

Structural Monitoring Systems

SMN earnings set for take off

Structural Monitoring Systems (ASX:SMN) is a vertically-integrated designer, developer, manufacturer and marketer of niche products and solutions for the aviation industry. SMN has provided guidance for FY25, undertaken a capital raise for up to \$7.2m before costs and released a Q1 FY25 trading update. FY25 revenue guidance is for \$30m-\$34m (RaaS was \$35.5m), +14% at the midpoint on FY24, and for EBITDA of between \$7.6m and \$9.1m (RaaS forecast was \$8.6m), +300% on the midpoint on FY24. Key drivers are new Aerial Firefight Radio contracts and CVM™ certification by Q3 FY25, which triggers a ~US\$2m payment by Delta Airlines for the fit-out of 71 B737 aircraft. A capital raise of up to \$7.2m at \$0.52/share is being used to fund new product R&D (60%), working capital (20%) and CVM certification (20%). Q1 FY25 EBITDA increased 70% to \$0.6m vs. Q1 FY24 on 9% revenue growth despite a skew to lower margin contract manufacturing revenues. We expect this skew to move to higher-margin company-owned products through the remainder of FY25. We adjust our numbers for guidance and the capital raise, with EPS declines of 1%-7% over the forecast period. Our DCF valuation reduces from \$0.82/share to \$0.78/share on a pro-forma basis.

Business model

SMN has three distinct business units that all have niche aviation applications at their core. AEM Avionics designs and manufactures products for special mission aviation industries. AEM Contract Manufacturing manufactures products for a select group of third-party aviation players. CVM™ Smart Sensors is in the process of commercialising a crack detection monitoring solution initially designed for use in Boeing 737 aircraft with wider applications medium term. We believe the keys to profitability for this business are the efficient utilisation of manufacturing capacity, new product development including securing key certifications and customer relationships.

Guidance supports a step change in earnings over FY25

SMN delivered a maiden profit at the EBITDA line in FY24 (\$2.4m) and management has forecast an acceleration over FY25 with guidance of \$7.6m to \$9.1m (RaaS forecast was \$8.6m) as key new products are brought to market. In Avionics, the new Aerial Firefighting Radio is expecting significant orders in H2 FY25 aided by new certifications. The company expects final certification for the CVM™ crack detection solution in Q3 FY25, which will trigger contract payments with Delta Airlines and open avenues with other airlines. As higher-margin own brands replace lower-margin contract manufacturing, we forecast revenue growth to be accompanied by an improved gross margin and lower inventory holdings, relative to revenue, further supporting earnings over the medium term.

Valuation of \$0.78/share or \$116m market cap

There are a number of niche manufacturers listed on the ASX, but most are loss making and microcap in nature. The metrics of peers we have selected as somewhat comparable have limited application when valuing SMN due to a wide variation across key multiples. As a result, we use the discounted cash flow method (DCF) as our preferred valuation methodology and derive a valuation of \$0.78/share, down from \$0.82/share post the capital raise. Key assumptions include first CVM sales in H2 FY25, medium-term penetration rates for new products and a medium-term growth rate of 10%.

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

Year end	Revenue	Adj. EBITDA	Adj. NPAT	Adj. EPS	EV/EBITDA (x)	EV/Rev (x)	PER (x)
06/23a	22.4	(0.3)	(3.3)	(0.02)	nm	5.9	nm
06/24a	27.9	2.4	(0.7)	0.000	28.8	4.8	nm
06/25f	34.2	8.5	3.7	0.030	7.8	3.3	15.1
06/26f	40.4	11.3	5.7	0.044	5.7	2.8	10.7

Source: FY23 and FY24 actual, RaaS estimates FY25f and FY26f

Technology hardware & equipment

27 November 2024

Share Details

ASX code	SMN
Share price (26-Nov)	\$0.465
Market capitalisation*	\$69.0M
Shares on issue*	148.2.4M
Net Debt at 30 Sep-24*	\$2.8M
Free float	~68%

*Pro-forma Post Raise

Share Performance (12 Months)



Upside Case

- Full CVM certification
- New product launches
- New industry use cases

Downside Case

- Further delays in CVM certification
- Increased competition
- Ability to fund growth

