Research as a Service

Airtasker Limited

Initiation Report

Recovery to be amplified by media deals

Online Marketplace

2 August 2024

Airtasker Limited (ASX:ART) is an online marketplace for local services, connecting people and businesses who need work done with people who want to work. The site specialises in the 'long tail' of traditional categories given its 'open and infinitely horizonal' marketplace. The group's Australian marketplace is profitable using management's divisional breakdown and has built a strong network effect since 2011. ART has replicated its model offshore, entering the UK market in 2018 and the US market in 2021. Both markets are still in their infancy and the group is investing in brand awareness. The Australian business has been affected by the discretionary spending environment over the past six quarters but has offset this with improved efficiencies in the form of the monetisation rate, namely lower cancellation rates. A recovery in discretionary spending overlaid with two new media deals (with ASX:A1N and ASX:OML) offers the potential for significant operating leverage on this higher monetisation rate. The UK business has also recently entered into a media deal with broadcaster Channel 4, helping to boost Q4 FY24 revenues by 76%. We value the Australian business on an EBITDA multiple basis given profitability, and the international businesses using 50% of the estimated investment in these markets to date. The result is a Sum of The Parts (SoTP) valuation of $0.54/share.

Business model

ART operates an online marketplace (Airtasker) which connects people and businesses who need work done with people who want to work. A fee is charged to both the customer and tasker on the Gross Marketplace Volume (GMV) of each transaction and held by ART until the task is completed. Revenue is derived from these fees less cancellations. The business began in Australia in 2011, entered the UK market in 2018 and the US market in 2021, with both these markets still in their infancy. ART also operates the Oneflare platform in Australia, which is a subscription-based platform for tradespeople (tradies) in which the number of quotes received correlates with the package selected, much like a mobile data plan.

Leveraged to Aus discretionary spend recovery/UK success

ART's Australian business has been affected by the contraction in discretionary spending following interest rate rises, with GMV declining over the five quarters to March 2024 on RaaS estimates. With a ~420bps improvement in monetisation rates over this period, a recovery in Australian discretionary spending offers significant operating leverage potential for ART into FY25, and likely to be amplified by two new media deals totalling $11.0m with oOh!media (ASX:OML) and ARN Media (ASX:A1N). A contra media deal with the UK's Channel 4 will see A$6.7m of advertising spend in the UK between October 2023 and December 2024 and has already aided a 76% increase in Q4 FY24 UK revenue. From a low base this spend aims to increase brand awareness, the number of posted jobs, the number of taskers willing to fulfil jobs and ultimately revenue into FY25 and beyond.

Valuation of $0.54/share or $245m market cap

Given the varying stages of maturity between the Australian and international businesses we use a Sum of The Parts (SoTP) valuation for each division. The Australian business is profitable after the allocation of head office expenses, and we apply the average EBITDA multiple of the RaaS selected peer group to value this business. Rather than capitalising international losses we use 50% of international investment to date, and combined we value ART at $0.54/share. Our Discounted Cash Flow (DCF) model, for a sense check, is $0.52/share.

Historical earnings and RaaS' estimates (in A$m unless otherwise stated)

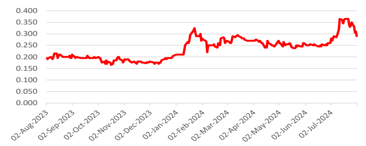
Year end	GMV *	Revenue	EBITDA adj.	NPAT adj.	EPS adj. (cps)	EV/EBITDA (x)	EV/Rev (x)
06/23a	253.7	44.1	(6.0)	(11.1)	(0.02)	n.m.	2.8
06/24f	237.0	46.6	(4.4)	(4.1)	(0.00)	n.m.	3.0
06/25f	267.0	55.3	4.2	1.1	0.01	24.8	2.5
06/26f	311.1	65.0	12.8	10.2	0.029	6.8	2.1

Source: FY23 actual, RaaS estimates FY24f, FY25f and FY26f *Gross Marketplace Volume

Share Details

ASX code	ART
Share price (1-Aug)	$0.29
Market capitalisation	$131.1M
Shares on issue	452.0M
Cash at 30-Jun-24	$17.8M
Free float	~54%

Share Performance (12 Months)



Upside Case

- Market-share gains in Australia, UK and US
- Improved discretionary spending environment in Australia
- Keeping more recurring work on the platform

Downside Case

- Marketing spend does not convert to new customers
- New regulations deter platform use
- Continued losses in the US and UK

Catalysts

- Positive quarterly cash receipts
- Media deal translates to new customers
- Narrowing of International losses

Board and Management

Cass O'Connor	Non-Executive Chair
Tim Fung	Managing Director & CEO
Ellen Comerford	Non-Executive Director
Peter Hammond	Non -Executive Director
Fred Bai	Non-Executive Director
Mahendra Tharmarajah	Company Sec. & CFO

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Airtasker Limited

Airtasker Limited (ASX:ART) was founded in 2011 and listed on the ASX in May 2021 at $0.65/share with a combination of new capital ($15m) and an existing shareholder sell down ($69m including Seven West Media). The group has subsequently raised $20.7m at $1.00/share for the acquisition of US based Zaarly together with working capital in May 2021 and $6.25m in May 2022 at $0.43/share for the acquisition of Oneflare Australia. COVID-19 was a major disruption for the business through FY21 and FY22, with pent-up demand in Australia evident exiting lockdown in FY23. The rapid increase in interest rates through CY22 has affected discretionary spending in Australia and ART has not been immune, with GMV negative over the five quarters to March 2024 and mildly positive in Q4 FY24. A recovery in discretionary spending should be amplified by benefits from contra media deals in the UK with Channel 4 ($6.7m) and in Australian with ASX:AN1 and ASX:OML ($11.0m), promising a return to growth in FY25 from a cash-flow positive earnings base and net cash balance sheet.

Investment Case

We detail our short- and medium-term investment case for ART below:

- **Market leading and profitable position in Australia**. Established in 2011, the Airtasker Australian platform is strongly profitable at the EBITDA line using management accounts. RaaS estimates >700k bookings per year at an average task price of $240 in FY24f.
- **Upside potential from the Australian discretionary spending environment**. The Australian GMV of ART has correlated strongly with the Australian Bureau of Statistics (ABS) discretionary spending index. This index has been weak since June 2023, while Airtasker Australian GMV has been negative through this period. With real wage growth, stage-three tax cuts and the prospect of interest rate cuts, ART appears well positioned to benefit from a discretionary spending recovery in Australia.
- **Australian recovery could be amplified by two new media deals totalling $11.0m**. Recent media capital deals with ARN Media and oOh!media promise to amplify GMV and revenue growth in FY25 and FY26. Our analysis suggests these deals could add an additional $13.1m in revenue over this period alone, representing 28% of the FY24 revenue base.
- **International expansion**. While still in its infancy ART has established positions in both the UK and US and is in the process of brand building. The UK is more progressed with a contra media deal with the UK's Channel 4 aiming to deliver similar benefits that the Seven West Media deal did for the Australian business between 2016 and 2021 (6x brand awareness, 12x GMV, 20x revenue).
- **Strong balance sheet**. ART ended June 2024 with net cash of $17.8m, providing significant optionality for growth across both Australia and internationally.
- **Cash-flow positive in FY24**. A focus on cost reduction in late FY23 and improved platform efficiency (in the form of the monetisation rate) have combined to deliver net cash from operating activities of $3.0m in FY24, a significant reversal on FY23 and achieved despite similar losses across the international division.

Valuation

Using divisional breakdowns if we value the Australian EBITDA using the RaaS selected profitable peer average (11.1x FY24f) and add the net cash position we derive a valuation of $245m or $0.51/share for the Australian business against a reference price of $0.30/share. Valuing the international business is more subjective given current losses but we do not believe capitalising such losses is appropriate. RaaS believes using 50% of the international investment to date (acquisitions and EBITDA losses) is appropriate, implying an international valuation of $16m or $0.03/share. Combined our valuation is $0.54/share. Our DCF is $0.52/share.

Divisional Overview

ART has four businesses with unique business models and/or regional exposure. Each is detailed below.

