

Shekel Brainweigh Ltd

Scaling up for multiple product commercialisation

Shekel Brainweigh Limited (ASX:SBW) has reported 1HFY21 sales growth of 34% to US\$10.6m, which included ~250% growth in the New Retail division. The adjusted EBIT loss (for amortisation and one-off costs) was in-line with 1HCY20 despite elevated R&D spend, with the Scales division recording adjusted EBIT of US\$1.1m. Importantly 2H sales are historically higher than 1H (45%/55%) offering higher absolute sales and reduced losses due to operating leverage. New product penetration should continue in a less disrupted world with more sales & marketing resources following recent capital raising initiatives. 2HCY21 will see the first sales of autonomous vending machine Hubz and the launch of self-checkout product identification software/hardware Fast Track. From a valuation perspective, if we assume adjusted FY21 EBIT of US\$2.3m (A\$3.1m) for the Scales division and apply an 8x multiple we get an A\$25m value against the current market cap of \$21m. This implies a negative \$4m value for New Retail despite >A\$12m in R&D spend over the last 3-years and new products at or near commercialisation.

Business model

SBW produces weighing scale hardware/software that is employed by OEMs for self-checkout and healthcare applications requiring speed and accuracy. Prices received from customers are typically fixed, and gross margins are in-line with that achieved by most OEM equipment suppliers. The group is looking to extend this market leading technology into new verticals, opening up larger market opportunities, potentially higher gross margins and some recurring SaaS style revenue from data analytics. One of the new products (Innovendi vending machines) is in commercialisation while others are close (Autonomous Micro-market Capsule and the Hubz, a second-generation autonomous vending machine).

Well placed to deliver on potential

CY20 was a Covid disrupted year for SBW, limiting new product sales and severely impacting healthcare sales as they took second place to Covid. 1HCY21 has showed early benefits of "opening" economies with new Scales contracts in Europe, a recovery in self-checkout sales and industrial projects in Israel resulting in 1H sales growth of 34%. Historically 2H sales are higher than 1H and while R&D spend remains elevated we expect continued growth in new product sales and a narrowing in operating losses.

Base case valuation A\$0.37/share supported by Scales profit

Our base case DCF valuation for SBW is now \$0.37/share (up from \$0.35/share) following the roll forward and fine tuning of a number of assumptions. Using our adjusted FY21 EBIT forecast for the Scales division and applying an 8x multiple we derive a valuation of A\$25.0m alone, well above the current market cap and implying a negative A\$4m value for the "new retail" division despite multiple products in the market. A \$0.37/share DCF implies a fully diluted market cap of A\$64m.

Historical earnings and RaaS Advisory estimates on a reported basis

Year end	Revenue (US\$m)	Adj EBIT (US\$m)	Adj NPAT (US\$m)	EPS (c)	PER (x)	EV/sales(x)
12/20a	18.3	(4.0)	(4.4)	(0.02)	(4.8)	0.77
12/21e	23.5	(3.0)	(3.5)	(0.02)	(5.2)	0.78
12/22e	27.3	1.1	0.5	0.01	17.2	0.69
12/23e	32.2	2.3	1.9	0.02	6.7	0.57

Source: Company Data, RaaS Advisory Estimates

Half-year result & outlook

Technology – Hardware/software

8th September 2021

Share details

ASX Code	SBW
Share price (7 Sept)	\$0.135
Market Capitalisation	\$20.7M
Shares on issue #	153.2M
Enterprise value	\$21.8M
Net debt at Jun-30 #	A\$0.8M
Free float	~27%

adjusted for convertible note

Share performance (12 months)



Upside Case

- Recovery from COVID induced decline in core self-checkout and healthcare products
- Key global retailers adopt SBW's solution to contactless retail checkout
- Mix shift to recurring SaaS fees will increase gross margins and lower days receivables

Downside Case

- Low liquidity with ~27% free float
- New products fail to gain significant traction
- Low share price at Convertible Note conversion date (March 2023)

Management

Arik Schor	Executive Chairman
Barak Nir	Chief Financial Officer
Nir Lesham	GM, Innovation & Scales

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1H FY21 result summary

Our numbers take SBW reported numbers and adjust for:

- **Amortisation** at the COGS line which totalled US\$234k in 1H CY21.
- **AASB16 related depreciation**, adding back cash rental costs to operating costs and excluding AASB16 related depreciation at the depreciation line.
- **Share based payments included in R&D** to a separate cost line item.

