Research as a Service

# Airtasker Limited

**Update Report**

## Upping the media capital ante

Online Marketplace

**5 December 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. ART has announced an additional three media capital deals following on from recent Australian agreements with ARN Media and oOh!media, US agreements with iHeartMedia and TelevisaUnivision, and UK agreement with Chanel 4. Additional deals in the US have been announced with Sinclair Media ($9.2m) and Mercurius Media ($9.2m), together with an extension of the Chanel 4 deal in the UK ($7.8m). This brings the total of recent media deals to $51.6m which is likely to supercharge international growth in the medium term. These deals appear low risk for ART, incentivising success for the media player and providing ART the choice on repayment options. As with previous media capital deals, we have lowered reported near-term EBITDA but boosted longer-term revenue and EBITDA. 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 an unchanged Sum of The Parts (SoTP) valuation of $0.51/share, but an increased DCF to $0.68/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 customers and taskers at the point of connection, task completion or in certain cases task cancelation. The business began in Australia in 2011, entered the UK market in 2018 and the US market in 2021, with both these 'new' 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.

## Media capital deals now total ~$51m

New Australian media capital spend totalling $11.0m began in August with billboards (oOh!media) and will accelerate in the seasonally strong Q2 and Q3 across both billboards and radio (ARN Media). UK media capital spend has been extended to the tune of $7.8m and will include entry into new cities, while new partners have been added in the US in the form of Sinclair ($9.2m) and Mercurius Media ($9.2m), adding to the recent deals with iHeartMedia ($7.4m) and TelevisaUnivision ($7.0m), which is set to ramp-up in H2FY25 and H1 FY26. This spend is likely to see some immediate revenue growth but is considered more brand building in nature and therefore benefits likely to continue over the medium term.

## SoTP valuation of $0.51/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 for short-term valuation. 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 estimated international investment to date, and combined we value ART at $0.51/share (unchanged from previous). Our Discounted Cash Flow (DCF) model is used as a sense check and guide to medium-term valuation and has increased from $0.57/share to $0.68/share.

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

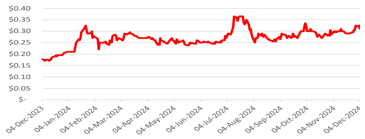
| Year end | GMV | Revenue | EBITDA adj. | NPAT adj. | EPS adj. (cps) | EV/EBITDA (x) | EV/Rev (x) |
|---|---|---|---|---|---|---|---|
| 06/23a | 197.4 | 44.1 | (6.0) | (11.1) | (0.02) | nm | 3.1 |
| 06/24a | 190.6 | 46.8 | 1.2 | (3.4) | 0.00 | 113.2 | 3.3 |
| 06/25f | 222.2 | 57.2 | (12.2) | (15.3) | (0.03) | nm | 2.7 |
| 06/26f | 285.6 | 70.4 | (1.0) | (3.6) | (0.002) | nm | 2.2 |

Source: Company data for FY23 and FY24 actuals, RaaS estimates for FY25f and FY26f

### Share Details

| | |
|---|---|
| ASX code | ART |
| Share price (4-Dec) | $0.31 |
| Market capitalisation | $140.1M |
| Shares on issue | 452.0M |
| Cash at 30-Sep-24 | $17.9M |
| Free float | ~54% |

### Share Performance (12 Months)




### Upside Case

- Market-share gains in Australia, UK and US
- Improved discretionary spending environment in Australia
- Retaining 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 deals translate to new customers
- Narrowing of International losses

### Board of Directors

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

### Latest RaaS Interview

Airtasker RaaS Interview 5 December 2024

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## Summary Of ART Media Capital Deals

Since late 2023 ART has now signed media capital partnerships totalling ~$51m across Australia, the US and the UK.

The structure of these deals is generally low risk for ART, receiving upfront media advertising in the first two-three years of the partnership and paying for such advertising at a later date structured around the success of each campaign, often with options around equity in international subsidiaries or cash payments at ART's discretion.

The face value of the advertising media inventory is expensed through the P&L as it is used but is non-cash in nature. Such spend continues to be supported by cash advertising spend.

The nature of this advertising does not necessarily see instant returns as it is brand building in nature and as a result while likely to produce some short-term benefits should have continued benefits in terms of GMV and revenue into future halves/years.

We summarise each deal by region below.

### Australia

ART has signed media capital deals totalling $11.0m with ARN Media (ASX:A1N) and oOh!media (ASX:OML) in July 2024 and June 2024 respectively. ART began running billboard adds with OML in August and will commence a radio campaign with A1N in the December quarter.

Using an $80 customer acquisition cost (CAC) to derive potential new customers and resulting new customer spend based on existing customer spend metrics, we estimate a revenue uplift over the FY25-FY26 period of $13m, representing 28% of the FY24 base. This number is before any other benefits from cash advertising spend, assumptions around a cyclical recovery in Australia or FY25 new customers repeat usage in FY26.

ART spent just $2.3m or 1.3% of GMV in FY24 on Airtasker Australia to generate ~$37m in revenue, with this metric forecast by RaaS to be closer to 4.0% in FY25.

### The UK

An initial UK media deal with Channel 4 was signed in late 2023 and has seen ~$4.4m of the $6.7m in spend used up to June 2024, with the remaining $2.3m forecast to be used over H1 FY25. UK revenue growth was +76% in Q4 FY24, accelerating to 104% in Q1 FY25.