Airtasker Australia

Representing the original or legacy business of ART, Airtasker Australia is an online marketplace connecting users or consumers with taskers to perform a wide range of tasks in return for an agreed fee.

The marketplace is often described by management as 'open and infinitely horizonal' and specialises in what is often referred to as the 'long tail' of traditional service categories, many of which hardly existed before Airtasker was created. Examples of the 'long tail' include:

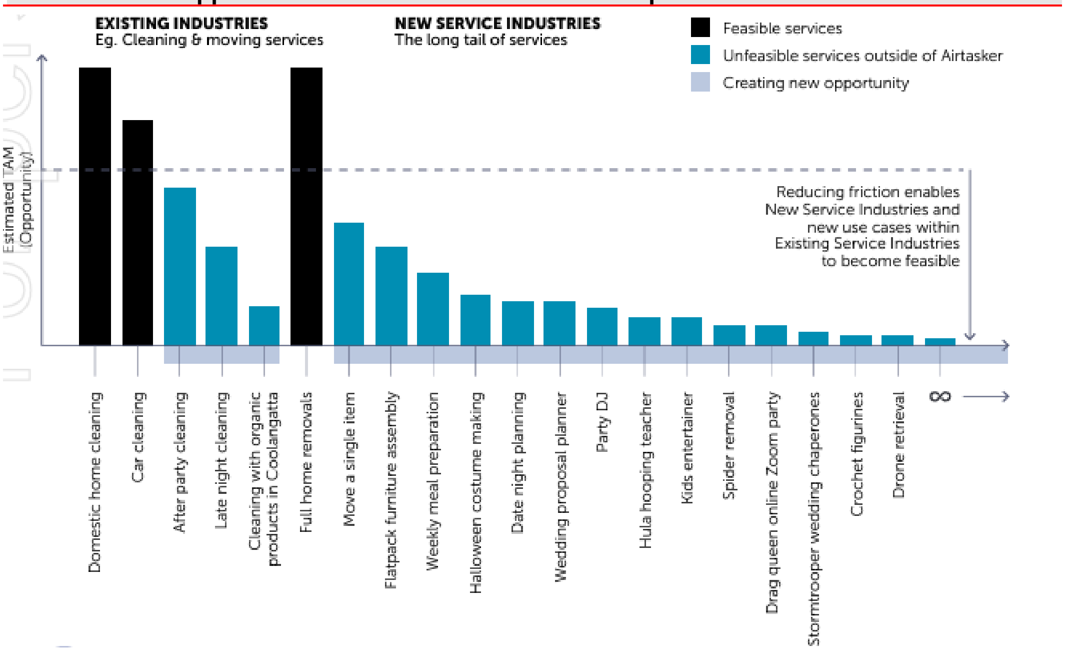
- Lining up for Taylor Swift tickets/merchandise;
- Retrieving wayward drones;
- Playing the saxophone at an event;
- Posting t-shirts on DePop;
- Property inspections on behalf of potential renters and buyers; and
- Housesitting.

Using a combination of disclosed company data points, we can piece together some key metrics of the current Australian business, including:

- A RaaS forecast Gross Marketplace Volume (GMV) transacted on the platform of $178m in FY24;
- A RaaS forecast monetisation rate of 20.5% in FY24, up from 17.3% in FY22;
- 415k Unique Paying Customers (UPCs) in FY23;
- An average Unique Paying Customer (UPC) frequency rate per year of 1.8x;
- Seasonally strongest in the Q2 and Q3 of ART's financial year;
- An average task price of $250 in FY23, with FY24 task values forecast by RaaS to be down ~3%-4% to $240; and
- RaaS estimates 716k booked tasks in FY24.

The below chart from the 2022 Annual Report best depicts the new opportunities that become available in traditional verticals using the horizonal Airtasker marketplace.

Exhibit 1: New opportunities within the Airtasker marketplace



Source: 2022 ART Annual Report (page 14)

The business model of Airtasker can be summarised as follows:

- **ART provides a secure and efficient marketplace** for customers to post tasks for free, and taskers to quote for such work for free. Proprietary algorithms match posted tasks with taskers, with more customers and more taskers creating more data points for a better match, creating a 'network effect'.
- **Once a task has been agreed payment is immediately deducted** from the customer's account and held in a secure escrow system powered by Stripe;
- **A connections fee** is added to the agreed task value and charged to the customer, and can range from a minimum $3.95 to a maximum of $39.50 for higher-value tasks;
- **A service fee** is deducted from the agreed transaction value before being paid to the tasker, with a tiered fee structure of between 12.5% and 20% based on completion rates and earnings on the platform over a 30-day period; and
- **The net take rate or monetisation rate** represents the recognised revenue from both the connection fee and service fee as a percentage of GMV, which is measured BEFORE cancellations and adjustments. The difference between the expected and recognised revenue is a measure of marketplace efficiency, predominantly influenced by cancellations.

Oneflare Australia

Oneflare was acquired by ART in May 2022 for an acquisition price of $9.8m, representing ~1.6x FY23 revenue ($6.0m) and ~0.3x GMV ($35m).

While a little outdated, metrics at acquisition included:

- An average task price of $2,300, well above the ~$250 for Airtasker Australia at the time;
- All suppliers are verified and must have accreditations;
- There were 14.5k suppliers at the time of acquisition; and
- The model is predominantly subscription based, similar to hipages (ASX:HPG), where subscribers draw down credits in exchange for job quotes, much like a mobile data plan.

Airtasker UK

ART entered the UK market in 2018, with the business model essentially the same as Airtasker Australia.

Key features of the UK marketplace based on recent management commentary are detailed below.

- FY24 GMV of A$8.6m;
- FY24 revenue of $1.6m;
- Seasonally strongest in the Q1 and Q4 of ART's financial year; and
- A 76% increase in Q4 FY24 revenue on the back of the 'Airtasker Yeahtasker' campaign with Channel 4 launched in October 2023.

ART entered a media partnership with Channel 4 in the UK in October 2023, structured similarly to the Australian deal with Seven West Media struck between 2016 and 2018. Keys to the deal include:

- Five-year term;
- A$6.7m (£3.5m) in contra media spend for a 20% ownership in the UK business, to be consumed within the first 18 months of the agreement; and
- ART to repurchase the 20% share in the UK subsidiary for scrip or cash in FY28 based on the UK's FY28 TTM revenue, multiplied by the group's revenue multiple at the time.

Channel 4 in the UK claims to reach 78% of the UK's population which equates to an audience of 47m people.

The current ART management valuation for the 20% stake in the UK subsidiary is $6.4m, implying a UK subsidiary valuation of $32m. This valuation gives us some insights into management expectations for the UK business by FY28.

Dividing the $32m valuation by the current RaaS FY24 forecast ART revenue multiple of 2.6x implies UK revenue of $12m. At a 20% monetisation rate this implies GMV of $60m against $8.6m currently, and Australian GMV of $178m in FY24(f).

RaaS has a more conservative view over the forecast period (FY25-FY28), with GMV forecast to reach $46m and revenue $8.0m, an 8.6x and 9.2x increase on FY24 respectively.

Airtasker USA

ART entered the US market in May 2021 via the acquisition of local curated service marketplace Zaarly for A$3.4m. At the time of acquisition Zaarly had 597k registered uses and >900 verified service providers (taskers) across Kansas City and Dallas.

ART has gradually moved Zaarly to a more 'open' marketplace, opening opportunities beyond traditional selected categories such as cleaning and gardening.

Key features of the US marketplace based on recent management commentary are detailed below.

- FY24 GMV of A$0.8m;
- FY24 revenue of A$0.1m;
- FY23 posted tasks were 64k; and
- It is exploring media opportunities in a similar vain to the Seven West deal in Australia and Channel 4 in the UK.

In the near term, ART says it is looking to focus on the Los Angeles market.

Market size

Australia

Using Frost & Sullivan data for 2024, ART management estimates a Total Addressable Market (TAM) of $75.4b for the Australian local services market, with housing repairs & maintenance and transport/delivery the two largest categories representing half this total.

Assuming a similar market size in FY24 and using total Australian FY24 RaaS GMV estimates of $227m implies a market share for ART of ~0.3%.

