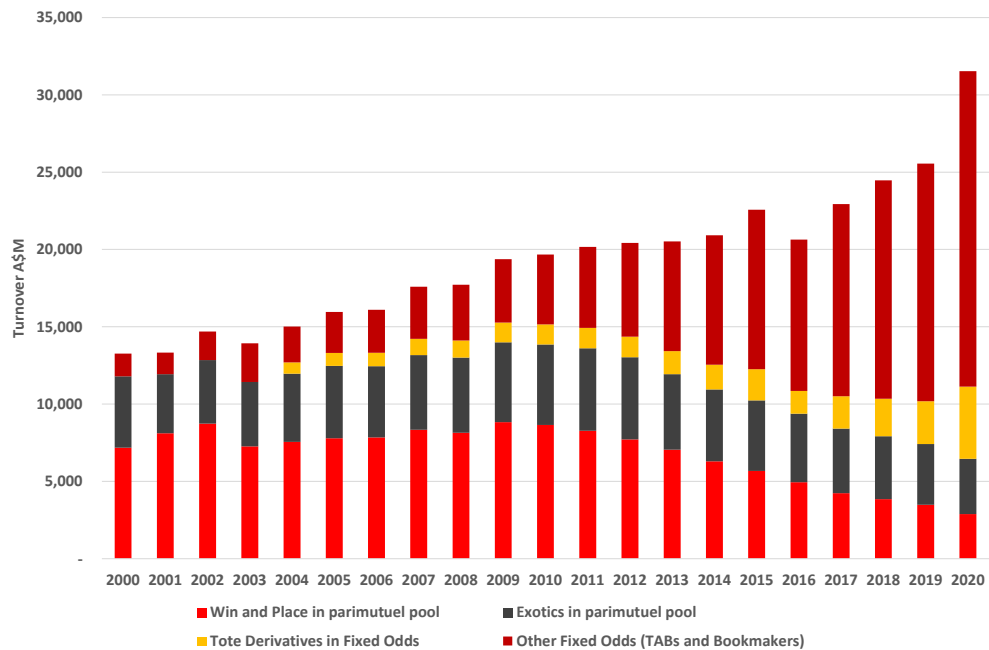
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History Does Repeat – What We Can Learn From Australia’s Experience

We are of the view that the US racing industry will experience a similar transition to fixed-odds wagering to that experienced in the Australian market more than a decade ago. The introduction of fixed-odds wagering in the early 2000s in Australia has significantly grown total turnover over time for the totalisers in both the parimutuel, derivatives and fixed-odds pools, and for the bookmakers.

Exhibit 1: Australian racing turnover – all racing codes



Sources: Racing Australia Fact Books; Owen Gaming Research analysis for RaaS

Fixed-odds betting on racing emerged in Australia in the early 2000s as a growing segment. By 2020, it had become the dominant form of betting on racing, growing the overall handle from A\$12b in 2000 to more than A\$30b in 2020. While the vanilla win and place bets in the parimutuel pools have declined, the exotics in the parimutuel pool have remained relatively stable and tote derivatives in fixed odds have been a growing contributor to overall handle. The chart above shows the dramatic growth in overall turnover, and the mix between fixed -odds and parimutuel handle. It should be noted that Australia’s dominant totaliser, Tabcorp Ltd (ASX:TAH), has long been criticised by the investment community for failing to use its monopoly advantage as the exclusive, licensed parimutuel operator. Instead of maintaining or growing its share of the overall market, it has lost market share.

There has clearly been punter demand for tote products. While corporate bookmakers were unable to offer true parimutuel betting, which has been the exclusively licensed domain of the TABs, bookmakers began to offer ‘tote derivatives’ on TAB win and place pools and exotics such as trifectas, quinellas, exacta, etc, where the pay-out to punters was based on the best price of the various totalisator pools the TABs ran. This proved popular with punters and now accounts for an estimated 25% of fixed-odds wagering in Australia¹. Looking at turnover in terms of parimutuel/fixed-odds split, the overall parimutuel market, including tote derivatives, has been steady for the past five years, with fixed-odds growing rapidly, as highlighted in the exhibit above.

