

Capital raised to fund growth path

Total Brain (ASX:TTB) is an early stage company which has developed a brain performance management platform powered by the largest standardized neuroscientific database in the world formed over almost two decades and with \$50m of R&D funding. The company announced on March 18 it would raise up to \$6.9m after placing \$3.7m with investors at \$0.028/share, reaching agreement to place another \$1.3m at \$0.028/share, subject to shareholder approval, and a 1 for 8 non-renounceable entitlement offer. The raise will fund the company's growth path, including sales and marketing and software and product development. It follows Total Brain's recently announcements of two key partnerships which potentially will drive the uptake of both its app and its iSpot-D research. The interim result, released on February 28, reflects the company's ongoing transition with strong growth in core revenues and cost containment. Total Brain reported 19% growth in core revenues for 1H19 to \$0.93m with total sales of \$1.12m. The underlying interim EBITDA loss was \$3.4m, an increase of 41% on pcp but lower than forecast. As such, we have made minor changes to our FY19 forecasts.

Business model

Total Brain operates a subscription as a service (SaaS) model for its Brain Performance Management 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. In September 2018, the company launched the Total Brain app, designed to capture a share of the estimated US\$5bn mHealth market. The app assesses the brain's core capacities (emotion, feeling, cognition, self-control), pre-screens seven mental health conditions and delivers personalised brain and mind/body training.

1H19 result

The company announced 1HFY19 revenues of \$1.1m and a net loss before impairment of goodwill of \$3.2m. The non-cash impairment charge against goodwill was \$0.86m for the half, substantially below the \$5.1m charge taken a year ago. The current net carrying value of goodwill is \$14.66m and includes a provision for impairment of \$8.5m. Cash receipts for the half were \$1.5m. Cost containment was better than our forecast for the half resulting in an underlying net operating loss (EBITDA) of \$3.4m vs \$2.4m pcp and our forecast of \$3.7m. Amortisation was slightly ahead of ours, and we have adjusted FY19 to reflect this.

Valuation of \$103.6m

We have used the discounted cashflow methodology to value Total Brain, arriving at a base case valuation of \$103.6m. After incorporating the additional shares to be issued for the \$6.9m raise, and assuming the company raises another \$5m at \$0.08/share in FY20, the DCF per share is \$0.123 (previously \$0.13). Our \$103.6m base case valuation is generated from a WACC of 14.9%, terminal value 2.2% and a CAGR of free positive cashflows from 2022 of 47.0%. In our view, demonstrated success with the new strategy should underpin Total Brain's share price performance.

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)
06/18	2.6	(4.9)	(23.1)	(6.38)	na	8.6
06/19e	3.3	(7.4)	(6.8)	(1.02)	na	5.6
06/20e	8.7	(5.5)	(4.1)	(0.52)	na	2.5
06/21e	19.0	1.4	0.7	0.08	36.0	1.1

Source: Company data, RaaS Advisory Estimates for FY19e, FY20e and FY21e

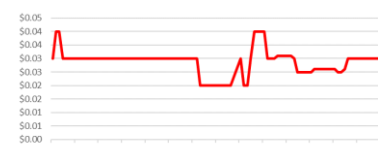
Healthcare services

20th March 2019

Share details

ASX Code	TTB
Share price	\$0.03
Market Capitalisation (post raise)	\$23.3M
Shares on issue (post raise)	776M
Net cash post raise	~\$8.8M
Free float	~57%

Share performance (since code change in December 2018)



Upside Case

- Highly scalable SaaS model
- Customers achieve high ROI with ~A\$8,900 in savings per employee
- Targeting predominantly US corporates and consumers

Downside Case

- Need to sell at the Enterprise level which means a sales cycle of 9-12 months for the B2B product
- 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
Dr Stephen Koslow	Non-Executive Director
Ajay Arora	Non-Executive Director

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Capital Raising

Total Brain announced on March 18 a three-pronged equity raising by way of a placement, a conditional placement and a 1-for-8 non-renounceable rights issue to raise up to \$6.9m. Our forecasts had previously incorporated a \$5m equity raise.