The difficultly in assessing TAM for local services across all markets as far as ART is concerned is the size of recurring appointments in large traditional categories such as cleaning and gardening against the more one-off jobs in these categories that Airtasker is known for. Conversely, many of the jobs posted on Airtasker would not be included in many market definitions.

New product developments may open the more recurring markets up for ART across key categories and focus regions.

UK

Using Frost & Sullivan data for 2024 management estimates a TAM of $78b for the UK local services market.

Assuming a similar market size in FY24 the current market share is negligible with a RaaS forecast FY24 UK GMV estimate of $8.6m.

USA

Using Frost & Sullivan data for 2024, management estimates a TAM of $876b for the US local services market.

Assuming a similar market size in FY24 the current market share is negligible with a RaaS forecast FY24 US GMV estimate of $0.8m.

The US opportunity and resulting TAM is more likely to be relevant on a state-by-state basis, with ART more focussed on the greater Los Angeles market, a market of similar size to Australia.

Competitive Environment

Australia

Given the horizonal nature of Airtasker's platform it competes with a wide range of players almost impossible to list. Below we provide some examples of competitors in key categories.

Jim's Group is a well-established franchise operator across a range of categories including mowing, cleaning, test and tag, and painting. The Jim's model assigns jobs to franchisees based on location, while franchisees pay an upfront fee for equipment and the licence, and an ongoing franchisee fee for work provided.

Niche/single category marketplaces such as **Wizz** for cleaning, **Mad Paws** (ASX:MPA) for pet sitting and **Camplify** (ASX:CHL) for RV hire all have a similar model to ART.

Referral sites such as **findamover** which provide customers with email quotes from selected registered members to deal with, but little additional functionality.

Mum and dad operators across all categories.

UK

The UK will also have a host of mum & dad and local operators, but larger competitors include:

Checkatrade, founded in 1988 and a subsidiary of Canadian Asset Manager Brookfield Corporation, Checkatrade offers various membership packages which delivers tradespeople leads from homeowners using the website across a wide range of services.

Quality control is a priority, with 12 initial checks for tradespeople and ongoing monitoring (including ratings) to ensure service delivery.

Rated People, founded in 2005 offers a similar model to Checkatrade boasting 10,000 rated tradespeople. Posting a job is free while tradespeople pay a monthly subscription fee and small fee to quote on each job, with users encouraged to rate jobs post completion.

Taskrabbit was acquired by a subsidiary of IKEA Group (INGKA Holdings) in 2017 and has a particular speciality in furniture assembly as a result. Taskrabbit operates globally including the UK. Taskrabbit achieved US$81.5m revenue in 2022.

USA

Given the size of the US market there are very few national players across the marketplace space, so competition tends to be more localised.

Thumbtack is possibly the closest and largest competitor to ART, offering a national B2C site offering 300k local service businesses across 50 states access to customers using the site. Businesses auto-pay for leads and bookings and can control how much they pay for each lead.

The thumbtack website[1] suggests the $600b home services industry is less than 10% penetrated, with 80+m projects started on the website, 10m+ 5-star ratings and 1000+ employees.

Angi, previously Angie's List was founded in 1995 and is a subsidiary of IAC Inc. Angi connects ~200k local tradespeople with site users and charges service professionals to advertise services and discount offers on Angi, and paid memberships for homeowners to access discounted home services.

The IAC website[2] boasts one in seven American households use Angi with more than 30m service requests each year.

Taskrabbit also operates in the US with a similar business model and breadth of service offerings to that in the UK.

The Mad Paws equivalent **pet sitting marketplace leader in the US is Rover**, recently acquired by Blackstone Group for US$2.3b.

Key Industry Drivers

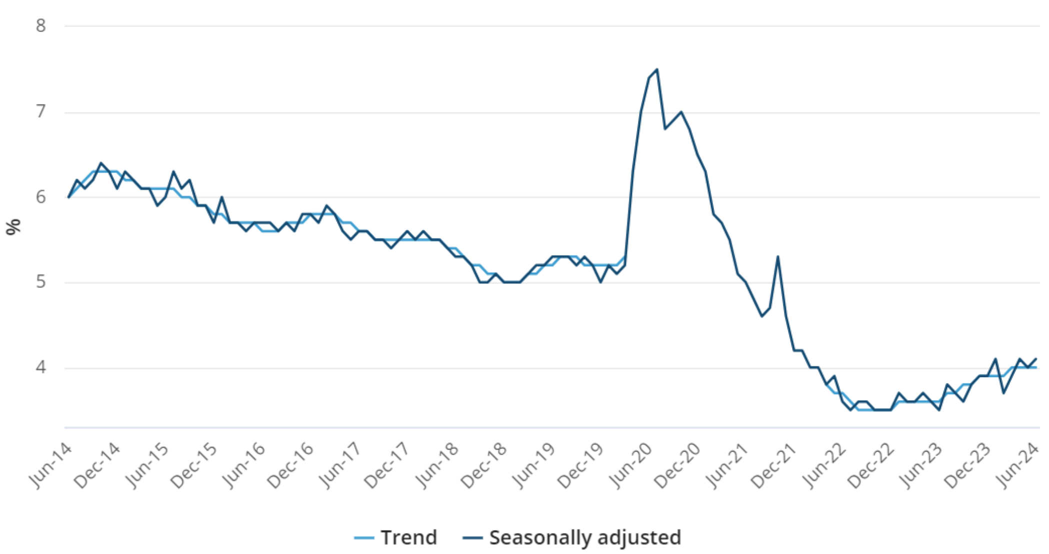
Supply of labour

Tight labour markets tend to be a negative for ART, as they are for the likes of hipages (ASX:HPG) and labour hire firms such as Human Services International (APM).

Conversely, soft labour markets tend to be good for ART, attracting new taskers to the platform looking for additional work. It could also be argued the current cost of living environment is leading many to take a second job, with the Airtasker platform an attractive option, in our opinion.

Having reached a low of ~3.5% in June 2023 the Australian unemployment rate held at 4.0% in June 2024 as interest rate increases slowed the rate of economic growth, providing a better environment for ART.

Exhibit 2: Australian unemployment rate



Source: ABS

[1] Thumbtack.com/about
[2] Iac.com/brands/angi-inc

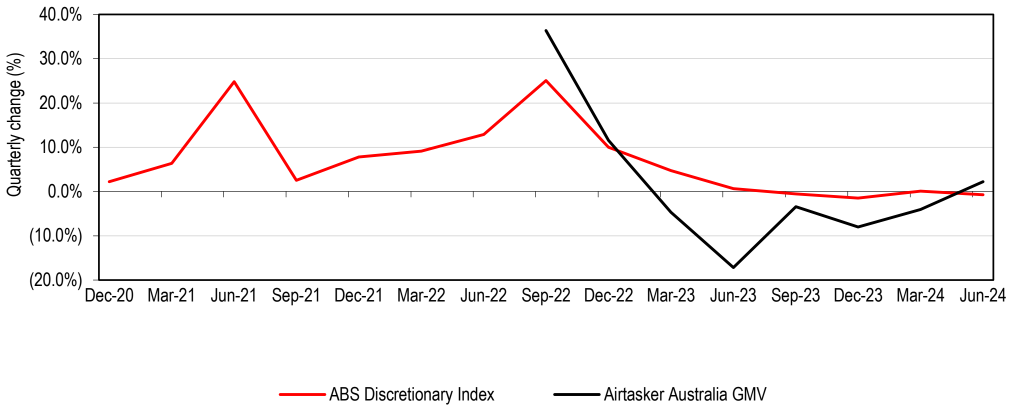
Consumer discretionary environment

70% of tasks posted on the Airtasker platform are said to be non-discretionary in nature, leaving 30% as discretionary. Within the non-discretionary tasks there is likely to be some ability to shift the timing forward a few months, with car servicing coming to mind.

ART has not been immune from the recent downturn in Australian consumer spending, with Airtasker Australia experiencing negative GMV growth over the five quarters to March 2024, and modest growth in Q4 FY24 by RaaS estimates, a combination of both lower booked tasks and lower average task price.

