

## Mobilising customers for big brands

Plexure Group (ASX:PX1/NZX:PX1) has developed an intelligent technology platform which powers mobile marketing and helps consumer-facing brands enhance their connection with customers through next generation loyalty programmes, personalised offers, and mobile order and pay. Plexure's platform delivers increases in purchase frequency, impulse visits, average basket value and customer lifetime value, all key metrics for retailers. Its platform has attracted some of the world's best known brands to become customers including White Castle from the US, Ahold Delhaize grocery giant's Super Indo from Indonesia and McDonalds Corp, which in 2019 became a significant shareholder. McDonalds currently holds a 9.5% stake. The NZ-based and listed company was admitted to the ASX as an exempt foreign listing and commenced trading on November 25, 2020 after completing a fully underwritten A\$30m share placement priced at A\$1.13/share. Plexure raised an additional NZ\$5m through a shareholder purchase plan post its ASX listing. The company has recently increased its revenue guidance for FY21 to NZ\$29.2m from the NZ\$29.0m revenue guidance provided in November 2020, and for an improved EBITDA loss of NZ\$5.6m versus its previous guidance for an EBITDA loss of NZ\$7.0m.

### Business model

The company traditionally struck its contracts based on store numbers with 87% of FY20 revenues from customers linked to contracts based on store numbers. In FY19, Plexure changed its contract terms to link revenue to consumer usage. Over time, as contracts are renewed Plexure's revenue should reflect revenue growth more closely aligned with growth in consumer usage. At 30 September 2020 Plexure had more than 210m consumers on the platform and was sending 740m push messages a month to these users. Plexure's business now operates in 40 languages across 60 countries.

### Revenue guidance implies 15% growth in FY21

Plexure reports on a 31 March year end and has now guided to revenue of NZ\$29.2m (previously NZ\$25.0m and up NZ\$6.9m on the previous corresponding period). The company has already reported NZ\$14.5m in H1 FY21, an increase of 23% on the previous corresponding period. It reported a net loss of NZ\$4.4m in H1. Plexure has guided to a full year EBITDA loss of NZ\$5.6m (previously NZ\$7.0m) as a result of costs being lower than anticipated, principally due to a slower ramp-up in head count numbers.

### Look to data and insights & marketing companies for peers

We look to a group of peers that are seeking to solve problems for consumer-led brands. These include media groups Eno (ASX:EGG), Pureprofile (ASX:PPL), Rewardle Holdings (ASX:RXH) all of which deliver an aspect of Plexure's offering. Eno is a marketing and communications services group, Pureprofile provides data and insights and rewards consumers for their information, Rewardle is a rewards/loyalty programme company working with SMEs. We include Shekel Brainweigh (ASX:SBW) in this mix as it is delivering technology solutions for retailers designed to increase in-store sales and deliver data and insights. Of these companies, Eno is closest in market capitalisation. Plexure has historically delivered higher revenue growth than these peers, with a CAGR of 36% over the past five years.

#### Historical earnings and ratios

Year end	Revenue (NZ\$m)	EBITDA (NZ\$m)	EBIT (NZ\$m)	NPAT (NZ\$m)	EPS (c)	EV/Sales (x)	EV/EBITDA (x)	P/E (x)
03/18a	11.755	1.850	(0.188)	(1.666)	(0.30)	1.6	10.5	na
03/19a	16.891	2.911	1.029	(0.703)	(0.59)	17.9	12.0	na
03/20a	25.500	3.223	1.046	1.007	0.69	2.3	18.2	71.9
03/21e*	29.242	(5.604)	na	na	na	4.0	na	na

Source: Company data \*Company guidance for FY21e

## Interactive Media

12<sup>th</sup> March 2021

### Share details

ASX Code	PX1
Share price (AUD/NZD)	A\$0.845/NZ\$0.92
Market Capitalisation	A\$151.3M
Shares on issue	172.6M
Net cash post ASX listing	~A\$43.0M
Free float	~90%

### Share performance (12 months)



### Upside Case

- Counts global brands as customers
- New contracts align with consumer usage
- McDonalds' investment a tick for strategy

### Downside Case

- Trading at a premium to its considered peers
- Exchange risk, 90% of revenues generated outside Australia/NZ
- Trading below the last placement price

### Catalysts/upcoming events

Meeting its FY21 guidance, FY results May 2021

### Comparable companies (Aust/NZ)

Enero Group (ASX:EGG), Pureprofile (ASX:PPL), Rewardle Holdings (ASX:RXH), Shekel Brainweigh (ASX:SBW)

### Top 5 shareholders

Scobie Dickinson Ward	10.42%
McDonalds Corporation	9.50%
Allectus Capital	7.35%
Lindsay Investment Trust	3.15%
Sharesies	2.22%

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# FINANCIAL SERVICES GUIDE

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**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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