The table below summarises the 1H21 result. Key observations include:

- **34% sales growth** with sales of US\$10.6m. New contract wins in the core Scales division and the cycling of COVID impacted sales across all key products (self-checkout, industrial local projects in Israel and own brand healthcare) were the key drivers to this growth.
- **Gross margins flat** off a low base due to elevated shipping costs and higher raw material costs.
- **R&D spend remains elevated** at US\$1.6m as new product development continues. We estimate total R&D spend of US\$8.9m over the last 3-years.
- **A US\$1.5m (+50%) increase in “other costs”** as the group expands its sales and marketing functions for product commercialisation. We have treated ~US\$500k of this increase as “one-off” in nature relating to termination and capital raising costs.
- **Amortisation of US\$234k** relating to capitalised software spend.

Exhibit 1: 1H21 SBW result summary

Line item (US\$)	1H20	1H21	% CHG	Comment
Sales	7.9	10.6	34%	PCP saw a decline of 5.5% on 1H19
Gross Profit	3.2	4.2	34%	
GP%	40%	40%		Impacted by shipping and raw material costs
Operating costs	4.6	5.7	23%	
R&D (ex SBP)	1.4	1.6	11%	Remains elevated
Other	3.2	4.1	29%	excludes one-off termination and capital raising
EBITDA	-1.5	-1.5	2%	
Depreciation	0.0	0.1		
Amortisation	0.5	0.2		A one-off amortisation write-off in 1H20
EBIT	-1.9	-1.9	-4%	
(EBITDA margin)	-18.7%	-14.2%		
(EBIT Margin)	-24.5%	-17.6%		
Share Based Payments/other	0.2	0.1		
Other	0.0	0.6		One-off termination & capital raise costs
Reported EBIT	-2.1	-2.5	21%	

Sources: Company financials & RaaS estimates

2H FY21 outlook

There are a range of factors pointing to a continuation of sales growth in 2H CY21, and a reduction in EBITDA losses, including:

- **Modest 2H20 base** (with 2H20 sales down 0.5% on 2H19) particularly in retail self-checkout (a change in customer order patterns) and own brand healthcare products (declined as key customers focused on COVID). 1H21 momentum suggest a significant recovery for these products.
- **Three new Scales customers** secured in 2H CY20 across Europe for a full 6-months in 2H21 (~US\$1m) together with a new “key retail” customer secured in 2H CY21.
- **Historical 2H seasonality** should see 2H CY21 sales and EBIT well above 1H CY21. The group has averaged a 45/55 1H/2H historical sales split and such a split in CY21 would see sales >US\$13m, and operating leverage at the cost line.

- **First Hubz vending kits expected to be delivered Q3CY21.** An initial order for 30 “Hubz kits” is scheduled for delivery to the US in the September quarter and we forecast an acceleration of deliveries in Q4CY21 and into FY22 as product awareness grows.

SBW recently (August) showcased Hubz at the NAMA Conference in the US, which should lead to customer interest. NAMA promotes and protects the advancement of the convenience services industry and has been founded since 1936.

- **Fast Track launch set for late CY21.** Fast Track overlays existing weighing technology with AI and a camera to identify the fresh produce faster and more accurately, reducing checkout time while increasing accuracy. We have nothing in our numbers for this initiative as there is little commercial details available.
- **Gross margin pressures likely to remain** on the back of the global chip shortage and resulting price increases. Some recoupment of these costs is likely late CY21 and into CY22.