Such declines have correlated with the ABS non-discretionary spending index, which peaked in the September 2022 quarter (Airtasker Australia GMV rose 36% in the same quarter), slowing to between +0.1% and -1.5% between the June 2023 and June 2024 quarter (Airtasker Australia GMV was down between 17% and 3% over the same period using RaaS estimates).

Exhibit 3: Quarterly % change in Australian household discretionary spending vs. ART GMV



Source: ABS data, ART announcements, RaaS estimates for Airtasker Australian GMV over FY24

Cancellation rates

Cancellations not only reduce the monetisation rate of GMV but also impact the customer experience using the platform, which can impact the willingness of customers to return.

Cancellation rates can be affected by a number of variables including:

- The supply of labour, with tight labour markets more likely to lead to cancellations by taskers;
- Weather, with the likes of heavy rain and floods likely to lead to cancelations like they did in FY22; and
- The strength of procedures and processes for the screening of both posted tasks and the quality of taskers.

ART has introduced a number of initiatives to reduce cancelation rates and improve the customer experience, and at the same time improve monetisation rates, including:

- The introduction of a cancelation fee based on attribution, with a minimum fee of $3.95 and an average fee of $18 in FY24;
- A tasker review and rating system incorporating cancelations which helps customers screen for reliability; and
- A fee structure which rewards taskers with a lower fee for high completion rates.

The relationship between cancelations rates and the monetisation rate can be seen in Exhibit 4 below.

Exhibit 4: Cancellation rate and monetisation rate (monthly average)

Source: ART H1 FY24 results presentation

Advertising efficiency

For most on-line marketplaces and online retailers for that matter, sales and marketing is typically the second-largest operating cost line item behind employees.

Marketing costs are typically looked at as a cost per total customer base and/or cost per new customer addition, which is often referred to as the Customer Acquisition Cost (CAC).

Marketing costs are usually measured as a percentage of revenue, and generally range between 10% and 20% of revenue as Exhibit 5 shows. As platforms mature and unprompted recall rates improve we would expect marketing spend as a percentage of revenue to decline to the lower end of this range.

Most of ART's spending could be classified as 'brand building' via TV campaigns, with very little in the paid performance space (such as Google Ads). This makes calculating CAC less relevant for ART.

The table below compares ART's sales and marketing metrics against the RaaS selected peer group over H1 FY24. ART sits at the top-end of the range relative to revenue by our calculations, with the expansion into the UK a major driver of this spend, albeit mostly non-cash.

Over the forecast period (FY25-FY28 inclusive) RaaS has ART spending between 30% (FY25) and 15% (FY28) on marketing relative to revenue.

Exhibit 5: H1 FY24 Marketing spend as a % revenue and GMV

Company	GMV ($m)	Revenue ($m)	Sales and marketing ($m)	S&M as % GMV	S&M as % revenue
hipages (HPG)	n.a.	37.4	9.4	n.a.	0.25
Aarticore (ATG)	260.4	64.1	1.0	0.00	0.02
Camplify (CHL)	89.3	24.3	3.3	0.04	0.14
Freelancer (FLN) *	1,021.0	53.3	5.5	0.01	0.10
Mad Paws (MPA)	28.9	14.6	1.7	0.06	0.12
Average				**0.03**	**0.12**
Airtasker (ART)	122.1	23.3	5.5	0.05	0.24

Source: Company announcements * CY23

Using CAC as a guide to Australian media deal leverage

While ART media spending is predominantly thought of as brand building, at the end of the day marketing spend is ultimately about gaining new and repeat customers. Exhibit 6 below estimates how many new customers could potentially be gained from the two recent Australian media capital deals with ARN Media and oOh!media and what this means for GMV and revenues into FY25 and FY26.

To start we divide the total of both media deals ($11.0m) by an estimated CAC of $80[3], which is in-line with estimates from listed peers. This delivers 140k new customers and represents ~30% of the 438k UPC's disclosed by ART in FY23.

We then multiply new customers by the current average spend per year, which is estimated at the average task price ($240) multiplied by a frequency rate of 1.8x ($432) to arrive at additional GMV of $59.4m.

Finally, we apply our estimated Airtasker Australian monetisation rate (22%) to GMV to arrive at a likely revenue uplift over the FY25-FY26 period ($13.1m). This number is before any other advertising spend, assumptions around a cyclical recovery or FY25 new customers repeat usage in FY26.

Exhibit 6: New customer analysis from Australian media deals

Variable	Workings
Media Spend (ARN + oOh) ($m)	11.0
divided by estimated CAC ($)	80
= Implied new customers (No.)	140,000
Avg. customer spend ($240/task * 1.8x frequency per year) ($)	432
Implied new GMV ($m)	59.4
Implied new revenue assuming 22% monetisation ($m)	13.1
% of FY24 Revenue base	28.2
Year-1 value of a new customer (customer spend * 22%)	95.0

Source: RaaS estimates

Key Compliance/Regulatory Issues

Australia

Recently there have been amendments to the Australian Fair Work Act to better protect workers in the 'gig economy', predominantly relating to setting minimum standards for 'employee-like' workers who satisfy two of the following three characteristics.

- Low bargaining power;
- Low authority over the performance of work; and
- Receives remuneration at or below the rate of employees performing comparable work.

Technically taskers do work in the gig economy but practically it is difficult to fall under the 'employee-like' definition given their ability to accept prices and tasks, and difficulty in comparing the types of tasks Airtasker offers. For independent contractors whose workers qualify as 'employee-like' these changes are due to start on 26 August 2024.

For the supply of services through an electronic distribution platform (EDP), from 1 July 2024 the Australian Tax Office (ATO) requires EDP operators (which captures ART) to report transactions made through their platform twice a year for supplies connected to Australia. Data for the period between July-December must be submitted by 31 January, and between January-June by 31 July.

Such data requests are consistent with developments globally, which we discuss below.

[3] ASX CHL estimated a H1 FY24 CAC of $155 for owners and $15 for hirers, ASX STP delivered 1 H1 FY24 CAC of $85 and ASX CTT quoted a H1 FY24 CAC of $108

International

ART is also bound by the OECD Model Rules for Reporting by Platform Operator with respect to sellers in the gig economy, with 22 countries signing the multilateral agreement. These rules were developed in response to the rapid growth in the gig economy and in response to calls for a global reporting framework in respect of activities being facilitated on such platforms, and broadly require platforms to:

- **Collect certain details** about their sellers, including who the seller is, where they are based and how much they have earned on the platform over an annual period;
- **Report information**, including the sellers' income to the tax authority annually by 31 January; and
- Report the same information to the sellers to help them complete tax returns.

Key ART Financials

Revenue

Airtasker

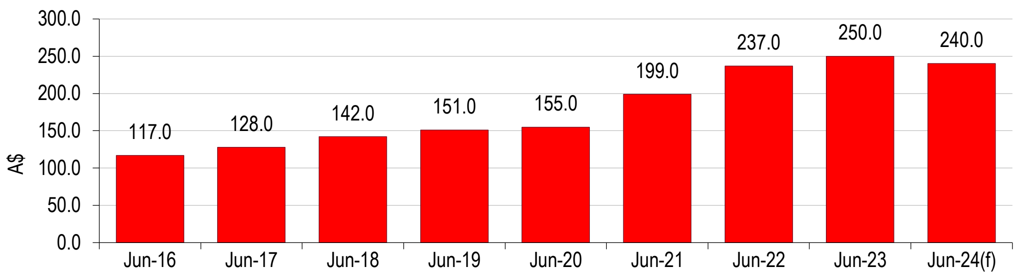
- **By region**. We model the Airtasker business by region (Australia, UK and US) given the differing stages of development for each region but similar revenue drivers. We assume the average monetisation across all three regions are the same.
- **Calculate GMV (booked task numbers x average task rate)**. ART discloses booked tasks and average task price and multiplying one by the other gives GMV.

In Australia both the number of booked tasks and average task rate have declined in recent quarters on the back of a tight discretionary spending environment. Before FY24 the average task rate had increased ~100% since FY16 (see exhibit 7).

We forecast a return to growth beginning H1 FY25 and accelerating into FY26 on the back of both a cyclical recovery (real wage growth, stage-three tax cuts effective July 2024 and likely interest rate cuts during this period) and the impacts of the two Australian media deals (refer to Exhibit 6 but forecast to add ~$6m-$7m in revenue each year).