The placement has raised \$3.7m at \$0.028 a share (a 6.7% discount to the last traded price of Total Brain's shares before the announcement). Shareholders will be asked to vote on a conditional placement of \$1.3m at \$0.028 a share on 29 April. Total Brain has also announced a 1-for-8 non renounceable rights issue to shareholders commencing 26th March and closing 5th April to raise up to \$1.9m. We set out the share structure and use of funds in the following two exhibits.

Exhibit 1: Pro Forma Capital Structure Post Raising		
Shares	\$5m raised	\$6.9m raised
Current shares on issue (m)	531.3	531.3
Placement shares issued	132.8	132.8
Conditional placement shares issued	45.8	45.8
Rights shares issued		66.4
Total shares pose raise (m)	709.9	776.3
Source: Company presentation		

Exhibit 2: Use of Funds		
Category	\$5m raised	\$6.9m raised
Sales and marketing	0.9	1.3
Software and product development	1.3	1.8
Corporate	1.2	1.7
Selling, general and administrative and working capita'	1.3	1.8
Costs of offer	0.3	0.3
Total use of funds	5.0	6.9
Source: Company presentation		

We have incorporated the raising in our forecasts, assuming that \$6.9m is raised. As Total Brain is raising more than we previously anticipated, we have reduced our FY20 capital raising expectation by \$1m to \$6m. This has had the effect of reducing our per share valuation by \$0.06 per share to \$0.124/share.

Strategic partnerships

Total Brain has recently announced two strategic partnerships which will potentially help drive the uptake of its app and iSpot research. OneDigital Health and Benefits, the US's largest company focussed solely on employee-benefits and human resources. It has 1,500 employees, services more than 44,000-employer clients and manages more than US\$4.5bn in insurance premiums. It will offer Total Brain's app to both its own employees and to its clients' employees. This relationship potentially will deliver rapid exposure to Total Brain's app.

Total Brain has also forged a licencing arrangement with computational sciences and therapeutics company Blackthorn Therapeutics, for access to the clinical data from Total Brain's iSpot- D study on depression. Blackthorn is also an early stage company, based in San Francisco, and backed by Johnson& Johnson Innovations, ARCH Venture Capital and Biometric Capital Partners.

American Heart Association report validation

The American Heart Association's Center for Workplace Health Research and Evaluation has published a new report "Mental Health – A Workforce Crisis", in which it found that US companies needed to do more to cultivate supportive work environments and combat mental health issues. The report, which commissioned a nationwide employee survey, found that depression alone was costing the US economy US\$210b annually with 50% of that cost being borne by employers. The survey found that around three out of four employees

(76%) have struggled with at least one issue that had affected their mental health and about two in five (42%) had been diagnosed with a mental health disorder.

Most significantly for Total Brain, many of the respondents were willing to divulge their disorder to the confidential survey conducted on behalf of AHA but 63% of those diagnosed with a disorder had not disclosed it to their employer. As we highlighted in our positional paper on Total Brain, [Delivering Human Resources Solutions](#), Total Brain's app allows employees to be screened, receive brain training and wellness therapy without breach of privacy. The AHA report, in which more than 40 Fortune 500 companies participated, in our view provides additional validation to Total Brain's technology and strategy.

Interim result

Total Brain reported a 4% lift in revenues, excluding interest income, which included a 19% increase in core corporate revenues. Employment, insurance and administrative costs were lower than our forecasts leading to costs overall being around \$300,000 below our estimates for the half. Underlying EBITDA which excludes the non-cash impairment charge was a loss of \$3.4m versus a \$2.4m loss a year ago and our forecast for a \$3.7m loss. Amortisation was a little higher than our forecasts, resulting in an adjusted net loss for the period of \$3.2m, up 44% year on year and higher than our forecast for a net loss of \$2.6m.

The company also noted a contingent liability relating to a legal dispute with a former employee in its early stages.