Exhibit 2: 2H21F SBW result summary

Line item (US\$)	2H20	2H21F	% CHG	Comment
Sales	2H20	2H21	%CHG	Implies 44%/56% split – in-line with historicals
Gross Profit	10.4	12.8	24%	
GP%	4.3	5.3	23%	
Operating costs	41%	41%		
R&D (ex SBP)	5.1	6.0	19%	
Other	1.9	1.8	(3%)	Continued investment in SG&A
EBITDA	3.2	4.2	31%	Improvement expected
Depreciation	(0.8)	(0.7)	(7%)	
Amortisation	0.4	0.1		
EBIT	0.5	0.2		
(EBITDA margin)	(1.6)	(1.1)	(36%)	
(EBIT Margin)	(7.5%)	(5.6%)		
	(15.9%)	(8.3%)		
Share Based Payments/other				
Other	0.3	0.0		
Reported EBIT	0.0	0.0		

Sources: Company financials & RaaS estimates

Divisionally the core Scales division reported a US\$600k EBIT contribution in 1H21 which included ~US\$500k in “one-off” costs relating to the capital raise and redundancy payments. We expect a higher contribution from the core scales division in 2H21 given historical seasonality and the weak COVID impacted 2H20 base. The “New Retail” division recorded an EBIT loss of US\$3.2m in 1H21 on the back of high operating costs (including R&D) and modest sales revenue. This loss should narrow as sales increase.

Exhibit 3: SBW divisional earnings summary – CY21

Line item	1H21A	2H21F	FY21F	Comment
Sales	10.6	12.9	23.1	
Scales	10.2	12.0	22.2	Slower growth rate than 1H but still solid
New Retail	0.4	0.9	1.3	2H21 acceleration forecast
EBIT	(2.6)	(1.2)	(3.8)	
Scales	0.6	1.2	1.8	1H includes \$0.5k in one-off costs
New Retail	(3.2)	(2.7)	(5.9)	

Sources: Company financials & RaaS estimates

Medium term outlook

Unit sales

Our revised new product unit sales numbers are presented in the following table. Innovendi was impacted by COVID related shutdowns but needs to deliver ~170 units per year to meet the Tnuva agreement (1,200 units across 7-years). The Hubz has increased in focus and considering the partners involves should deliver serious volumes going forward. The capsule is likely to see modest unit sales while the concept is firmed-up, while smart shelves are likely to be less of a focus near-term.

Exhibit 4: SBW new product sales by units

Year-end	2019F	2020F	2021F	2022F	2023F
Innovendi - Old	na	41	170	190	200
Innovendi - New	na	41	120	160	180
Hubz Kit - Old	0	10	600	1,100	1,500
Hubz Kit - New	0	10	100	350	550
Smart Shelves - Old		50	175	350	900
Smart Shelves - New		50	100	250	400
Capsules - Old	0	0	16	36	80
Capsules - New	0	0	4	20	50

Source: Company Financials & RaaS estimates

Convertible note

In April 2021 SBW announced the issue of a US\$5m 4-year convertible note to a single investor, Kvutzat Yavne, a Kibbutz from the central district of Israel. We view the convertible note terms issued to Kvutzat Yavne as attractive to both Kvutzat Yavne and existing SBW shareholders. For Kvutzat Yavne, it secures a 7% interest rate for 2-years and a 25% discount to the VWAP on conversion from March 2023. For existing SBW shareholders, funding now looks sufficient to deliver the promises and potential of new products, predominantly the Hubz, Micro-market capsule and Fast-track. Delivery of such sales should result in a higher share price and therefore lower dilution from the note conversion. Key points to note with regards to the structure of the convertible note are listed below:

- **4-year maturity date**
- **7% interest rate, payable quarterly**
- **Exercise of ALL notes (not some) into equity possible after 2-years**
- **...or upon the sale of the company or most of its assets, a capital raise >5% shares on issue or de-listing**
- **A conversion price of 75% of the VWAP during the preceding 25-days.**

The share price in March 2023 will be all important for existing shareholder dilution, with various issue prices and resulting dilution listed in the table below. We have assumed a share price at conversion of \$0.42, which is our undiluted DCF, implying dilution of ~15% to the current share count.