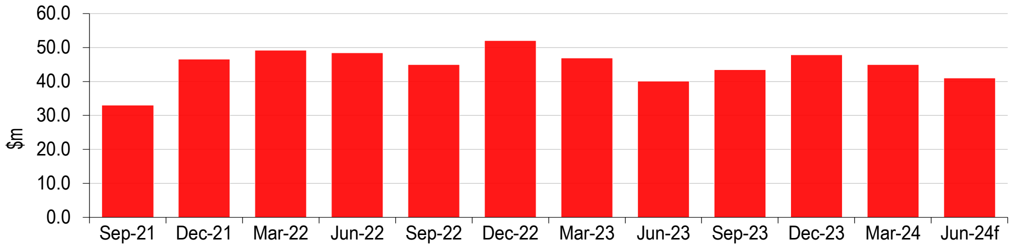
For the UK we forecast growth between 50% and 100% between FY24 and FY28 driven by the Channel 4 media deal. For the US until a similar deal is done, we are forecasting 8%-10% growth over the forecast period.

Exhibit 7: Airtasker Average Task Rate, FY16-FY24f



Source: Company announcements and RaaS estimates (FY24)

Exhibit 8: Airtasker Australia GMV by quarter



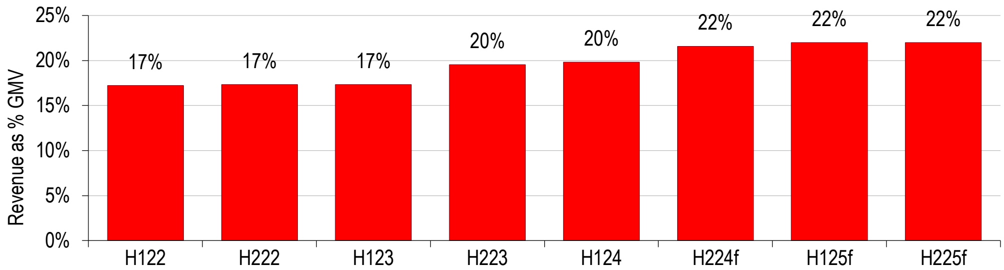
Source: Company announcements and RaaS estimates (FY24)

- **GMV* monetisation rate = revenue**. Once GMV is derived, we apply a net monetisation rate which is the fee charged on the GMV by ART less cancelations.

  The Australian monetisation rate has improved significantly over the past 18 months, rising from ~17.3% in Q2 FY23 to ~21.6% in Q3 FY24, and we forecast an annualisation of this rate in FY25, and increasing by 20bps per annum thereafter.

  We have assumed a slightly lower monetisation rate for the international division, improving over time as scale builds.

Exhibit 9: Airtasker Australia monetisation rate



Source: Company data, RaaS estimates (H224-H225)

Oneflare

While there is limited information on Oneflare, RaaS can deduce that the average monetisation rate is below Airtasker Australia, and revenues have declined sharply (between 8% and 20%) over the past three quarters to June 2024. Off this low base RaaS has forecast 4% revenue growth and a stable monetisation rate of 17% over the forecast period (FY25-FY28 inclusive).

Operating costs

Key operating costs for the ART business and our key assumptions for each line item are summarised below:

- **Employees** relates to the cost of existing and expected new employees and includes senior executives and directors.

  In April 2023 ART announced the reduction of 45 roles or 20% of the workforce at the time. The H1 FY24 employee expense ($10.1m ex-share based payments) should be seen as a low, in our view, with some unfilled roles and continued international expansion likely to see an increase in FY25 employee costs off this base.

- **Sales and marketing** should be seen as a largely discretionary and controllable expenses, and relates to spending across TV advertising, digital advertising, social media, search engine marketing, public relations and external design costs.

  RaaS looks at marketing as a percentage of revenue both including and excluding media capital spend contracts such as that in Australia and the UK which are non-cash.

  Excluding media capital RaaS forecast marketing spend at 22% of revenue in FY24, reducing to 15% by FY26 as the media capital spend kicks in. Including media capital, we estimate marketing spend of 32% in FY24, and remaining above 24% through FY25 and FY26.

- **IT expenses** include software subscriptions and cloud storage services relating to the platform.

  We have IT expense costs increasing by 5% per annum over the forecast period (FY25-FY28 inclusive).

- **General and administrative expenses** include professional services, learning and development costs.

  We have G&A expenses increasing by 5% over the forecast period (FY25-FY28 inclusive).

- **COGS** represent secure third-party payment processing and liability insurance and appears in the general and administration line but is also split out in some presentations.
- **Adjustments** include share-based payments, other income, foreign exchange gains/losses and asset impairments.

A full financial summary by division for ART to FY27 is presented in the table below.

Exhibit 10: ART P&L summary FY23-FY27f (A$m unless specified)

Year-ended June	2023	2024f	2025f	2026f	2027f
Revenue	**44.13**	**46.64**	**55.34**	**64.98**	**72.53**
Australia	**43.20**	**45.15**	**53.27**	**61.37**	**66.47**
Airtasker	33.80	36.66	44.36	52.10	56.74
Oneflare	9.40	8.49	8.91	9.27	9.73
International	**0.93**	**1.49**	**2.07**	**3.61**	**6.06**
Operating costs	50.15	46.28	51.14	52.17	49.54
EBITDA	**-8.39**	**-1.37**	**2.46**	**10.55**	**20.12**
Australia	3.60	18.50			
International	-11.60	-17.80			
Depreciation	0.35	0.40	0.47	0.51	0.47
Amortisation	3.78	4.02	3.13	2.82	2.38
EBIT	**-12.52**	**-5.79**	**-1.14**	**7.22**	**17.26**
Interest expense	0.26	-0.26	-1.00	-1.20	-1.00
Pre-tax	**-12.78**	**-5.53**	**-0.14**	**8.42**	**18.26**
Tax expense	0.00	0.00	0.00	0.00	6.18
Adj. NPATA	**-12.78**	**-5.53**	**-0.14**	**8.42**	**12.08**
Adjustments	-1.79	0.87	0.70	0.50	0.50
Reported NPAT	**-14.57**	**-4.65**	**0.56**	**8.92**	**12.58**

Source: Company data for actuals, RaaS estimates for FY24f-FY27f

Other Financial Commentary

Cash flow

Working capital and capex light model with customers paying for the task before the task is complete, resulting in higher payables than receivables.

Capex is minimal.

Capitalised software development relates to spending of employee wages and IT subscription costs on software development, if the recognition criteria in AASB 138 Intangible Assets is met.

Having reached $5.0m in FY21, capitalised software spend declined to $3.4m in FY23 and RaaS forecasts $1.9m in FY24, and a similar spend into FY25.

Media capital spend is non-cash in nature and as a result we add this back to cash flow, which represents the bulk of our working capital/other assumptions.

Balance sheet

Cash at bank including term deposits was $17.8m as of June 2024.

Goodwill of $14.2m relates predominantly to the acquisition of Oneflare in 2022 and Zaarly in 2021.

Intangibles of ~$6.0m relates to capitalised software development for new products/regions.

Financial instruments in non-current liabilities relates to the media capital deals, namely:

- ART management's NPV valuation of 20% of the UK subsidiary using its FY28 revenue assumptions. The performance of the UK will dictate the valuation assumptions of this line item over the forecast period (FY25-FY28 inclusive);
- The face value of the convertible notes together with the coupon interest of the Australian media capital deals, totalling ~$11.2m.

Negative working capital, with no inventory and creditors exceeding receivables as ART holds client payments until task completion.

UK media deal

Key assumptions and accounting for the UK media deal is summarised below:

- The deal has a value of A$6.7m over five years but the $6.7m must be consumed over the first 18 months. $1.1m was expensed in H2 FY24, and we assume $3.6m in H2 FY24 and $2.0m in H1 FY25.

  This is a non-cash charge expensed through the sales and marketing P&L line item, with a corresponding reduction in the Media Advertising Services current asset in the balance sheet.

- Channel 4 will hold 20% of the UK subsidiary, with the valuation determined by the TTM revenue for FY28 multiplied by the group's revenue multiple at the time.