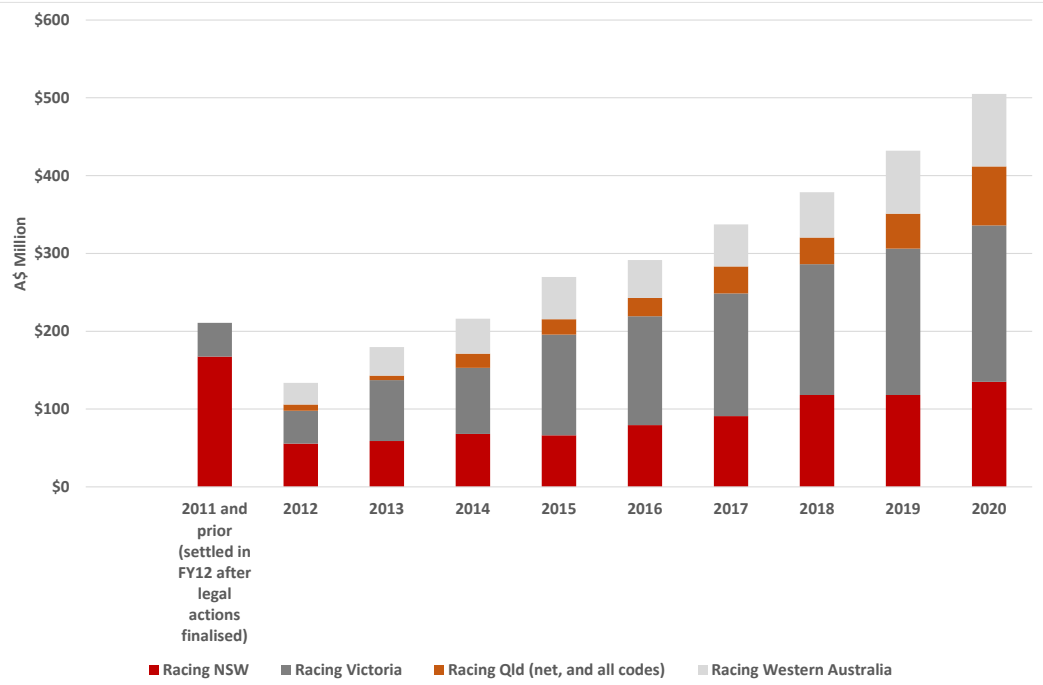
¹ <https://www.smh.com.au/sport/racing/tabs-to-reopen-rv-keen-to-turn-punters-back-to-tote-20200614-p552em.html>

The growth in fixed-odds wagering in Australia has benefited the industry at large. Historically, the industry was funded by agreements with the TABs in each state which obligated them to provide a share of revenues to their host state's racing industry. As a result of the dramatic growth of the fixed-odds market since 2000, driven largely by the corporate bookmakers, an additional funding model was developed to ensure racing was paid by wagering operators other than the host-state TAB. The payments (called 'race field fees'), now account for at least \$500m of additional racing industry funding each year. This is in a market with a population base of just 25m.

Thus, the Australian racing industry has been a significant beneficiary of the growth of the fixed-odds betting market. Race field receipts for the four major racing states are presented in the chart below.

We see a similar funding model evolving in the US racing market with the racing industry benefitting from fees from wagering operators paying a fee for race wagering rights with the race tracks and purse accounts both benefitting.

Exhibit 2: New Australian racing industry funding after opening of betting market to all wagering operators



Sources: State racing authorities' annual reports; Owen Gaming Research analysis for RaaS

Forecasted US Market For Fixed-Odds Horse Racing

Based on the Australian experience from 2010 to 2020, we expect the US horse racing market to grow strongly with the introduction of fixed-odds betting.

Having now legalised fixed-odds betting on horse racing, New Jersey has the jump on the rest of the US and is likely to be the blueprint for other markets. We anticipate other east coast racing markets and Nevada will shortly follow suit, and this will then incentivise west coast states to adopt fixed-odds race betting. We assume that all horse racing states are offering fixed-odds betting within 10 years.