Exhibit 3: IH19 versus 1H18 and RaaS fct (in A\$m unless otherwise stated)				
Six months ending Dec 31	1H18	1H19	% chg	RaaS Fct
Revenue	1.1	1.1	4%	1.2
EBITDA (underlying)	(2.4)	(3.4)	41%	(3.7)
EBITDA reported	(12.3)	(4.4)	(65%)	(3.7)
EBIT	(12.4)	(4.5)	(63%)	(3.8)
NPAT	(12.1)	(3.2)	(74%)	(2.6)
NPAT adjusted	(2.2)	(3.2)	44%	(2.6)

Source: Company reports, RaaS estimates

Earnings Adjustments

We have adjusted our forecasts for FY19 to reflect the impairment and slightly higher amortisation.

Operationally, our forecasts have remained unchanged. A summary of the changes is set out in the exhibit below.

Exhibit 2: Earnings adjustments			
In A\$m unless otherwise stated	FY19 old	FY19 new	% chg
Revenue	3.3	3.3	0%
Gross profit	2.7	2.7	0%
EBITDA underlying	(7.4)	(7.4)	0%
EBIT underlying	(7.6)	(7.7)	1%
NPBT	(7.5)	(8.5)	13%
NPAT	(5.3)	(6.0)	13%

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. Our base case DCF valuation of Total Brain is \$103.6m. Incorporating the shares that we anticipate the company will issue the just announced raising (\$6.9m at \$0.028/share and a second raising in H2FY20 (\$5m at \$0.08/share) this equates to \$0.123/share. If we were to include the cash from these transactions, the valuation lifts to \$0.137/share. We note that the company has 195.3m options issued to directors and senior executives which also are potentially dilutionary. These options have exercise prices ranging from \$0.08/share to \$0.375/share. Just over 149m of these options are potentially exercisable at a price below our valuation. If these were to be exercised the dilution effect is \$0.02 per share. As almost

all the options have an exercise date in 2022 or beyond, we have not included them for the purpose of our valuation.

Exhibit 3: Base Case DCF valuation	
Parameters	Outcome
Discount Rate / WACC	14.9%
Beta	1.9
Terminal growth rate assumption	2.20%
Sum of PV	29.8
PV of terminal Value	70.5
PV of Enterprise	100.3
Debt (Cash)	(3.3)
Net Value - Shareholder	103.6
No of shares on issue*	839
NPV	\$0.123

Source: RaaS estimates *previous forecast was for 779m shares.