Exhibit 5: Convertible note dilution at various share prices

Share price (A\$)	\$0.14	\$0.25	\$0.35	\$0.45	\$0.55
75% discount	0.11	0.19	0.26	0.34	0.41
Shares issued	62.7	35.1	25.1	19.5	15.9
Dilution on current share count	41%	23%	16%	13%	10%

Source: RaaS estimates

New product update

The micro-market

Casino Group out of France, who operates >11,000 multi-banner stores across France and Latin America, have taken delivery of their second “Capsule”, trialling it as a store within a store in Rue De Marseille in Paris.

The new store has the autonomous store section as part of the standard store during the day, and when the store closes can utilise the autonomous functionality for sales during the night via a mobile payment app.

This model solves the problem of restocking in busy locations and while providing the retailer with new after-hours revenue. It also opens the door for options when retrofitting existing stores.

Locations such as train stations, airports, campuses and hospitals are the targets for this concept.

The Hubz

SBW recently announced the formation of a commercial partnership to produce a second-generation version of the Innovendi called the HUBZ. Key partner details include:

- **Imbera Cooling**, an established refrigeration player and a world leader in commercial refrigeration in operations since 1941.
- **Parlevel Systems**, a San Antonio based Vending Management System provider of the Parlevel Box telemeter, offering reliable cellular connection, customer scheduling and payment options.

The Hubz is a refrigerated vending machine capable of stocking a wide range of products for use in a wide range of locations, including medical centers, shared office spaces, hotels, convenience stores, shopping malls, transport hubs, apartment blocks and universities.

The unit is manufactured and sold across the US and Latin America utilising established distribution channels with the first 30 units due for delivery in September 2021. SBW has highlighted via third party research that the US Intelligent Vending Machine market had an estimated value of US\$1.9m in 2020.

SBW will provide the weighing units as an OEM supplier, which we refer to as Hubz kits.

A link to the Hubz website below.

<https://hubzstores.com/>

Fast Track

Fast Track has been in development since mid-2019, and after some legal issues with the original development partner is expected to launch commercially late CY21.

Fast Track overlays existing weighing technology with a camera and AI software to identify fresh produce faster and more accurately, reducing checkout time while increasing accuracy. Fast Track is expected to be an added product choice for new sales and can be retrofitted to units already in the field.

We have nothing in our numbers for this initiative as there is little commercial details available but there is an estimated 900k self-checkout units in the field globally.

Peer comparison

We have updated our assessed peer group to incorporate FY21 results. Our assessed peer group represents small-cap hardware-based technology players utilising an underlying technology to expand into new verticals.

The numbers below are a mixture of FY21 and CY21F results. From a SBW viewpoint:

- **80% discount to the peer average (ex MX1)** on an EV/sales basis relative to the peer group.
- **Gross margins are around the peer average at 41%.**
- **All peers outside of AMS are forecast to be loss making (ex-amortisation) in CY21.**
- **While R&D to sales is at the lower end of peers, absolute spend is mid-range given the high sales base.**

Exhibit 6: Peer financial comparison

Company Name	Ticker	Share price (cps)	Mkt Cap (\$m)	Jun-30 net Debt/(cash) (A\$m)	CY21 Adj PBT (A\$m)	CY21 sales (A\$m)	CY21 GP%	CY21 WC/Sales	CY21 EV/Sales	CY21 R&D/sales
MicroX *	MX1	0.28	126	-30.0	-10.0	3.7	-5%	70%	26.0	32%
Atomos *	AMS	1.65	306	-25.9	4.2	78.6	48%	10%	3.6	6%
Pivotal Systems	PVS	1.25	150	-6.2	-7.4	35.6	21%	44%	4.0	25%
Revasum	RVS	0.44	46	-7.0	-6.6	12.6	48%	82%	3.1	39%
Mobilicom	MOB	0.05	16	-5.4	-1.2	4.0	65%	5%	2.7	55%
Shekel Brainweigh	SBW	0.14	21	3.3	-4.2	32.1	41%	37%	0.8	16%