  The Share Purchase Liability of $6.4m on the balance sheet as a non-current liability is ART management's current estimate of the 20% stake. This valuation will move through the years according to updated assumptions around revenues and revenue multiples.

Australian media deals

ART have signed two media capital deals in Australia recently with key aspects summarised below:

- A $6.0m deal with oOh!media[4] (ASX:OML) in exchange for a 2-year $5m convertible note with a 5.8% coupon. At maturity, ART has the option to convert the outstanding Note and coupon into ordinary shares at a 10% discount to ART's 30-day volume weighted average share price (VWAP) or repay the outstanding Note and coupon in cash.

  OML is an outdoor media company with ~35k billboards across Australia.

- A $5.0m deal with ARN media[5] (ASX: A1N) in exchange for a 2-year $5m convertible note with a 5.8% coupon. At maturity, ART has the option to convert the outstanding Note and coupon into ordinary shares at a 10% discount to ART's 30-day VWAP or repay the outstanding Note and coupon in cash.

  ARN is an Australian broadcast and on-demand media company with a network of 58 radio stations including KIIS FM, Pure Gold and CADA, as well as digital entertainment platform iHeartRadio.

ART will continue to support brand building with continued and complimentary online marketing, including search and social.

The accounting for these deals will be similar to the UK, with an advertising asset booked and amortised through a non-cash media charge in the P&L, and a note liability including interest accrual.

For modelling purposes, we have assumed ART repay the note liability at the beginning of FY27 out of simplicity (vs forecasting a 30-day VWAP in 2-years).

Shareholders

Founding shareholders comprise 40% of the ART register, while the top-200 shareholders represent 80% of the register.

Exhibit 11: ART major shareholders

Holder	% total
Exto Active (Peter Hammond)	15.6
Tune Fiorana (Tim Fung)	10.6
Morning Crest Airtasker Investment Fund (Fred Bai)	7.3
MCC Resources Holdings (Fred Bai)	6.4

Source: Company announcements

[4] ASX announcement 26 June 2024
[5] ASX announcement 4 July 2024

Listed Peer Analysis

We see peers for ART as businesses operating 'marketplaces' for services ideally, but goods as well if such goods are not owned/warehoused by the marketplace operator. Such marketplaces typically have no inventory, operating a negative working capital model, rely on ad searches for new customer generation and derive revenue by charging a service fee on the gross transaction fee.

RaaS selected peers include:

Camplify (ASX:CHL)

The parent company of Camplify and PaulCamper, CHL connects owners of recreational vehicles (RVs) such as caravans and campervans with hirers.

The group has operations across Australia, New Zealand, the UK, the Netherlands, Spain, Austria and Germany under the Camplify, Myway, PaulCamper and Rent Tent brands.

The group derives revenue from commission on total transaction values, insurance and premium memberships (subscriptions).

At March 2024 CHL had a group fleet of >31k vehicles.

Mad Paws (ASX:MPA)

MPA operates a blended marketplace and e-commerce model with the aim of increasing customer transactions across the group.

The marketplace represents 30% of revenue and connects owners of pets with >40k pet sitters who perform a range of services including pet walking and pet sitting.

The e-commerce division includes Pet Chemist, an on-line prescription and OTC retailer, Waggly, an on-line pet treat subscription business, and dog bed and accessory retailer Sash Beds.

Freelancer (ASX:FLN)

The world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted according to the FLN. The group's website offers 'any job you can possibly think of', offering free quotes and payment only when satisfied.

The group has 52 regional websites across 33 languages and 38 currencies, with the largest categories by volume in FY23 websites, IT and software (31%), design, media and architecture (29%), and writing and content (11%).

FLN also owns online payment and transaction management provider Escrow.com, and Australian heavy haulage freight marketplace Loadshift.

hipages Group Holding Ltd (ASX:HPG)

Hipages is Australia largest on-line 'tradie' marketplace connecting tradies with residential and commercial consumers.

HPG operates a subscription-only model, offering seven packages similar to a mobile phone plan, where credits are used by the number of leads provided. The service is free for customers.

HPG has announced it is looking to build out an end-to-end tradie platform which would incorporate scheduling, invoicing and integration into key accounting systems.

Articore (ASX:ATG)

ATG operates 'print on demand' marketplaces Redbubble.com and TeePublic.com. Independent artists sell uncommon designs on high-quality, everyday products such as apparel, stationery, housewares, bags and wall art via the market.

The group fulfils orders from a network of locations across the globe and pays the artist a licence fee.

The group had 514,000 artists on the Redbubble marketplace and 117,000 artists on the TeePublic marketplace in December 2023 and 4.2m customers across both platforms.

Medium term ATG says it is looking to add additional marketplaces to leverage core strengths and cost discipline.

The following table summarises the key financial metrics of selected peers for FY24 which we use to select the appropriate multiples for a Sum of The Parts (SoTP) valuation.

Exhibit 12: ART peer group FY24 financial comparison (in A$m unless otherwise stated)

Company Name	Ticker	Share price (A$)	Mkt. cap.	Net debt (cash) @ Mar-24	GMV	Revenue	Mon. rate (%)	EV/Rev (x)	EBITDA	EBITDA (x)
hipages	HPG	1.10	147	(19.1)	n.a.	74.9	n.m.	2.0	15.5	9.5
Articore	ATG	0.40	113	(37.1)	426.0	107.8	25.3	1.0	8.3	13.6
Camplify	CHL	1.25	89	(26.7)	175.6	48.4	27.6	1.8	(2.1)	n.m.
Freelancer *	FLN	0.19	88	(21.1)	1,021.0	53.3	5.2	1.6	8.6	10.2
Mad Paws #	MPA	0.07	29	(3.3)	66.5	27.9	25.0	1.0	(1.6)	n.m.
AVERAGE							**26.0**	**1.5**		**11.1**
Airtasker	ART	0.31	140	-17.8	237.0	46.6	19.7	3.0	0.4	n.m.

Sources: LSEG consensus (HPG, ATG, CHL), RaaS estimates (ART); Prices as of 31 July 2024; *CY23 actuals; #YTD March 2024 actuals, Mon. Rate is marketplace only

Looking at ART relative to the peer group using forecast FY24 multiples we would highlight the following:

- A lower average monetisation rate then the peer average; and
- Top-end of cash holdings relative to market cap.

Valuation

Sum of The Parts

Given the mix of 'established' businesses (Australia) and 'new' businesses (UK and US) we think it is appropriate to value each business separately.

For the established Australian business, we apply the average FY24f EBITDA multiple of the three profitable peers (11.1x) to RaaS Australian FY24 EBITDA estimates using company divisional disclosures.

For the new businesses of the UK and US we use 50% of the investment to date in establishing these markets, which is the sum of acquisitions and EBITDA losses excluding global innovation spending as disclosed by ART. We then subtract 20% of the implied UK valuation in accordance with the UK media deal with Channel 4.

The resulting valuation is $0.54/share. 100% of the investment to date would imply a valuation closer to $0.57/share.

Exhibit 13: ART Sum of The Parts valuation – FY24 A$m unless otherwise stated

Division	FY24f adj. EBITDA	Revenue	EBITDA multiple(x)	Revenue multiple(x)	Valuation
Australia	19.2	45.1	11.1	4.7	214
International *	(17.8)	2.1		8.1	17
Group	**1.4**	**47.2**			**230**
Add net cash (Mar-24)					18
Less 20% of UK					(3)
VALUATION					**245**
Shares on issue					452
EQUITY VALUE					**$0.54**

Source: Company announcements, RaaS estimates; *50% of EBITDA losses/acquisitions to date

Recent transactions of note

There have been several transactions over recent years that provide a guide to the valuation of on-line marketplaces, and include:

Blackstone/Rover. In February 2024 US private equity group Blackstone acquired US pet services online marketplace Rover Inc for US$2.3b.[6] At the time Rover had CY23 GMV of ~US$930m, revenue of ~US$231m, net cash of US$231m and a tax rate of 24.8%.

Using CY23 guidance the acquisition implied an EV/revenue multiple of 9.0x, EV/GMV multiple of 2.2x and EBITDA multiple of 49x.