Exhibit 4: Financial year financial summary

Total Brain (TTB.AX)						Share price (18 March 2019)						A\$	0.03				
Profit and Loss (A\$m)						Interim (A\$m)						H118A	H218A	H119F	H219F	H120F	H220F
Y/E 30 June	FY18A	FY19F	FY20F	FY21F	FY22F	Revenue											
Revenue	2.6	3.3	8.7	19.0	26.5	EBITDA	(2.4)	(5.9)	(4.4)	(3.8)	(2.9)	(2.6)					
Gross profit	2.5	2.7	6.9	15.2	21.2	EBIT	(12.4)	(9.3)	(4.5)	(4.0)	(3.1)	(2.8)					
GP margin %	95.3%	83.7%	80.0%	80.0%	80.0%	NPAT (normalised)	(12.1)	(11.0)	(3.2)	(2.8)	(2.2)	(2.0)					
EBITDA	(4.9)	(7.4)	(5.5)	1.4	6.1	Minorities	0.0	0.0	0.0	0.0	0.0	0.0					
Depn	(0.0)	(0.0)	(0.2)	(0.2)	(0.2)	NPAT (reported)	(12.1)	(11.0)	(3.2)	(2.8)	(2.2)	(2.0)					
Amort	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)	EPS (normalised)	(6.3)	(0.1)	(0.6)	(0.4)	(0.3)	(0.2)					
EBIT	(23.4)	(7.7)	(6.0)	0.9	5.6	EPS (reported)	(6.3)	(0.1)	(0.6)	(0.4)	(0.3)	(0.2)					
Interest	(0.5)	0.0	0.1	0.1	0.1	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0					
Tax	0.8	2.5	1.8	(0.3)	(1.7)	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	(1.6)	(2.2)	(2.3)	(3.6)	(3.0)	(2.7)					
Equity accounted assoc	(0.0)	0.0	0.0	0.0	0.0	Free Cash flow	(1.4)	(0.8)	(1.0)	(2.2)	(3.0)	(2.5)					
NPAT pre significant items	(23.1)	(6.0)	(4.1)	0.7	4.0	Divisionals	H118A	H218A	H119F	H219F	H120F	H220F					
Significant items	0.0	(0.9)	0.0	0.0	0.0	B2B Revenue	1.1	1.5	1.1	2.1	3.1	3.9					
NPAT (reported)	(23.1)	(6.8)	(4.1)	0.7	4.0	B2C Revenue			-	0.0	0.8	0.9					
Cash flow (A\$m)						Total Revenue	1.1	1.5	1.1	2.2	3.9	4.7					
Y/E 30 June	FY18A	FY19F	FY20F	FY21F	FY22F	Gross profit	1.0	1.5	1.0	1.7	3.2	3.8					
EBITDA	(4.9)	(7.4)	(5.5)	1.4	6.1	Gross Profit Margin %	93%	97%	89%	81%	80%	80%					
Interest	0.0	0.0	0.1	0.1	0.1	Employment	1.4	1.9	2.8	3.8	4.2	4.6					
Tax	0.0	0.0	0.0	(0.3)	(1.7)	Marketing	0.1	0.2	0.4	0.5	0.5	0.5					
Working capital changes	1.0	1.5	(0.3)	(0.6)	(0.9)	Other costs	1.0	1.1	1.2	1.3	1.3	1.3					
Operating cash flow	(3.9)	(5.9)	(5.8)	0.6	3.5	Total costs	2.5	3.2	4.4	5.6	6.1	6.4					
Mtce capex	0.0	(0.0)	(0.1)	(0.1)	(0.1)	EBITDA	(1.5)	(1.7)	(3.4)	(3.8)	(2.9)	(2.6)					
Free cash flow	(3.9)	(5.9)	(5.9)	0.5	3.5	EBITDA margin %	nm	nm	nm	nm	nm	nm					
Growth capex	(1.7)	(2.6)	(0.2)	(0.4)	(0.4)	Margins, Leverage, Returns		FY18A	FY19F	FY20F	FY21F	FY22F					
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA margin %		(187.4%)	(225.5%)	(63.8%)	7%	23%					
Other	(0.1)	0.0	0.0	0.0	0.0	EBIT margin %		(896.0%)	(235.3%)	(68.9%)	5%	21%					
Cash flow pre financing	(5.7)	(8.5)	(6.0)	0.1	3.1	NPAT margin (pre significant items)		(885.5%)	(182.3%)	(47.7%)	4%	15%					