Catalysts

- CVM certification
- Demonstration of sustained earnings
- Access funding to accelerate growth

Board and Management

Ross Love	Executive Chair/CEO
Gary Elwell	CFO
Brian Wall	Non-Executive Director
Sam Wright	Director & Co. Secretary
Heinrich Loechteken	Non-Executive Director

RaaS Initiation Report

[Structural Monitoring Systems RaaS Initiation](#)

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September Quarter 2024 Update

Key observations from the September quarter update include:

- **Cash receipts growth of 12%** on Q1 FY24, following on from the 24% growth reported in Q4 FY24.
- **Total outflows from operations up 29%**, driven by growth in product manufacturing costs on the back of the contract manufacturing mix and some inventory build for future sales. Avionics products typically have a longer lead time in the cash cycle from production to sale.

Staff costs were well controlled, growing just 4% on Q1 FY24, offering operating leverage.

- **Revenue growth of 9%**, with Avionics -15% and contract manufacturing +35% vs, Q1 FY24. The contract manufacturing skew explains the growth in product manufacturing costs in the 4C given higher COGS.

We expect this skew to reverse over the next few quarters as Avionics orders outpace contract manufacturing.

- **EBITDA growth of 70%**, with Q1 FY25 EBITDA of \$0.6m against \$0.35m in Q1 FY24.
- **Adverse currency movements** with the AUD strengthening ~4% against the CAD from Q1 FY24 to Q1 FY25 (AEM reports in CAD).

Exhibit 1: SMN quarterly cash flows (in A\$000 unless otherwise stated)

Variable	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Cash receipts	5,336	7,505	6,546	7,941	5,967
% growth			(7)	24	12
Cash outflows	(5,184)	(6,690)	(6,434)	(8,013)	(6,666)
Product manufacturing	(1,854)	(2,837)	(2,819)	(4,063)	(3,108)
Advertising	(232)	(171)	(149)	(334)	(204)
Staff costs	(2,468)	(2,666)	(2,844)	(2,610)	(2,575)
Admin & corporate	(371)	(689)	(411)	(663)	(501)
Interest expense	(193)	(168)	(133)	(259)	(211)
Other	(66)	(159)	(78)	(84)	(67)
Cash from operating activities	152	815	112	(72)	(699)
Capex	(30)	(21)	(81)	(105)	(38)
Capitalised R&D	(275)	(376)	(351)	(156)	(229)
Other (including financing)	(462)	(734)	(709)	(294)	562
Total cash outflow	(615)	1,152	389	(627)	(404)
Beginning cash	961	346	1,498	1,887	1,260
Ending cash	346	1,498	1,887	1,260	856

Source: Company announcements

Updated Management Guidance

Separately management has provided guidance for FY25, with key assumptions including:

- **Revenue \$30m-\$34m** (midpoint \$32m), compared to RaaS estimates of \$35.4m, representing 14% growth on FY24 using the mid-point.
- **Adjusted EBITDA of \$7.6m-\$9.1m** (midpoint \$8.4m) compared to RaaS forecast of \$8.6m, representing 312% growth on FY24 using the mid-point.
- **FAA certification of the CVM™ Aft Bulkhead Pressure (ABP) solution likely in Q3 FY25.** This is key in triggering the final ~US\$2.0m (A\$2.9m) contractual payment with Delta Airlines.

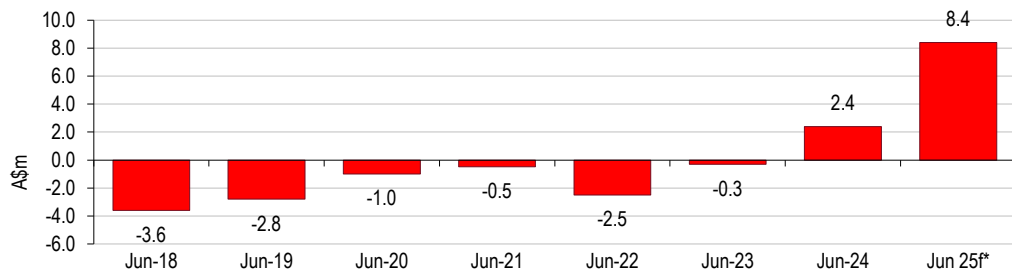
Underpinning these assumptions is the final Delta contractual payment mentioned above, together with actual and potential orders for the modern Aerial Firefighting Radio or Forest Radios with CAL Fire and other

US firefighting fleets. We expect revenue from these contracts to be at a higher gross margin than the contract manufacturing business.