Sources: Company financials, Thomson Reuters *FY21 June year-end, otherwise CY21

Valuation

Sum of the parts

We utilise the disclosure of the divisional splits between Scales and the New Retail divisions to highlight the value within SBW currently. Using CY21 divisional estimates (1H actuals and 2H estimates) we derive a valuation of the groups Scales business of A\$25m (8x CY21F EBIT).

This implies a negative value for the groups New Retail division of A\$4 despite having multiple products in paid pilots and early stage of commercialisation.

Exhibit 7: SBW divisional valuation

Line item	1H21A	2H21F	FY21F	Comment
Reported EBIT (US\$)	0.6	1.2	1.8	1H21 as reported, 2H21 RaaS estimate
Adjusted EBIT (US\$)	1.1	1.2	2.3	1H21 adjusted for one-offs
Assessed EBIT Multiple			8.0x	
Valuation (US\$)			18.6	
Valuation (A\$) (@\$0.74)			25.1	Converting US\$ valuation into A\$ at \$0.74
Current Mkt Cap (A\$)			21.1	
Implied value New Retail (A\$)			(4.0)	

Sources: Company financials & RaaS estimates

Discounted cash flow

We have fine-tuned and rolled forward our DCF assumptions with the result a modest increase to A\$0.37/share from \$0.35/share. Key assumptions and changes are listed below.

- **Share price at CN conversion (March 2023) of \$0.42/share**, which represents our current undiluted DCF. At this price the conversion price would be \$0.37/share (25% discount) and the dilution ~12%.
- **Discount rate 10.4%** incorporating a beta of 1.2x (down from 1.3x due to increased funding certainty and the Scales division profitability) and RFR of 2.0%.
- **Medium-term growth rate** outside the forecast period of 10%.
- **Terminal growth** rate of 2.2%.
- **Sustainable gross margin 49%** against ~41% in CY21, aided by higher margin SaaS and data analytic fees and some recoupment of margin following the chip input costs pressures of CY21.

Exhibit 8: SBW Base Case DCF valuation

Parameters	Outcome
Discount Rate / WACC	10.4%
Beta	1.2x
Terminal growth rate assumption	2.2%
Sum of PV	\$16.7m
PV of terminal Value	\$45.0m
PV of Enterprise	\$61.8m
Debt (Cash)	(\$2.4m)
Net Value - Shareholder	\$65.1m
No of shares on issue	173m
NPV (\$ per share)	\$0.37

Source: RaaS estimates

Core product portfolio reminder

Self-checkout

SBW provides the precision weighing systems/units that sit within the self-checkout machines of Toshiba, Fujitsu, Diebold Nixdorf and Datalogic.

When last disclosed the group sold >30k units per annum to these OEM customers.

Healthcare

SBW provides the precision weighing systems/units that sit within a number of healthcare product including premature baby warmers and incubators to the likes of GE, Atom and Fenam.

The group also sells a range of weighing equipment under their own Healthweigh brand.

When last disclosed the group sold >16k combined units across healthcare.

Industrial

SBW also designs and manufactures bespoke industrial scale weighing equipment often referred to as "special projects". An example is a food manufacturer that requires the weight of a product to sit within the bounds of regulatory requirements (i.e. the labelled weight).

These projects are lumpy in nature, tend to be confined to Israel and have been delivered across manufacturing, agriculture, airports and for the military.