Equity	10.5	6.5	4.8	0.0	0.0	Net Debt (Cash)		6.62	4.86	3.58	3.67	6.72					
Debt	(0.1)	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	2.65	1.11					
Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	(43.6%)	(29.6%)	(19.6%)	(19.4%)	(33.9%)					
Net cash flow for year	4.7	(2.0)	(1.3)	0.1	3.1	EBIT interest cover (x)	(x)	n/a	n/a	n/a	(7.4%)	(1.5%)					
Balance sheet (A\$m)						ROA		(95.8%)	(33.5%)	(25.4%)	3.8%	20.3%					
Y/E 30 June	FY18A	FY19F	FY20F	FY21F	FY22F	ROE		(124.4%)	(31.6%)	(19.1%)	3.1%	16.2%					
Cash	6.6	4.9	3.6	3.7	6.7	ROIC		(162.5%)	(106.2%)	(104.0%)	13.2%	68.7%					
Accounts receivable	1.3	1.0	1.6	2.7	4.3	NTA (per share)		4.1%	2.7%	2.6%	2.7%	3.2%					
Inventory	0.0	0.0	0.0	0.0	0.0	Working capital		82.8%	36.0%	98.5%	211.0%	369.4%					
Other current assets	0.0	0.1	0.1	0.1	0.1	WC/Sales (%)		31.7%	11.0%	11.4%	11.1%	13.9%					
Total current assets	8.0	5.9	5.3	6.5	11.1	Revenue growth		10.1%	25.1%	165.6%	118.8%	39.7%					
PPE	0.2	1.6	1.7	2.0	2.3	EBIT growth pa		n/a	n/a	n/a	(115.6%)	500.2%					
Goodwill	0.0	0.0	0.0	0.0	0.0	Pricing		FY18A	FY19F	FY20F	FY21F	FY22F					
Investments	0.0	0.0	0.0	0.0	0.0	No of shares (y/e)	(m)	531	776	839	839	839					
Deferred tax asset	0.0	1.2	3.0	3.0	3.0	Weighted Av Dil Shares	(m)	362	776	839	839	839					
Other non current assets	14.7	14.4	14.1	13.8	13.6	EPS Reported	cps	(6.38)	(0.72)	(0.41)	0.07	0.38					
Total non current assets	14.9	17.2	18.7	18.8	18.8	EPS Normalised/Diluted	cps	(6.38)	(1.02)	(0.52)	0.08	0.47					
Total Assets	22.9	23.1	24.0	25.2	29.9	EPS growth (norm/dil)		n/a	n/a	n/a	-116%	467%					
Accounts payable	0.5	0.6	0.6	0.6	0.6	DPS	cps	-	-	-	-	-					
Short term debt	0.0	0.0	0.0	0.0	0.0	DPS Growth		n/a	n/a	n/a	n/a	n/a					
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Deferred revenue	0.5	1.1	1.4	1.9	2.6	Dividend imputation		30	30	30	30	30					
Total current liabilities	1.0	1.7	2.0	2.6	3.2	PE (x)		-	-	-	44.2	7.8					
Long term debt	0.0	0.0	0.0	0.0	0.0	PE market		15.2	15.2	15.2	15.2	15.2					
Other non current liabs	0.1	0.1	0.1	0.1	0.1	Premium/(discount)			(100.0%)	(100.0%)	190.8%	(48.7%)					
Total long term liabilities	0.1	0.1	0.1	0.1	0.1	EV/EBITDA		(4.6)	(2.5)	(3.9)	15.5	3.0					
Total Liabilities	1.1	1.8	2.1	2.6	3.3	FCF/Share	cps	(0.7)	(0.8)	(0.7)	0.1	0.4					
Net Assets	21.8	21.3	21.9	22.6	26.6	Price/FCF share		(4.1)	(4.0)	(4.4)	37.7	6.9					
Share capital	58.1	64.6	69.3	69.3	69.3	Free Cash flow Yield		(24.3%)	(25.0%)	(22.6%)	2.6%	14.5%					
Accumulated profits/losses	(40.2)	(47.5)	(51.7)	(51.0)	(47.0)												
Reserves	3.9	4.2	4.2	4.2	4.2												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	21.8	21.3	21.9	22.6	26.6												