Importantly all these drivers are expected to be delivered and/or contracted in Q3 FY25, implying a strong H2 revenue and earnings skew.

FY24 delivered the first positive EBITDA since the acquisition of AEM in 2017, and as Exhibit 2 shows management guidance implies an acceleration of this growth into FY25.

Exhibit 2: SMN EBITDA history – FY18-FY25f (A\$m)



Source: Company data * Midpoint of management guidance for FY25

Capital Raising

SMN has announced a capital raising for continued product development (60%), mainly relating to R&D for key Avionics products as an OEM part rather than just the aftermarket. Additional working capital (20%) will be required to deliver expected orders while further certification work for the CVM™ (20%) is also expected. Key details of the capital raise include:

- **Up to \$7.2m will be raised** comprising a completed placement of \$5.0m, a Share Purchase Plan of \$2.0m and Director Placement of \$0.2m.
- **Issue price of \$0.52/share**, a 20% discount to the five-day volume-weighted average price (VWAP).
- **Three attaching options for every four shares** with an exercise price of \$0.78/share with an expiry date of 30 November 2027.

Following the capital raise and updated earnings guidance we provided revised earnings estimates in Exhibit 3 below. We have also increased our earnings skew to H2 relative to H1 on the back of company guidance commentary and the Q1 FY25 result.

Exhibit 3: RaaS SMN earnings adjustments (in A\$m unless otherwise stated)

Variable	FY25f	FY26f	FY27f	FY28f
Revenue				
Previous	35.5	39.2	41.0	43.2
Revised	34.2	40.4	41.5	43.2
% CHG	(4)	3	1	0
Adj. EBITDA				
Previous	8.6	10.7	11.6	12.7
Revised	8.5	11.3	11.4	12.5
% CHG	(1)	5	(2)	(2)
Adj. EPS (\$)				
Previous	0.033	0.044	0.048	0.054
Revised	0.031	0.044	0.045	0.050
% CHG	(7)	(1)	(7)	(7)

Source: RaaS estimates

Listed Peer Update

The following table summarises the key financial metrics of the selected peers for FY25 and FY24 where referenced.

Exhibit 3: SMN peer group FY25f financial comparison (in A\$m unless otherwise stated)										
Company Name	Ticker	Share price (A\$)	Mkt. cap.	Net debt (cash) @ Jun-24	Adj. EBITDA ^	Revenue	FY24 GP%	FY24 WC/Rev (%)	EV/ EBITDA (x)	R&D/ Revenue (%) #
Dronesield *	DRO	0.72	628	-134.2	24.1	109.9	73	50	20.5	10
Austin Engineering	ANG	0.53	311	-5.1	60.0	350.0	61	14	5.1	Na
Veem	VEE	1.45	197	12.3	15.7	86.9	56	36	13.4	3
Fluence *	FLC	0.08	86	6.2	4.8	99.5	30	23	19.3	0
MicroX	MX1	0.06	35	-3.2	-5.6	24.9	61	27	-5.7	20
AVERAGE							56	30	nm	4
Structural Monitoring	SMN	0.47	69	-1.1	7.3	34.2	52	46	9.2	3

Sources: LSEG consensus, RaaS estimates (SMN); Prices as of 7 November 2024; *Dec Year-end # Excluding ANG and MX1
^Reported EBITDA less rent/leases (preAASB16)

Looking at SMN relative to the peer group using forecast FY25 multiples we would highlight the following:

- The same gross margin as the peer group average of (52%) in FY24, with RaaS forecasting a margin closer to 60% in FY25;
- Higher than average working capital to revenue requirements at 46% against a peer average of 25%; and
- Only two other peers (VEE and FLC) have net debt.