The reality is that progress on legislation can be slow, however, we expect that as the racing industry sees the benefits being earned by racing in states which have legalised fixed-odds betting, they will also actively lobby their own state governments to either enact legislation or introduce regulations quickly.

One important pre-requisite for increased competition in wagering markets is the ability for wagering operators to manage risk, and to lay-off excessive risk which emerges in their books from time to time.

Parimutuel pools perform this important function, thus we see the opportunity for tote pools to grow and benefit from the growth of fixed odds.

We assume that the fixed-odds category grows by 30% in the first year, with growth increasing by 5% p.a. as players become more familiar with the betting type. Parimutuel handle in those states which permit fixed-odds betting will also grow, we assume by 15% p.a., as wagering operators will gain access to all parimutuel markets, not simply that of the state which has legalised fixed odds. We assume that parimutuel markets for wagering operators in states which have not legalised fixed-odds will be flat.

On this basis, the total US horse racing market grows to US\$85.8b by year 10, from \$10.9b at 2020, with parimutuel doubling in size to US\$21.8b from an estimated US\$10.9b today.

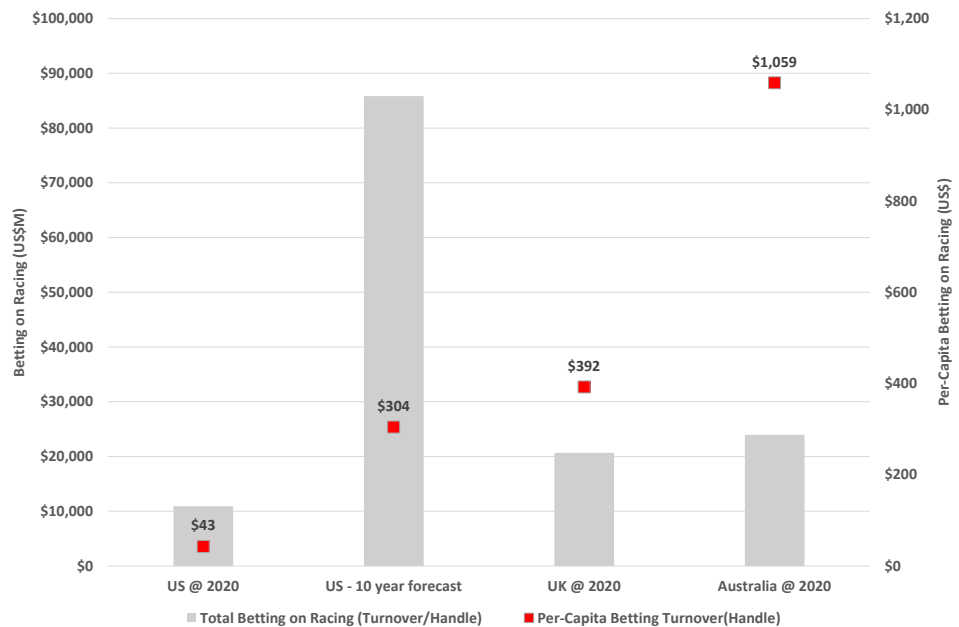
Exhibit 3: Forecast US racing market with fixed-odds betting

Year		1	2	3	4	5	6	7	8	9	10
Fixed -odds growth rate	%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%
Parimutuel growth rate - states with fixed odds	%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Market size of states legalising fixed odds this period - Parimutuel handle	US\$M	657	-	942	1,300	3,068	2,492	-	1,570	873	-
Parimutuel handle at end of period - states with fixed odds	US\$M	755	868	1,940	3,531	7,128	10,690	12,293	15,706	18,935	21,776
Parimutuel handle at end of period - states without fixed odds	US\$M	10,243	10,243	9,302	8,002	4,934	2,442	2,442	873	0	0
Total parimutuel handle	US\$M	10,998	11,112	11,242	11,533	12,063	13,132	14,735	16,579	18,935	21,776
Fixed-odds handle	US\$M	197	266	749	1,671	4,040	7,633	12,212	21,171	36,601	64,052
Total racing handle	US\$M	11,195	11,378	11,991	13,204	16,103	20,765	26,948	37,750	55,536	85,827
Fixed odds as % of total	%	2%	2%	6%	13%	25%	37%	45%	56%	66%	75%
Fixed odds growth rate	%	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%

Source: Owen Gaming Research analysis for RaaS

We note that these assumptions still see the US horse racing market as relatively small on a per-capita basis compared to the UK and Australian horse racing markets. On our forecasts, betting per adult in the US in 10 years will still be well below the levels seen in these more mature markets.