Woolworths (ASX:WOW)/MyDeal. In May 2022 Woolworths Limited (ASXWOW) announced the acquisition of 80% of the stock in listed MyDeal, an online marketplace focussed on homewares and lifestyle goods with 1,345 active sellers at the time of acquisition.

At the bid price of $1.05/share the bid represented an FY22 EV/GMV multiple of 0.9x, with an EV of $242m and implied FY22 GMV of $270m

DCF valuation

As a sense check we have constructed a DCF valuation driven by our earnings estimates out to FY28 and modest medium-term growth assumptions thereafter. The result is a valuation of $0.52/share.

We would highlight the following as being key drivers/assumptions of this valuation:

- 11.2% discount rate incorporating a beta of 1.1x, RFR 4.0%, and equity risk premium of 6.5%;
- Medium-term growth beyond the forecast period of 10.0%;
- Perpetuity growth rate of 2.2%;
- Tax payable from FY27;
- Unchanged shares on issue; and
- No acquisitions.

[6] https://www.blackstone.com/news/press/rover-agrees-to-be-acquired-by-blackstone-in-2-3-billion-transaction/

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Exhibit 14: ART base-case DCF valuation

Parameters	Outcome
Discount rate /WACC	11.2%
Beta	1.1x
Terminal growth rate assumption	2.2%
Sum of PV ($m)	92.1
PV of terminal value ($m)	125.5
PV of enterprise ($m)	217.7
Debt (cash) @ June 2024 ($m)	(17.8)
Net value – shareholder ($m)	235.4
No. of diluted shares on issue (m)	452
NPV ($/share)	**0.52**

Source: RaaS estimates

SWOT Analysis

We see the strengths and opportunities for ART outweighing weakness and threats. Our Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis is summarised below.

Exhibit 15: Strengths, Weaknesses, Opportunities, Threats

Strengths	Opportunities
Strong net cash position	Expansion into the much larger markets of the UK and US
Free cash-flow positive	Increased penetration of addressable market
Established and profitable Australian marketplace	Improve customer frequency with new functionality
Scalable and repeatable platform	A recovery in consumer discretionary spending
Weaknesses	**Threats**
Loss-making international business	Increased regulation
Small relative to international peers	Large offshore player moves into Australia
High advertising spend relative to revenue still required	
Customer leakage outside the platform	

Source: RaaS analysis

Key Sensitivities & Risks

International

Forecast by RaaS to lose $18m at the EBITDA line in FY24 on revenue of $1.3m, the international operations is the key risk for ART in terms of the funding and timeframe required to breakeven/profitability.

There are too many variables to run a sensitivity but simplistically international revenue needs to reach $19m for breakeven using current overhead allocations.

Market penetration

As mentioned previously the true TAM for ART is difficult to establish given many of the large categories they play in (cleaning and gardening for example) tend to be recurring jobs where ART is not that strong.

This is more an opportunity than a risk if ART can introduce functionality that encourages more recurring jobs on their platform.

Just in Australia, from an estimated 0.4% market share, a 0.1% change would represent $52m in GMV, $10.7m in revenue at the current monetisation rate and ~$9.0m EBITDA after advertising spend all else equal.

Sustaining marketing spend

We have marketing spend reaching 15% of revenue by FY28, down from a forecast 32% in FY24 (including the non-cash UK media capital).

Using FY28 as a guide, every 1% change in marketing spend relative to forecast revenue would add or subtract $0.9m in EBITDA or +/- 6%, all else equal.

Board and Management

Directors

Catherine (Cass) O'Connor, Independent Non-Executive Chairperson. Cass has 35 years of executive, non-executive and advisory experience spanning industries including media, technology, premium consumer goods, real estate and the arts.

Cass is currently the chair of NextEd Group (ASX:NDX) and a number of successful venture-backed technology companies including brand influencer marketplace Tribe. Cass was previously Chair of ASX-listed Prime Media Group. Cass joined ART as Chair in July 2023.

Timothy (Tim) Fung, Managing Director and Chief Executive Officer. Tim is co-founder of Airtasker and has been CEO since its incorporation in 2011.

Tim is also co-founder and director of Tank Stream Labs Pty Ltd, a Sydney-based technology co-working space. Prior to Airtasker, Tim was a founding team member at mobile telco start-up Amaysim.

Ellen (Ellie) Comerford, Non-Executive Director. Ellie has over 35 years of experience in financial services businesses in Australia and internationally across a range of regulated sectors including insurance, banking and finance, and associated products and services.

Prior to joining the Airtasker board in February 2021 Ellie was CEO and MD of Genworth Mortgage Insurance (ASX:GMA) between 2010 and 2016, leading the company to an IPO in 2014. Ellie is also a Non-Executive Director of Heartland Group (NZX:HGH) and a number of privately held companies.

Peter (Pete) Hammond, Non-Executive Director. Pete is a co-founder and director of Exto Partners, a Sydney-based venture capital firm formed in 2003, providing >20 years' experience as founder, investor and director of technology companies.

Pete joined the Airtasker board in November 2013, and prior to Exto spent 10 years with KPMG Australia and the US focusing on advising capital market clients on risk management, product pricing business process re-engineering and large-scale merger integration.

Xiaofan (Fred) Bai, Non-Executive Director. Fred is a co-founder and the managing partner of Morning Crest Capital, a venture capital firm, and co-founder and CEO of Fanyu Investment, an equity investment management company.

Fred joined the Airtasker board in April 2015.

Mahendra Tharmarajah, Company Secretary and Chief Financial Officer. Mahendra has over 25 years' experience in leading finance functions across both listed and unlisted environments.

Mahendra joined Airtasker as CFO in October 2022 and was appointed Company Secretary in June 2023. Prior to Airtasker, Mahendra was CFO at listed labour hire and recruitment company Ignite Ltd (ASX:IGN) for six years.

RAAS
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Exhibit 16: ART Financial Summary

Airtasker (ART.ASX)					
Profit and Loss (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
GMV	189.5	253.7	237.0	267.0	311.1
Revenue	**31.6**	**44.1**	**46.6**	**55.3**	**65.0**
Operating costs	46.3	50.1	46.3	51.1	52.2
Underlying EBITDA	**(14.7)**	**(6.0)**	**0.4**	**4.2**	**12.8**
Depn	(0.9)	(1.0)	(0.7)	(1.0)	(1.0)
Amort	(2.6)	(3.8)	(4.0)	(3.1)	(2.8)
EBIT	**(18.2)**	**(10.8)**	**(4.4)**	**0.1**	**9.0**
Interest	0.0	(0.3)	0.3	1.0	1.2
Tax	0.0	0.0	0.0	0.0	0.0
Adj. NPAT	**(18.2)**	**(11.1)**	**(4.1)**	**1.1**	**10.2**
Adjustments	(2.2)	(1.8)	(0.2)	0.0	0.0
Adjusted NPAT	**(20.4)**	**(12.9)**	**(4.3)**	**1.1**	**10.2**
Minorities	0.0	0.0	1.0	0.7	0.5
NPAT (reported)	**(20.4)**	**(12.9)**	**(3.3)**	**1.8**	**10.7**
Cash flow (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
EBITDA (inc cash rent)	(15.3)	(6.8)	(0.2)	3.6	12.2
Interest	0.0	(0.3)	0.3	1.0	1.2
Tax	0.0	0.0	0.0	0.0	0.0
Working capital/Other	1.0	(3.5)	3.6	8.9	6.1
Operating cash flow	**(14.2)**	**(10.6)**	**3.7**	**13.6**	**19.6**
Capitalised IT spend	(4.6)	(3.4)	(1.9)	(2.0)	(1.8)
Free cash flow	**(18.8)**	**(14.0)**	**1.7**	**11.6**	**17.8**
Capex	0.0	(0.3)	0.0	0.0	0.0
Acquisitions/Disposals	(2.4)	(0.1)	0.0	0.0	0.0
Other	(0.1)	(0.2)	0.0	0.0	0.0
Cash flow pre financing	**(21.3)**	**(14.6)**	**1.7**	**11.6**	**17.8**
Equity Issues	3.8	3.8	0.0	0.0	0.0
Debt	0.0	(0.0)	0.0	0.0	0.0
Net Dividends paid	0.0	0.0	0.0	0.0	0.0
Change in cash	**(17.5)**	**(10.8)**	**1.7**	**11.6**	**17.8**
Balance sheet (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
Cash	23.7	16.1	17.8	29.3	47.1
Accounts receivable	0.2	0.3	0.3	0.4	0.5
Financial Assets	4.5	1.0	1.0	1.0	1.0
Other current assets	1.7	8.7	4.0	7.4	1.8
Total current assets	*30.2*	*26.1*	*23.2*	*38.2*	*50.4*
Goodwill	14.1	14.2	14.2	14.2	14.2
Capitalised software	9.0	7.9	5.8	4.7	3.7
Right of use asset	0.9	2.4	1.9	1.3	0.7
Other	0.7	0.3	0.0	1.5	3.1
Total non current assets	*24.7*	*24.8*	*21.9*	*21.7*	*21.7*
Total Assets	54.8	51.0	45.1	59.9	72.1
Accounts payable	7.3	3.9	2.1	3.5	4.1
Contract & lease liabilities	2.2	2.6	2.5	2.5	2.5
Employee benefits	1.6	1.3	0.9	1.0	1.1
Unclaimed customer credits	4.7	4.6	4.3	4.8	5.6
Other	0.9	0.3	0.0	0.0	0.0
Total current liabilities	*16.7*	*12.6*	*9.8*	*11.8*	*13.3*
Long term debt	0.0	0.0	0.0	0.0	0.0
Other non current liabs	1.2	9.2	9.4	20.4	20.4
Total long term liabilities	*1.2*	*9.3*	*9.5*	*20.5*	*20.5*
Total Liabilities	17.9	21.9	19.3	32.3	33.8
Net Assets	**36.9**	**29.1**	**25.8**	**27.6**	**38.3**
Share capital	133.8	137.4	137.4	137.4	137.4
Reserves	18.2	19.3	19.3	19.3	19.3
Retained Earnings	(115.0)	(127.9)	(131.2)	(129.4)	(118.7)
Minorities	0.0	0.2	0.2	0.2	0.2
Total Shareholder funds	**37.0**	**29.1**	**25.8**	**27.6**	**38.3**