Valuation

Given a lack of meaningful industry peer metrics, we revert to a DCF as our primary valuation methodology. We have constructed a DCF valuation based on our earnings estimates out to FY28 and modest medium-term growth assumptions thereafter. The result is our valuation of \$0.78/share, down from \$0.82/share due to the capital raise.

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%;
- 63% penetration of the aerial firefighting radio and 40% penetration of the B737 fleet by FY28, with no further applications assumed; and
- No acquisitions.

Exhibit 4: SMN base-case DCF valuation (in A\$m unless otherwise stated)

Parameters	Outcome
Discount rate /WACC	11.2%
Beta	1.1x
Terminal growth rate assumption	2.2%
Sum of PV (\$m)	40.0
PV of terminal value (\$m)	73.8
PV of enterprise (\$m)	113.8
Debt (cash) @ June 2025 (\$m)	-1.1
Net value – shareholder (\$m)	114.9
No. of diluted shares on issue (m)	148
NPV (\$/share)	\$0.78

Source: RaaS estimates

Investment Case Revisited

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

- **Profitable at the EBITDA line.** SMN finished FY24 with a first time RaaS adjusted EBITDA profit of \$2.4m, and we forecast an acceleration in EBITDA for FY25 with adjusted EBITDA guidance of \$7.6m to \$9.1m.
- **Two fundamental drivers of growth into FY25 and beyond.** The entry of AEM’s modern Aerial Firefighting Radio solution for mission-critical applications is likely to have an addressable market of 3,000 aircraft or an estimated market opportunity of US\$45m, with RaaS estimates calling for ~65% penetration by FY28.

After ~15 years in development the Aft Pressure Bulkhead (APB) test solution CVM™ is nearing certification. The initial target of this product is Boeing 737 aircraft, of which management estimates there are 711 in the sky currently. This implies a near-term market opportunity for SMN of US\$45m on RaaS estimates. We note further applications exist across other Boeing models, other OEM models and applications outside airlines that are not incorporated in our estimates.

- **The gross margin mix is set to improve,** with existing lower margin contract manufacturing capacity to be replaced over time by the higher margin internal IP products such as CVM and the Aerial Firefighting Radio. We forecast gross margin to grow from the 52.4% reported in FY24, to closer to 65% by FY28, which also feeds into improved working capital ratios, particularly inventory.
- **Many of SMN’s products have a barrier to entry** given the certification process across a range of aviation authorities and special mission authorities. To aid this process a number of products are designed in conjunction with these authorities and users in mind.
- **Options to accelerate growth.** Despite the recent capital raise SMN is somewhat constrained in the areas of manufacturing capacity and marketing given existing facilities and funding options respectively. A more aggressive rollout of products via expanding manufacturing capacity and new markets could fast track growth over and above that forecast by RaaS currently.
- **Valuation.** There are a number of niche manufacturers listed on the ASX, but our selected comparables have limited application due to significant variation across key multiples. As a result, we defer to a DCF valuation and arrive at \$0.78/share.