Exhibit 4: Per capita and total betting on racing by country

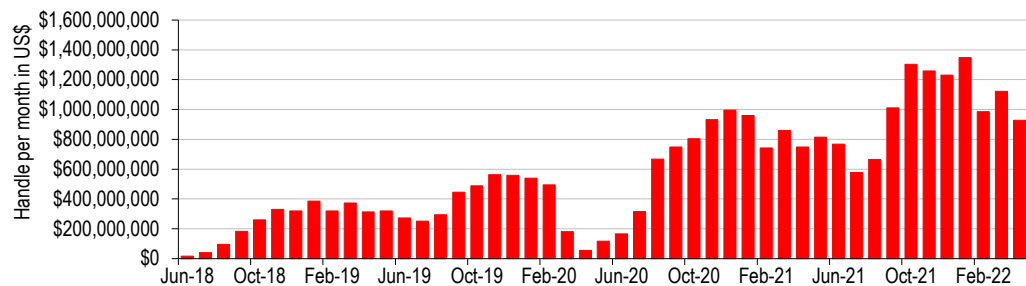


Source: Owen Gaming Research analysis for RaaS

US Sports Betting Operators (And Customers) Embraced Fixed Odds

The US market is not a stranger to fixed odds, with fixed odds in sports betting progressively legalised across the states since 2018. Until mid-2018, Nevada was the only state with any meaningful fixed odds, but then Delaware went live in June 2018, followed quickly by New Jersey in the same month, and then Mississippi in August 2018 and West Virginia in September 2018. To date, nearly two-thirds of US states have approved some form of legal sports wagering, whether via mobile apps or in-person sportsbooks. Significantly, total handle has grown rapidly, with the cumulative handle reaching US\$27.17b in April 2022, generating US\$1.82b in revenues and US\$229m in state taxes. Handle grew from US\$3.2b in the 12 months to 30 June, 2019, to US\$4.14b in the 12 months to 30 June, 2020, to US\$9.35b in the 12 months to 30 June, 2021, and in the first 10 months of FY22 has increased to US\$10.4b. This is despite some impacts from COVID-19 as evidenced in the dip in mid-2020. The strength in the take-up of fixed-odds sports betting gives us confidence in our forecasts for the US fixed-odds wagering industry, to which we have applied far more modest growth expectations.

Exhibit 5: Monthly handle generated in New Jersey from sports-betting fixed odds



Source: LegalSportsReport.com

Forecasts For BET's US Fixed-Odds Revenues

We first introduced our forecasts for BET's US fixed-odds revenues in our 22 June, 2021 report. At that time, we had factored in a Q3 FY22 start for fixed-odds wagering in New Jersey and a higher USD/AUD exchange rate. We have now shifted the impact of fixed-odds wagering into our FY23 forecasts and adjusted the exchange rate down to US\$0.72 (previously US\$0.76). As Exhibit 6 demonstrates, net revenues have a meaningful impact in later years.

Exhibit 6: Forecasts for BET's US fixed-odds revenues

Year	Fixed-odds handle in states where BET operates (US\$M)	Total racing handle (US\$M)	Wagering operators' racing fees (%)	Racing industry revenues - all fixed odds (US\$M)	BET market share (%)	BET distribution fee (US\$M) (1%)	BET net revenues from US fixed-odds horse racing in A\$M (@0.72)
1	197	11,195	4.0	8	100.00	2	3
2	266	11,378	4.0	11	100.00	3	4
3	749	11,991	4.0	26	62.28	5	6
4	1,671	13,204	4.0	58	49.23	8	11
5	4,040	16,103	4.0	141	40.03	16	22
6	7,633	20,765	4.0	267	37.33	28	40
7	12,212	26,948	4.0	427	37.33	46	63
8	21,171	37,750	4.0	741	36.74	78	108
9	36,601	55,536	4.0	1,281	36.54	134	186
10	64,052	85,827	4.0	2,242	36.54	234	325