Source: RaaS Advisory

Exhibit 5: Calendar year financial summary

Total Brain (TTB.AX)						Share price (18 March 2019)						A\$	0.03				
Profit and Loss (A\$m)						Interim (A\$m)						H1CY18A	H2CY18F	H1CY19F	H2CY19F	H1CY20F	H2CY20F
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	Revenue	1.5	1.1	2.2	3.9	4.7	8.6					
Revenue	2.7	6.1	13.4	22.5	31.3	EBITDA	(5.9)	(4.4)	(3.8)	(2.9)	(2.6)	0.2					
Gross profit	2.5	4.9	10.7	18.0	25.0	EBIT	(9.3)	(4.5)	(4.0)	(3.1)	(2.8)	(0.1)					
GP margin %	93.5%	80.4%	80.0%	80.0%	80.0%	NPAT (normalised)	(11.0)	(3.2)	(2.8)	(2.2)	(2.0)	(0.0)					
EBITDA	(10.2)	(6.7)	(2.5)	3.5	9.2	Minorities	0.0	0.0	0.0	0.0	0.0	0.0					
Depn	(0.0)	(0.1)	(0.2)	(0.2)	(0.2)	NPAT (reported)	(11.0)	(3.2)	(2.8)	(2.2)	(2.0)	(0.0)					
Amort	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	EPS (normalised)	(0.1)	(0.6)	(0.4)	(0.3)	(0.2)	(0.0)					
EBIT	(13.9)	(7.1)	(2.9)	3.1	8.7	EPS (reported)	(0.1)	(0.6)	(0.4)	(0.3)	(0.2)	(0.0)					
Interest	0.0	0.1	0.1	0.1	0.1	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0					
Tax	1.4	2.1	0.9	(0.9)	(2.6)	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	(2.2)	(2.3)	(3.6)	(3.0)	(2.7)	0.0					
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	Free Cash flow	(0.8)	(1.0)	(2.2)	(3.0)	(2.5)	0.2					
NPAT pre significant items	(14.2)	(4.9)	(2.0)	2.2	6.2	Divisionals	H1CY18A	H2CY18F	H1CY19F	H2CY19F	H1CY20F	H2CY20F					
Significant items	0.0	0.0	0.0	0.0	0.0	B2B Revenue	1.5	1.1	2.1	3.1	3.9	5.1					
NPAT (reported)	(14.2)	(4.9)	(2.0)	2.2	6.2	B2C Revenue	-	0.0	0.8	0.9	3.5						
Cash flow (A\$m)						Total Revenue	1.5	1.1	2.2	3.9	4.7	8.6					
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	Gross profit	1.5	1.0	1.7	3.2	3.8	6.9					
EBITDA	(10.2)	(6.7)	(2.5)	3.5	9.2	Gross Profit Margin %	97%	89%	81%	80%	80%	80%					
Interest	0.0	0.1	0.1	0.1	0.1	Employment	1.9	2.8	3.8	4.2	4.6	4.9					
Tax	0.0	0.0	0.0	(0.9)	(2.6)	Marketing	0.2	0.4	0.5	0.5	0.5	0.5					
Working capital changes	5.7	0.0	(0.3)	(0.8)	(1.1)	Other costs	1.1	1.2	1.3	1.3	1.3	1.3					
Operating cash flow	(4.5)	(6.6)	(2.7)	1.9	5.6	Total costs	3.2	4.4	5.6	6.1	6.4	6.7					
Mtce capex	0.0	(0.1)	(0.1)	(0.1)	(0.1)	EBITDA	(1.7)	(3.4)	(3.8)	(2.9)	(2.6)	0.2					
Free cash flow	(4.5)	(6.7)	(2.8)	1.8	5.5	EBITDA margin %	nm	nm	nm	nm	nm	2%					
Growth capex	(2.8)	(1.3)	(0.4)	(0.4)	(0.4)	Margins, Leverage, Returns	CY18A	CY19F	CY20F	CY21F	CY22F						
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	(385.7%)	(110.5%)	(18.4%)	16%	29%						
Other	(0.1)	0.0	0.0	0.0	0.0	EBIT margin %	(522.8%)	(116.8%)	(21.7%)	14%	28%						
Cash flow pre financing	(7.4)	(7.9)	(3.2)	1.4	5.1	NPAT margin (pre significant items)	(533.4%)	(80.8%)	(14.9%)	10%	20%						