Exhibit 5: SMN Financial Summary

Structural Monitoring Systems (SMN.ASX)						Share price (26 November 2024)						A\$	0.465							
Profit and Loss (A\$m)						Interim (A\$m)						H123	H223	H124	H224	H125F	H225F			
Y/E 30 June	FY22A	FY23A	FY24A	FY25F	FY26F	Revenue	10.1	12.3	13.3	14.6	15.8	18.4	Revenue	10.1	12.3	13.3	14.6	15.8	18.4	
Revenue	15.7	22.4	27.9	34.2	40.4	EBIT DA	(0.2)	(0.1)	0.7	1.7	2.4	6.1	EBIT DA	(0.2)	(0.1)	0.7	1.7	2.4	6.1	
Gross Profit	8.0	11.6	14.6	21.0	25.0	EBIT	(1.5)	(1.2)	(0.5)	0.6	1.3	4.9	EBIT	(1.5)	(1.2)	(0.5)	0.6	1.3	4.9	
Operating costs	10.5	11.9	12.2	12.5	13.8	NPAT (adjusted)	(1.8)	(1.6)	(0.8)	0.1	0.5	3.2	NPAT (adjusted)	(1.8)	(1.6)	(0.8)	0.1	0.5	3.2	
Underlying EBITDA	(2.5)	(0.3)	2.4	8.5	11.3	Adjustments	0.5	(0.5)	(0.9)	0.5	0.0	0.0	Adjustments	0.5	(0.5)	(0.9)	0.5	0.0	0.0	
Depn	(0.6)	(1.6)	(1.5)	(1.6)	(1.6)	NPAT (reported)	(1.3)	(2.0)	(1.7)	0.6	0.5	3.2	NPAT (reported)	(1.3)	(2.0)	(1.7)	0.6	0.5	3.2	
Amort	(1.0)	(0.7)	(0.7)	(0.7)	(0.7)	EPS (normalised)	(0.010)	(0.015)	(0.013)	0.005	0.004	0.024	EPS (normalised)	(0.010)	(0.015)	(0.013)	0.005	0.004	0.024	
EBIT	(4.1)	(2.6)	0.1	6.2	8.9	EPS (reported)	(0.010)	(0.010)	0.005	0.005	0.004	0.024	EPS (reported)	(0.010)	(0.010)	0.005	0.005	0.004	0.024	
Interest	0.0	(0.7)	(0.7)	(0.9)	(0.8)	Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000	Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000	
Tax	0.0	0.0	(0.1)	(1.6)	(2.4)	Operating cash flow	na	na	na	na	na	na	Operating cash flow	na	na	na	na	na	na	
Adj. NPAT	(4.1)	(3.3)	(0.7)	3.7	5.7	Divisionals	H123	H223	H124	H224	H125F	H225F	Revenue	10.1	12.3	13.3	14.6	15.8	18.4	
Adjustments	0.4	(0.0)	(0.3)	0.0	0.0	Avionics	4.6	4.8	4.5	6.6	6.8	9.0	Avionics	4.6	4.8	4.5	6.6	6.8	9.0	
Adjusted NPAT	(3.6)	(3.3)	(1.0)	3.7	5.7	Contract Manufacturing	5.3	7.3	8.7	8.0	8.8	6.4	Contract Manufacturing	5.3	7.3	8.7	8.0	8.8	6.4	
Minorities	0.0	0.0	0.0	0.0	0.0	CVM	0.2	0.2	0.1	0.0	0.1	3.0	CVM	0.2	0.2	0.1	0.0	0.1	3.0	
NPAT (reported)	(3.6)	(3.3)	(1.0)	3.7	5.7	Operating Costs							COGS	5.3	5.6	7.4	5.9	7.3	5.9	
Cash flow (A\$m)						Operating Costs														
Y/E 30 June	FY22A	FY23A	FY24A	FY25F	FY26F	Employee (ex SBP)	3.7	4.6	3.5	5.2	4.0	4.5	Employee (ex SBP)	3.7	4.6	3.5	5.2	4.0	4.5	
EBITDA (inc cash rent)	(2.9)	(1.5)	1.2	7.3	10.1	Sales & Marketing	0.4	0.7	1.0	0.1	1.1	0.1	Sales & Marketing	0.4	0.7	1.0	0.1	1.1	0.1	
Interest	0.0	(0.7)	(0.7)	(0.9)	(0.8)	R&D	0.1	0.5	0.1	0.8	0.2	0.8	R&D	0.1	0.5	0.1	0.8	0.2	0.8	
Tax	0.7	0.2	0.2	(1.6)	(2.4)	General & Admin	0.9	1.0	0.7	1.0	0.8	1.1	General & Admin	0.9	1.0	0.7	1.0	0.8	1.1	