Sources: Owen Gaming Research for RaaS; RaaS estimates

Earnings Adjustments

The change in timing in our forecasts and the adjusted exchange rate have resulted in the following positive earnings adjustments. This reflects the fact that a significant proportion of BET's revenues are now generated in USD following the acquisition of Sportech's tote and digital assets.

Exhibit 7: Earnings adjustments to FY22, FY23 and FY24						
	FY22 old	FY22 new	FY23 old	FY23 new	FY24 old	FY24 new
Revenues	93.5	91.8	125.6	130.1	163.7	163.9
Gross profit	67.9	68.1	95.1	101.2	126.1	132.8
EBITDA	5.8	6.0	24.8	30.9	50.9	57.7
NPAT	(5.5)	(5.3)	9.0	15.5	26.9	35.7

Source: RaaS estimates

Base-Case DCF Valuation Is \$2.00/Share (\$1.81b)

Our base-case DCF-derived valuation is \$2.00/share. On a fully diluted basis, for all options and performance rights (i.e. 1,035m), the valuation is \$1.75/share. Our terminal value is \$1.19 in our \$2.00/share valuation, and the US fixed-odds opportunity as outlined above accounts for \$0.70/share in our valuation. We have also incorporated a higher risk-free rate (3.5%) which has had the effect of lifting our discount rate and offsetting the impact of our upgrade.

Exhibit 8: Base-case DCF valuation	Parameters
Discount rate (WACC)	11.6%
Terminal growth rate	2.2%
Beta	1.2
Present value of free cashflows (\$m)	686
Terminal value (\$m)	1,012
Plus net cash at 31-Mar (\$m)	(108)
Equity value (\$m)	1,806
Shares on issue (m)	904
Equity value per share	\$2.00