Exhibit 9: Examples of products powered by SBW weighing technology



Source: Company financials

Exhibit 10: Financial Summary

Shekel Brainweigh (SBW.ASX)						Share price (7 September 2021)						A\$	0.135
Profit and Loss (US\$m)						Interim (US\$m)							
Y/E 31 Dec	FY19A	FY20A	FY21F	FY22F	FY23F	Revenue	H120A	H220A	H121A	H221F	H122F	H222F	
Revenue	18.8	18.3	23.5	27.3	32.2	Revenue	7.9	10.4	10.6	12.8	11.7	15.6	
Gross profit	8.2	7.4	9.5	12.7	15.4	EBITDA	(1.6)	(1.0)	(1.6)	(0.7)	(0.3)	2.0	
GP margin %	43.7%	40.6%	40.5%	46.5%	47.8%	EBIT	(2.1)	(1.9)	(1.9)	(1.1)	(0.6)	1.7	
EBITDA	(1.2)	(2.7)	(2.3)	1.7	3.0	NPATA (adjusted)	(1.8)	(1.6)	(1.9)	(1.1)	(0.7)	1.6	
Depn	(0.2)	(0.4)	(0.2)	(0.2)	(0.2)	Adjustments	(0.7)	(0.3)	(0.9)	(0.2)	(0.2)	(0.2)	
Amort	0.0	(0.9)	(0.5)	(0.5)	(0.5)	NPAT (reported)	(2.5)	(1.9)	(2.8)	(1.4)	(0.9)	1.4	
EBIT	(1.4)	(4.0)	(3.0)	1.1	2.3	EPS (adjusted)	(0.012)	(0.011)	(0.012)	(0.007)	(0.004)	0.010	
Interest	(0.3)	(0.4)	(0.5)	(0.6)	(0.4)	EPS (reported)	(0.016)	(0.012)	(0.018)	(0.009)	(0.006)	0.009	
Tax	(0.0)	(0.0)	(0.0)	0.0	0.0	Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000	
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	na	na	na	na	na	na	
NPAT pre significant items	(1.7)	(4.4)	(3.5)	0.5	1.9	Free Cash flow	na	na	na	na	na	na	
Significant items	(1.5)	0.0	(0.6)	0.0	0.0	Divisionals							
NPAT (reported)	(3.2)	(4.4)	(4.1)	0.5	1.9	Traditional Scales	H120	H220	H121A	H221F	H221F	H221F	H221F
Cash flow (US\$m)						New Retail	7.8	10.2	10.2	12.0	10.6	13.6	
Y/E 31 Dec	FY19A	FY20A	FY21F	FY22F	FY23F	Total Revenue	0.1	0.2	0.4	0.9	1.2	2.0	
Adj EBITDA inc. rent	0.0	(2.3)	(2.2)	1.7	3.0	Gross profit	7.9	10.4	10.6	12.8	11.7	15.6	
Interest	(0.2)	(0.4)	(0.5)	(0.6)	(0.4)	Gross Profit Margin %	3.2	4.3	4.2	5.3	5.3	7.4	
Tax	0.2	0.0	(0.0)	(0.0)	0.0	R&D	39.7%	41.3%	39.7%	41.2%	45.0%	47.6%	
Working capital changes	(0.9)	1.1	(1.9)	(1.3)	(1.6)	General & Admin & Other							
Operating cash flow	(0.9)	(1.5)	(4.6)	(0.2)	1.0	One-off costs & Non-cash	1.4	1.9	1.6	1.8	1.2	1.0	
Mtce capex	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	Total costs	3.2	3.2	4.1	4.2	4.4	4.4	
Free cash flow	(1.1)	(1.8)	(5.0)	(0.6)	0.5	EBITDA	0.2	0.3	0.7	-	-	-	
Capitalised Software	(1.3)	0.0	(0.4)	0.0	0.0	EBITDA margin %	4.8	5.3	6.4	6.0	5.6	5.4	
Acquisitions/Disposals	(0.1)	0.0	0.0	0.0	0.0	EBITDA	(1.6)	(1.0)	(2.2)	(0.7)	(0.3)	2.0	
Other	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	(20.6%)	(9.9%)	(20.5%)	(5.6%)	(2.3%)	12.9%	
Cash flow pre financing	(2.5)	(1.8)	(5.4)	(0.6)	0.5	Margins, Leverage, Returns							
Equity	0.0	0.0	0.0	0.0	0.0	EBITDA margin %		FY19A	FY20A	FY21F	FY22F	FY23F	