Working capital/Other	(1.9)	0.0	(0.2)	(3.2)	(1.2)	Total costs	10.3	12.3	12.6	12.9	13.4	12.3	Total costs	10.3	12.3	12.6	12.9	13.4	12.3	
Operating cash flow	(4.1)	(2.0)	0.5	1.6	5.6	EBITDA	(0.2)	(0.1)	0.7	1.7	2.4	6.1	EBITDA	(0.2)	(0.1)	0.7	1.7	2.4	6.1	
Capitalised IT spend	(0.6)	(1.1)	(1.2)	(1.0)	(1.1)	EBIT DA margin	(2.3%)	(0.5%)	5.1%	11.7%	15.2%	33.0%	EBIT DA margin	(2.3%)	(0.5%)	5.1%	11.7%	15.2%	33.0%	
Capex	(0.3)	(0.3)	(0.2)	(1.2)	(1.3)	D&A	-1.2	-1.1	-1.1	-1.2	-1.2	-1.1	D&A	-1.2	-1.1	-1.1	-1.2	-1.2	-1.1	
Free cash flow	(5.1)	(3.4)	(0.9)	(0.6)	3.3	EBIT	-1.5	-1.2	-0.5	0.6	1.3	4.9	EBIT	-1.5	-1.2	-0.5	0.6	1.3	4.9	
Acquisitions/Disposals	(4.4)	0.0	0.0	0.0	0.0	Margins, Leverage, Returns		FY22A	FY23A	FY24A	FY25F	FY26F	Margins, Leverage, Returns		FY22A	FY23A	FY24A	FY25F	FY26F	
Other	(1.2)	1.2	0.0	(0.4)	0.0	EBIT DA margin %		-15.8%	-1.3%	8.5%	24.8%	27.9%	EBIT DA margin %		-15.8%	-1.3%	8.5%	24.8%	27.9%	
Cash flow pre financing	(10.6)	(2.3)	(0.9)	(1.0)	3.3	EBIT margin %		-26.3%	-11.8%	0.4%	18.1%	22.1%	EBIT margin %		-26.3%	-11.8%	0.4%	18.1%	22.1%	
Equity Issues	4.8	1.8	0.9	7.2	0.0	NPAT margin (pre significant items)		-23.2%	-15.0%	-3.7%	10.8%	14.2%	NPAT margin (pre significant items)		-23.2%	-15.0%	-3.7%	10.8%	14.2%	
Debt	(5.5)	0.0	(0.2)	1.0	(1.0)	Net Debt (Cash)			3.7	4.5	5.1	-1.1	Net Debt (Cash)			3.7	4.5	5.1	-1.1	
Net Dividends paid	0.0	0.0	0.0	0.0	0.0	Net debt/EBIT DA (x)	(x)	-1.5 x	-15.3 x	2.1 x	-0.1 x	-0.4 x	Net debt/EBIT DA (x)	(x)	-1.5 x	-15.3 x	2.1 x	-0.1 x	-0.4 x	
Change in cash	(11.2)	(0.4)	(0.2)	7.2	2.3	NDND+Equity (%)	(%)	(29.6%)	(42.7%)	(53.1%)	4.3%	12.3%	NDND+Equity (%)	(%)	(29.6%)	(42.7%)	(53.1%)	4.3%	12.3%	
Balance sheet (A\$m)						EBIT interest cover (x)														
Y/E 30 June	FY22A	FY23A	FY24A	FY25F	FY26F	ROA		nm	nm	0.3%	15.8%	18.4%	ROA		nm	nm	0.3%	15.8%	18.4%	
Cash	1.8	1.0	1.3	8.5	10.7	ROE		nm	nm	(1.8%)	4.6%	5.0%	ROE		nm	nm	(1.8%)	4.6%	5.0%	
Accounts receivable	3.0	2.0	2.6	3.2	3.7	ROIC		nm	nm	nm	nm	nm	ROIC		nm	nm	nm	nm	nm	
Inventory	11.3	13.5	14.0	17.9	19.8	NTA (per share)		0.06	0.06	0.06	0.14	0.18	NTA (per share)		0.06	0.06	0.06	0.14	0.18	
Other current assets	1.7	0.6	0.6	0.6	0.6	Working capital		10.7	11.6	12.8	16.4	18.0	Working capital		10.7	11.6	12.8	16.4	18.0	
Total current assets	17.8	17.0	18.4	30.1	34.8	WC/Sales (%)		67.9%	51.6%	45.7%	47.9%	44.7%	WC/Sales (%)		67.9%	51.6%	45.7%	47.9%	44.7%	
Plant & Equipment	1.7	1.6	1.3	2.1	3.0	Revenue growth		2.4%	42.5%	24.7%	22.5%	17.9%	Revenue growth		2.4%	42.5%	24.7%	22.5%	17.9%	