Source: RaaS estimates

Exhibit 9: Financial Summary

BetMakers Technology Group Ltd (BET)						Share price (3rd June 2022)						A\$	0.46												
Profit and Loss (A\$m)						Interim (A\$m)						H121A	H221A	H122A	H222F	H123F	H223F								
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Revenue	7.6	12.3	43.5	48.3	61.7	68.4	Sales revenue	8.6	19.5	91.8	130.1	163.9	Gross profit	4.0	6.6	32.0	36.1	45.0	56.2
Total Revenue	9.2	19.5	91.8	130.1	163.9	EBITDA	(1.7)	(0.8)	2.3	3.7	10.8	20.0	Gross Profit	6.3	10.2	68.1	101.2	132.8	EBIT	(2.8)	(1.9)	(3.8)	(2.2)	5.2	14.9
EBITDA	0.8	(2.9)	6.0	30.9	57.7	NPAT (normalised)	(1.4)	(0.9)	(2.6)	(0.9)	4.3	11.1	EBITDA	0.8	(2.9)	6.0	30.9	57.7	NPAT (reported)	(4.4)	(13.0)	(27.8)	(0.9)	4.3	11.1
Depn	(0.3)	(0.5)	(3.9)	(4.8)	(5.2)	Minorities	0.0	0.0	0.0	0.0	0.0	0.0	Depn	(0.3)	(0.5)	(3.9)	(4.8)	(5.2)	Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Amort	(1.9)	(2.2)	(8.2)	(5.9)	(3.8)	NPAT (reported)	(4.4)	(13.0)	(27.8)	(0.9)	4.3	11.1	Amort	(1.9)	(2.2)	(8.2)	(5.9)	(3.8)	NPAT (reported)	(4.4)	(13.0)	(27.8)	(0.9)	4.3	11.1
EBIT	(1.3)	(5.6)	(6.0)	20.2	48.7	EPS (normalised)	(0.8)	(1.9)	(3.3)	(0.1)	0.5	1.2	EBIT	(1.3)	(5.6)	(6.0)	20.2	48.7	EPS (normalised)	(0.8)	(1.9)	(3.3)	(0.1)	0.5	1.2
Interest	(0.5)	(0.1)	0.7	1.9	2.4	EPS (reported)	(0.8)	(1.9)	(3.3)	(0.1)	0.5	1.2	Interest	(0.5)	(0.1)	0.7	1.9	2.4	EPS (reported)	(0.8)	(1.9)	(3.3)	(0.1)	0.5	1.2
Tax	0.3	3.5	1.8	(6.6)	(15.3)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0	Tax	0.3	3.5	1.8	(6.6)	(15.3)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	Imputation	0.0	0.0	0.0	0.0	0.0	0.0	Minorities	0.0	0.0	0.0	0.0	0.0	Imputation	0.0	0.0	0.0	0.0	0.0	0.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(1.3)	(0.7)	1.8	3.9	9.5	15.7	Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(1.3)	(0.7)	1.8	3.9	9.5	15.7
NPAT pre significant items	(1.5)	(2.2)	(3.5)	15.5	35.7	Free Cash flow	(1.4)	(2.6)	(8.5)	(1.3)	6.9	13.4	NPAT pre significant items	(1.5)	(2.2)	(3.5)	15.5	35.7	Free Cash flow	(1.4)	(2.6)	(8.5)	(1.3)	6.9	13.4
Significant items	(0.6)	(15.3)	(25.2)	0.0	0.0	Divisions	H121A	H221A	H122A	H222F	H123F	H223F	Significant items	(0.6)	(15.3)	(25.2)	0.0	0.0	Divisions	H121A	H221A	H122A	H222F	H123F	H223F
NPAT (reported)	(2.1)	(17.5)	(28.7)	15.5	35.7	Global Betting Services	5.8	9.2	18.0	19.3	22.8	26.1	NPAT (reported)	(2.1)	(17.5)	(28.7)	15.5	35.7	Global Betting Services	5.8	9.2	18.0	19.3	22.8	26.1
Cash flow (A\$m)						Global Racing Network	1.8	1.4	2.3	2.8	8.9	9.6	Cash flow (A\$m)												
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Global Tote	0.0	1.7	23.2	26.3	30.0	32.7	Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	Global Tote	0.0	1.7	23.2	26.3	30.0	32.7
EBITDA	0.8	(2.9)	6.0	30.9	57.7	Total Revenue	7.6	12.3	43.5	48.3	61.7	68.4	EBITDA	0.8	(2.9)	6.0	30.9	57.7	Total Revenue	7.6	12.3	43.5	48.3	61.7	68.4