Equity	1.2	6.5	4.8	0.0	0.0	Net Debt (Cash)		3.27	1.82	3.34	4.74	9.83					
Debt	0.0	0.0	0.0	0.0	0.0	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	1.34	1.07					
Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	(22.9%)	(10.5%)	(18.0%)	(24.5%)	(48.1%)					
Balance sheet (A\$m)	CY18A	CY19F	CY20F	CY21F	CY22F	EBIT interest cover (x)	(x)	n/a	n/a	n/a	(2.3%)	(1.3%)					
Y/E December 31	CY18A	CY19F	CY20F	CY21F	CY22F	ROA		(62.3%)	(36.0%)	(12.8%)	12.0%	28.4%					
Cash	3.3	1.8	3.3	4.7	9.8	ROE		(86.1%)	(26.9%)	(9.7%)	9.6%	22.7%					
Accounts receivable	0.5	1.2	2.1	3.5	5.3	ROIC		(102.9%)	(180.8%)	(37.9%)	35.2%	101.6%					
Inventory	0.0	0.0	0.0	0.0	0.0	NTA (per share)	3.3%	2.5%	2.6%	2.9%	3.6%						
Other current assets	0.1	0.1	0.1	0.1	0.1	Working capital	(6.6%)	63.1%	148.5%	283.4%	472.1%						
Total current assets	3.8	3.1	5.5	8.3	15.2	WC/Sales (%)	(2.5%)	10.3%	11.1%	12.6%	15.1%						
PPE	0.2	1.5	1.8	2.1	2.4	Revenue growth	12.0%	129.9%	118.9%	68.5%	38.9%						
Goodwill	0.0	0.0	0.0	0.0	0.0	EBIT growth pa	n/a	n/a	n/a	(206.3%)	181.5%						
Investments	0.0	0.0	0.0	0.0	0.0	Pricing	CY18A	CY19F	CY20F	CY21F	CY22F						
Deferred tax asset	0.0	2.1	3.0	3.0	3.0	No of shares (y/e)	(m)	531	776	839	839	839					
Other non current assets	14.5	14.3	14.0	13.7	13.4	Weighted Av Dil Shares	(m)	662	776	839	839	839					
Total non current assets	14.8	17.9	18.8	18.8	18.8	EPS Reported	cps	(0.72)	(0.64)	(0.24)	0.26	0.73					
Total Assets	18.6	21.0	24.3	27.0	34.0	EPS Normalised/Diluted	cps	(0.56)	(0.64)	(0.24)	0.26	0.73					
Accounts payable	0.5	0.6	0.6	0.6	0.6	EPS growth (norm/dil)		n/a	n/a	n/a	-211%	179%					
Short term debt	0.0	0.0	0.0	0.0	0.0	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	0.4	1.2	1.7	2.2	3.1	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%					
Total current liabilities	0.9	1.8	2.3	2.9	3.7	Dividend imputation		30	30	30	30	30					
Long term debt	0.0	0.0	0.0	0.0	0.0	PE (x)		-	-	-	11.4	4.1					
Other non current liabs	0.1	0.1	0.1	0.1	0.1	PE market		13.8	13.8	13.8	13.8	13.8					
Total long term liabilities	0.1	0.1	0.1	0.1	0.1	Premium/(discount)		(100.0%)	(100.0%)	(17.3%)	(70.4%)						
Total Liabilities	1.0	1.9	2.4	3.0	3.8	EV/EBITDA		(2.2)	(2.7)	(8.8)	6.1	2.0					
Net Assets	17.5	19.1	21.9	24.1	30.2	FCF/Share	cps	(0.7)	(0.8)	(0.7)	0.1	0.4					
Share capital	58.1	64.6	69.3	69.3	69.3	Price/FCF share		(4.1)	(4.0)	(4.4)	37.7	6.9					
Accumulated profits/losses	(44.8)	(49.7)	(51.7)	(49.5)	(43.3)	Free Cash flow Yield		(24.3%)	(25.0%)	(22.6%)	2.6%	14.5%					
Reserves	4.2	4.2	4.2	4.2	4.2												
Minorities	0.0	0.0	0.0	0.0	0.0												
Total Shareholder funds	17.5	19.1	21.9	24.1	30.2												

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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