RoU assets	8.8	7.6	6.4	5.2	4.0	EBIT growth pa		na	na	(103.9%)	5978.7%	43.8%	EBIT growth pa		na	na	(103.9%)	5978.7%	43.8%	
Intangibles	7.1	7.4	6.8	7.0	7.3	Pricing		FY22A	FY23A	FY24A	FY25F	FY26F	Pricing		FY22A	FY23A	FY24A	FY25F	FY26F	
Other	0.0	0.0	0.0	1.2	2.0	No of shares (y/e)	(m)	123.7	132.8	136.8	144.6	148.2	No of shares (y/e)	(m)	123.7	132.8	136.8	144.6	148.2	
Total non current assets	17.7	16.6	14.4	15.5	16.4	Weighted Av Dil Shares	(m)	123.7	132.8	136.8	144.6	148.2	Weighted Av Dil Shares	(m)	123.7	132.8	136.8	144.6	148.2	
Total Assets	35.5	33.7	32.8	45.6	51.2	EPS Reported	cps	(0.029)	(0.025)	(0.008)	0.026	0.039	EPS Reported	cps	(0.029)	(0.025)	(0.008)	0.026	0.039	
Accounts payable	3.7	3.9	3.8	4.6	5.5	EPS Adjusted	cps	(0.025)	(0.019)	0.000	0.031	0.044	EPS Adjusted	cps	(0.025)	(0.019)	0.000	0.031	0.044	
Borrowings	5.5	4.2	5.3	6.3	5.3	EPS growth (norm/dil)		na	na	-101%	19933%	42%	EPS growth (norm/dil)		na	na	-101%	19933%	42%	
Lease liabilities	1.2	1.2	1.3	1.3	1.3	DPS	cps	0.000	0.000	0.000	0.000	0.000	DPS	cps	0.000	0.000	0.000	0.000	0.000	
Other	0.1	0.1	0.1	0.1	0.1	DPS Growth		na	na	na	na	na	DPS Growth		na	na	na	na	na	
Total current liabilities	10.5	9.4	10.6	12.5	12.3	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	
Borrowings	0.0	1.2	1.0	1.0	1.0	Dividend imputation		0	0	0	0	0	Dividend imputation		0	0	0	0	0	
Lease liabilities	8.7	7.8	6.1	6.1	6.1	PE (x)		-18.7	-23.9	3029.1	15.1	10.7	PE (x)		-18.7	-23.9	3029.1	15.1	10.7	
Other	0.3	0.4	0.5	0.5	0.5	PE market		18.0	18.0	18.0	18.0	18.0	PE market		18.0	18.0	18.0	18.0	18.0	
Total long term liabilities	9.0	9.4	7.6	7.6	7.6	Premium/(discount)		nm	nm	nm	(16.0%)	(40.8%)	Premium/(discount)		nm	nm	nm	(16.0%)	(40.8%)	
Total Liabilities	19.5	18.7	18.2	20.1	19.9	EV/EBITDA		(24.6)	(227.6)	28.8	7.8	5.7	EV/EBITDA		(24.6)	(227.6)	28.8	7.8	5.7	
Net Assets	16.0	14.9	14.6	25.6	31.3	FCF/Share	cps	-4.10	-2.57	-0.66	-0.40	2.20	FCF/Share	cps	-4.10	-2.57	-0.66	-0.40	2.20	
Share capital	32.0	32.0	32.0	39.2	39.2	Price/FCF share		-11.34	-18.10	-69.98	-115.22	21.18	Price/FCF share		-11.34	-18.10	-69.98	-115.22	21.18	
Reserves	41.3	43.2	44.6	44.6	44.6	Free Cash flow Yield		(9.0%)	(3.3%)	(1.3%)	(0.8%)	4.7%	Free Cash flow Yield		(9.0%)	(3.3%)	(1.3%)	(0.8%)	4.7%	
Retained Earnings	(57.3)	(60.3)	(62.0)	(58.2)	(52.5)															
Minorities	0.0	0.0	0.0	0.0	0.0															
Total Shareholder funds	16.0	<																		

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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