Interest	(0.4)	(0.0)	0.8	1.9	2.4	COGS	3.6	5.7	11.4	12.3	16.6	12.2	Interest	(0.4)	(0.0)	0.8	1.9	2.4	COGS	3.6	5.7	11.4	12.3	16.6	12.2
Tax	(0.0)	(0.1)	(0.1)	(6.6)	(15.3)	Gross Profit	4.0	6.6	32.0	36.1	45.0	56.2	Tax	(0.0)	(0.1)	(0.1)	(6.6)	(15.3)	Gross Profit	4.0	6.6	32.0	36.1	45.0	56.2
Working capital changes	(1.0)	1.0	(1.1)	(1.0)	(0.9)	Employment costs	3.3	5.8	21.3	23.3	24.7	26.1	Working capital changes	(1.0)	1.0	(1.1)	(1.0)	(0.9)	Employment costs	3.3	5.8	21.3	23.3	24.7	26.1
Operating cash flow	(0.5)	(2.0)	5.7	25.2	43.8	Selling General & Admin Costs	1.3	2.4	8.1	8.7	9.1	9.6	Operating cash flow	(0.5)	(2.0)	5.7	25.2	43.8	Selling General & Admin Costs	1.3	2.4	8.1	8.7	9.1	9.6
Mtce capex	(0.2)	(1.9)	(15.5)	(4.9)	(2.3)	Other Opex	1.1	(0.8)	0.4	0.4	0.4	0.4	Mtce capex	(0.2)	(1.9)	(15.5)	(4.9)	(2.3)	Other Opex	1.1	(0.8)	0.4	0.4	0.4	0.4
Free cash flow	(0.7)	(4.0)	(9.8)	20.3	41.6	Total Operating Costs	5.7	7.4	29.7	32.3	34.2	36.1	Free cash flow	(0.7)	(4.0)	(9.8)	20.3	41.6	Total Operating Costs	5.7	7.4	29.7	32.3	34.2	36.1
Growth capex	(0.0)	(0.7)	(7.7)	(2.9)	(2.9)	EBITDA	(1.7)	(0.8)	2.3	3.7	10.8	20.0	Growth capex	(0.0)	(0.7)	(7.7)	(2.9)	(2.9)	EBITDA	(1.7)	(0.8)	2.3	3.7	10.8	20.0
Acquisitions/Disposals	0.0	(44.1)	0.0	0.0	0.0	Margins, Leverage, Returns							Acquisitions/Disposals	0.0	(44.1)	0.0	0.0	0.0	Margins, Leverage, Returns						
Other	0.0	0.0	(3.1)	0.0	0.0	FY20A	FY21A	FY22F	FY23F	FY24F			Other	0.0	0.0	(3.1)	0.0	0.0	FY20A	FY21A	FY22F	FY23F	FY24F		
Cash flow pre financing	(0.7)	(48.8)	(20.5)	17.5	38.7	EBITDA	9.1%	(14.8%)	6.6%	23.7%	35.2%		Cash flow pre financing	(0.7)	(48.8)	(20.5)	17.5	38.7	EBITDA	9.1%	(14.8%)	6.6%	23.7%	35.2%	
Equity	37.8	142.8	8.7	0.0	0.0	EBIT	(14.3%)	(28.7%)	(6.5%)	15.5%	29.7%		Equity	37.8	142.8	8.7	0.0	0.0	EBIT	(14.3%)	(28.7%)	(6.5%)	15.5%	29.7%	
Debt	0.0	0.0	0.0	0.0	0.6	NPAT pre significant items	(16.5%)	(11.3%)	(3.8%)	11.9%	21.8%		Debt	0.0	0.0	0.0	0.0	0.6	NPAT pre significant items	(16.5%)	(11.3%)	(3.8%)	11.9%	21.8%	
Dividends paid	(0.2)	(0.5)	0.0	0.0	0.0	Net Debt (Cash)	31.3	118.5	105.1	122.6	161.3		Dividends paid	(0.2)	(0.5)	0.0	0.0	0.0	Net Debt (Cash)	31.3	118.5	105.1	122.6	161.3	
Net cash flow for year	36.9	93.6	(11.8)	17.5	39.3	Net debt/EBITDA (x)	(x)	37.543	n/a	17.394	3.969	2.797	Net cash flow for year	36.9	93.6	(11.8)	17.5	39.3	Net debt/EBITDA (x)	(x)	37.543	n/a	17.394	3.969	2.797
Balance sheet (A\$m)						ND/ND+Equity (%)	(%)	(107.4%)	(154.0%)	(109.3%)	(130.1%)	(176.9%)	Balance sheet (A\$m)												
Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.1	0.0	Y/E 30 June	FY20A	FY21A	FY22F	FY23F	FY24F	EBIT interest cover (x)	(x)	n/a	n/a	n/a	0.1	0.0
Cash	31.6	120.6	108.2	125.6	164.9	ROA	(0.7%)	(3.8%)	(2.7%)	8.8%	19.1%		Cash	31.6	120.6	108.2	125.6	164.9	ROA	(0.7%)	(3.8%)	(2.7%)	8.8%	19.1%	