Debt	0.0	0.0	0.0	0.0	0.0	EBIT margin %		(6.5%)	(14.5%)	-9.8%	6.4%	9.2%	
Net Dividends paid	0.0	0.0	0.0	0.0	0.0	NPAT margin (pre significant items)		(7.3%)	(21.9%)	-12.8%	3.9%	7.1%	
Net cash flow for year	(2.5)	(1.8)	(5.4)	(0.6)	0.5	Net Debt (Cash)		(9.3%)	(24.0%)	-14.9%	1.7%	5.9%	
Balance sheet (US\$m)						Net debt/EBITDA (x)							
Y/E 31 Dec	FY19A	FY20A	FY21F	FY22F	FY23F	ND/ND+Equity (%)							
Cash	2.6	1.5	2.4	1.8	2.3	EBIT interest cover (x)							
Accounts receivable	5.8	5.4	6.5	7.3	8.4	ROA							
Inventory	3.5	3.5	4.6	5.5	6.6	ROE							
Other current assets	1.5	1.7	2.1	2.4	2.7	NTA (per share)							
Total current assets	13.4	12.1	15.6	17.0	19.9	Working capital							
PPE	0.6	0.6	0.7	0.9	1.2	WC/Sales (%)							
Intangibles	3.2	2.3	2.2	1.8	1.3	Revenue growth							
Right of Use Asset	2.4	2.0	1.2	2.7	1.8	EBIT growth pa							
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Pricing							
Other non current assets	0.0	0.0	0.8	2.1	3.6	No of shares (y/e)							
Total non current assets	6.2	4.9	4.9	7.4	7.9	Weighted Av Dil Shares							
Total Assets	19.6	17.0	20.5	24.4	27.8	EPS Reported							
Accounts payable	1.5	2.2	2.5	2.9	3.4	EPS Normalised/Diluted							
Short term debt	4.1	4.8	5.7	6.7	7.8	EPS growth (norm/dil)							
Lease Liability	1.8	1.6	1.0	2.5	1.6	DPS							
Other	2.6	2.7	3.5	4.1	4.8	DPS Growth							
Total current liabilities	9.9	11.4	12.7	16.1	17.7	Dividend yield							
Convertible Note	0.0	0.0	5.0	5.0	5.0	Dividend imputation							
Other non current liabs	0.3	0.3	0.3	0.3	0.3	PE (x)							
Total long term liabilities	0.3	0.3	5.3	5.3	5.3	PE market							
Total Liabilities	10.2	11.7	18.0	21.4	23.0	Premium/(discount)							
Net Assets	9.5	5.3	2.5	3.0	4.9	EV/EBITDA							
Share capital	7.7	7.7	9.0	9.0	9.0	FCF/Share							
Accumulated profits/losses	(0.5)	(5.0)	(9.1)	(8.7)	(6.8)	Price/FCF share							
Reserves	1.8	2.1	2.2	2.2	2.2	Free Cash flow Yield							
Minorities	0.4	0.5	0.5	0.5	0.5								
Total Shareholder funds	9.5	5.3	2.5	3.0	4.9								

FINANCIAL SERVICES GUIDE

RaaS Advisory 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

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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RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- provide general advice to retail and wholesale clients in relation to
 - Securities
- deal on behalf of retail and wholesale clients in relation to
 - Securities

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Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)

In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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