Share price (1 August 2024)					A$	0.290
Interim (A$m)	**H123**	**H223**	**H124**	**H224f**	**H125f**	**H225f**
Revenue	21.8	22.3	23.3	23.3	28.9	26.4
EBITDA	(3.9)	(2.1)	2.4	(2.0)	1.4	1.1
EBIT	(6.5)	(4.4)	0.0	(4.4)	(0.7)	(1.0)
NPAT (adjusted)	(6.6)	(4.5)	(0.2)	(4.0)	(0.2)	(0.5)
Adjustments	(1.1)	(0.7)	0.4	0.5	0.4	0.3
NPAT (reported)	(7.7)	(5.2)	0.2	(3.5)	0.2	(0.2)
EPS (normalised)	(0.017)	(0.012)	0.001	(0.008)	0.001	(0.000)
EPS (reported)	(0.017)	(0.017)	(0.008)	(0.008)	0.001	(0.000)
Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000
Operating cash flow	na	na	na	na	na	na
Divisionals	**H123**	**H223**	**H124**	**H224f**	**H125f**	**H225f**
GMV	131.6	122.1	122.1	114.9	139.6	127.4
Revenue	**21.8**	**22.3**	**23.3**	**23.3**	**28.9**	**26.4**
Australia	21.4	21.8	22.7	22.5	28.0	25.3
International	0.4	0.5	0.6	0.9	1.0	1.1
Monetisation rate	16.6%	18.3%	19.1%	20.3%	20.7%	20.7%
Operating Costs						
Employee (ex SBP)	15.5	13.2	10.1	10.5	11.4	11.5
Sales & Marketing	3.7	4.9	5.5	9.6	9.7	7.3
IT	2.9	2.9	2.7	2.6	2.8	2.7
General & Admin	3.6	3.3	2.7	2.7	2.8	2.9
Total costs	**25.8**	**24.4**	**20.9**	**25.4**	**26.7**	**24.4**
EBITDA	**(3.9)**	**(2.1)**	**2.4**	**(2.0)**	**2.2**	**2.0**
EBITDA margin	(17.9%)	(9.4%)	10.2%	(8.6%)	7.8%	7.4%
D&A	-2.5	-2.3	-2.4	-2.4	-2.0	-2.1
EBIT	**-6.5**	**-4.4**	**0.0**	**-4.4**	**0.2**	**-0.1**
Margins, Leverage, Returns		FY22A	FY23A	FY24F	FY25F	FY26F
EBITDA margin %		-46.6%	-13.6%	0.8%	7.6%	19.7%
EBIT margin %		-57.7%	-24.6%	-9.4%	0.2%	13.8%
NPAT margin (pre significant items)		-64.6%	-29.3%	-9.2%	2.0%	15.7%
Net Debt (Cash)		-21.5	-13.4	-15.2	-26.8	-44.5
Net debt/EBITDA (x)	(x)	1.5 x	2.2 x	-42.1 x	-6.4 x	-3.5 x
ND/ND+Equity (%)	(%)	36.8%	31.5%	37.1%	49.2%	53.7%
EBIT interest cover (x)	(x)	n/a	n/a	n/a	-10.4x	-0.1x
ROA		nm	nm	(9.2%)	0.2%	13.6%
ROE		nm	nm	nm	10.8%	13.5%
ROIC		nm	nm	nm	0.2%	13.1%
NTA (per share)		0.05	0.03	0.03	0.03	0.05
Working capital		-2.5	-2.5	-0.7	-2.0	-2.6
WC/Sales (%)		**(8.1%)**	**(5.7%)**	**(1.5%)**	**(3.7%)**	**(4.0%)**
Revenue growth		18.9%	39.7%	5.7%	18.7%	17.4%
EBIT growth pa		n/a	n/a	n/a	(102.2%)	9278.4%
Pricing		**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
No of shares (y/e)	(m)	418.0	448.3	452.0	452.0	452.0
Weighted Av Dil Shares	(m)	418.0	448.3	452.0	452.0	452.0
EPS Reported	cps	(0.049)	(0.029)	(0.007)	0.004	0.024
EPS Adjusted	**cps**	**(0.037)**	**(0.016)**	**(0.000)**	**0.009**	**0.029**
EPS growth (norm/dil)		n/a	n/a	n/a	-3387%	208%
DPS	cps	0.000	0.000	0.000	0.000	0.000
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		0	0	0	0	0
PE (x)		- 7.8	- 17.8	- 1,019.9	31.0	10.1
PE market		18.0	18.0	18.0	18.0	18.0
Premium/(discount)		nm	nm	nm	172.4%	56.0%
EV/EBITDA		(6.8)	(19.4)	320.5	24.8	6.8
FCF/Share	cps	-4.50	-3.12	0.38	2.56	3.93
Price/FCF share		-6.45	-9.30	76.30	11.35	7.38
Free Cash flow Yield		(14.3%)	(10.7%)	1.3%	8.8%	13.5%

Source: Company data for actuals, RaaS estimates (FY24 to FY26)

Appendix – Glossary of terms

Cost of Goods Sold (COGS) for ART represents secure third-party payment processing and liability insurance costs and tends to be correlated with revenue growth.

Unique Paying Customer (UPC) refers to a customer who assigns a task through the Airtasker marketplace.

Frequency – refers to the number of times a UPC assigns a task in a financial period.

Average Task Value (ATV) – The total GMV in a financial period dividend by the total number of booked tasks.

Gross Marketplace Volume (GMV) represents the total price of all tasks booked through Airtasker before cancellations and inclusive of price adjustments and bonus payments.

Monetisation rate or take rate refers to Airtasker's revenue in a given financial period as a percentage of the GMV over the same period.

Trailing Twelve Month (TTM) revenue represents the actual past 12 months revenue.

Oneflare is a subscription-based platform aimed at connecting businesses and individuals with tradies, and is owned 100% by ART.

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

ABN 99 614 783 363

Corporate Authorised Representative, number 1248415, of

BR SECURITIES AUSTRALIA PTY LTD; ABN 92 168 734 530; AFSL 456663

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