Accounts receivable	2.0	9.0	2.8	3.9	5.0	ROE	(5.4%)	(13.7%)	(14.5%)	7.4%	15.2%		Accounts receivable	2.0	9.0	2.8	3.9	5.0	ROE	(5.4%)	(13.7%)	(14.5%)	7.4%	15.2%	
Inventory	0.0	0.0	0.0	0.0	0.0	ROIC	(2.3%)	(2.8%)	(2.9%)	8.7%	16.9%		Inventory	0.0	0.0	0.0	0.0	0.0	ROIC	(2.3%)	(2.8%)	(2.9%)	8.7%	16.9%	
Other current assets	0.1	5.0	6.8	6.8	6.8	NTA (per share)	0.08	0.18	0.17	0.19	0.23		Other current assets	0.1	5.0	6.8	6.8	6.8	NTA (per share)	0.08	0.18	0.17	0.19	0.23	
Total current assets	33.7	134.6	117.7	136.4	176.7	Working capital	0.7	(8.5)	1.5	2.4	3.3		Total current assets	33.7	134.6	117.7	136.4	176.7	Working capital	0.7	(8.5)	1.5	2.4	3.3	
PPE	0.2	11.4	23.3	26.2	26.1	WC/Sales (%)	7.8%	(43.8%)	1.6%	1.9%	2.0%		PPE	0.2	11.4	23.3	26.2	26.1	WC/Sales (%)	7.8%	(43.8%)	1.6%	1.9%	2.0%	
Intangibles inc Goodwill	14.5	44.3	44.3	44.3	44.3	Revenue growth	39.3%	112.3%	372.0%	41.6%	26.0%		Intangibles inc Goodwill	14.5	44.3	44.3	44.3	44.3	Revenue growth	39.3%	112.3%	372.0%	41.6%	26.0%	
Investments	0.0	0.0	0.0	0.0	0.0	EBIT growth pa	n/a	n/a	n/a	(437.4%)	141.3%		Investments	0.0	0.0	0.0	0.0	0.0	EBIT growth pa	n/a	n/a	n/a	(437.4%)	141.3%	
Deferred tax asset	7.3	12.3	14.6	14.6	14.6	Pricing		FY20A	FY21A	FY22F	FY23F	FY24F	Deferred tax asset	7.3	12.3	14.6	14.6	14.6	Pricing		FY20A	FY21A	FY22F	FY23F	FY24F
Other assets	6.9	27.7	20.4	14.5	10.8	No of shares (y/e)	(m)	568	858	918	918	918	Other assets	6.9	27.7	20.4	14.5	10.8	No of shares (y/e)	(m)	568	858	918	918	918
Total non current assets	28.9	95.7	102.7	99.7	95.8	Weighted Av Dil Shares	(m)	457	675	896	918	918	Total non current assets	28.9	95.7	102.7	99.7	95.8	Weighted Av Dil Shares	(m)	457	675	896	918	918
Total Assets	62.6	230.3	220.4	236.1	272.5	EPS Reported	cps	(0.47)	(2.59)	(3.36)	1.68	3.42	Total Assets	62.6	230.3	220.4	236.1	272.5	EPS Reported	cps	(0.47)	(2.59)	(3.36)	1.68	3.42
Accounts payable	1.3	17.6	1.3	1.5	1.6	EPS Normalised/Diluted	cps	(0.33)	(0.33)	(0.40)	1.68	3.42	Accounts payable	1.3	17.6	1.3	1.5	1.6	EPS Normalised/Diluted	cps	(0.33)	(0.33)	(0.40)	1.68	3.42
Short term debt	0.0	0.0	0.0	0.0	0.0	EPS growth (norm/dil)	n/a	n/a	n/a	n/a	-519%	103%	Short term debt	0.0	0.0	0.0	0.0	0.0	EPS growth (norm/dil)	n/a	n/a	n/a	n/a	-519%	103%
Tax payable	0.0	0.1	0.2	0.2	0.2	DPS	cps	-	-	-	-	-	Tax payable	0.0	0.1	0.2	0.2	0.2	DPS	cps	-	-	-	-	-
Other current liabilities	0.4	4.4	4.2	4.2	4.2	DPS Growth	n/a	n/a	n/a	n/a	n/a	n/a	Other current liabilities	0.4	4.4	4.2	4.2	4.2	DPS Growth	n/a	n/a	n/a	n/a	n/a	n/a
Total current liabilities																									



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

Effective Date: 6th May 2021

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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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