A follow-on investment of $7.8m was announced in November 2024, with advertising inventory provided over three years in exchange for a three-year convertible note with a 5% coupon. At maturity ART holds the option to repay the note in cash or convert the note into equity in the UK subsidiary at a 10% discount to an agreed valuation.

Our numbers assume all this new media inventory will be used over the next 12-18 months, with spend in new cities likely.

### The US

ART announced its first media capital deals in the US in September 2024 with a two-pronged approach across language barriers. The first was with iHeartMedia (NASDAQ:IHRT), which will provide ART with US$5m (A$7.4m) in advertising inventory over two years in exchange for a four-year convertible note with a 5.0% coupon rate.

The second is with Spanish-language content and media company TelevisaUnivision, who will provide ART with US$4.75m (A$7.0m) in advertising inventory in exchange for a 17.1% equity stake in Airtasker USA. This deal addresses the large Hispanic population of Los Angeles, the major US city focus for ART.

For both of these partnerships we assume this media inventory is used over FY25 and FY26 with a 60/40 split respectively across years.

A new Sinclair Media partnership was announced in November 2024, with Sinclair providing A$9.2m in advertising inventory over three years in exchange for a four-year unsecured convertible note with a 5% coupon. At maturity ART has the option of repaying this note or converting the Sinclair note into equity in Airtasker USA at a 20% discount to an agreed valuation.

A new Mercurius partnership was announced in November 2024, with Mercurius providing A$9.2m in advertising inventory over two years in exchange for a 4-year unsecured convertible note with a 5% coupon. At maturity ART has the option of repaying this note or converting the Mercurius note into equity in Airtasker USA at a 20% discount to an agreed valuation.

For the new US deals we assume this media inventory is used from H2 FY25 to H1FY27 with a skew to the first 18 months.

The US is coming from a much lower base than the UK, and with an advertising inventory pool twice the size of the UK should result in accelerated GMV and revenue growth in coming years.

Exhibit 1 below summarises RaaS estimates for advertising expenses by deal and region by half year to FY27.

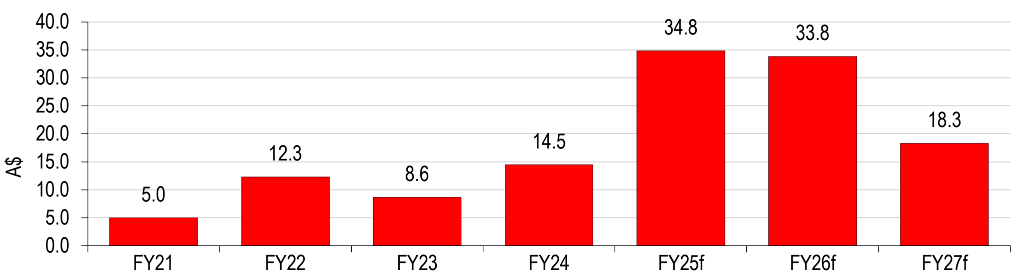
**Exhibit 1: ART advertising spend by half year (in A$m unless otherwise stated)**

| Media capital deal | H1FY25 | H2FY25 | H1FY26 | H2FY26 | H1FY27 | H2FY27 |
|---|---|---|---|---|---|---|
| Channel 4 (UK) | 2.3 | 3.1 | 3.1 | 1.6 | 0.0 | 0.0 |
| OML/ARN (Australia) | 3.0 | 3.5 | 2.3 | 2.3 | 0.0 | 0.0 |
| iHeartMedia/TelevisaUnivision (US) | 3.0 | 5.6 | 2.9 | 2.9 | 0.0 | 0.0 |
| Sinclair/Mercurius (US) | 0.0 | 4.6 | 4.6 | 3.7 | 3.7 | 1.8 |
| Cash spend | 5.0 | 4.8 | 5.3 | 5.3 | 6.4 | 6.4 |
| **Total** | **13.3** | **21.6** | **18.2** | **15.6** | **10.1** | **8.2** |

Source: RaaS estimates

Exhibit 2 below summarises the total historical and RaaS forecast advertising spend by full year between FY21 and FY27, highlighting the significant uplift in FY25 and FY26.

**Exhibit 2: ART advertising spend by full-year (in A$m unless otherwise stated)**




Source: Company data and RaaS estimates (FY25-FY27)

### Earnings adjustments

ART reported an EBITDA loss in Q1 FY25 of $2.7m against +$1.1m in Q1 FY24, the result of accelerated advertising spend including non-cash media capital spend in Australia and the UK, which was in-line with RaaS estimates.

We adjusted our FY25-FY27 estimates post Q1 FY25 on the back of the timing assumptions around the utilisation of media capital and now adjust further for the additional media partnerships announced with Sinclair and Mercurius in the US, and the extension with Channel 4 in the UK.

The result is a further reduction in reported EBITDA estimates in FY25 and FY26 but an increase in FY27 as higher revenues associated with the increased advertising drive operational leverage.

**Exhibit 3: RaaS ART earnings adjustments (in A$m unless otherwise stated)**

| Variable | FY25f | FY26f | FY27f | FY28f |
|---|---|---|---|---|
| **Revenue** | | | | |
| Previous | 56.9 | 67.9 | 77.5 | 88.7 |
| Revised | 57.2 | 70.4 | 85.0 | 105.2 |
| **% CHG** | **0** | **4** | **10** | **19** |
| **Adj. EBITDA** | | | | |
| Previous | (4.9) | 10.1 | 26.7 | 34.3 |
| Revised | (12.4) | (0.7) | 26.3 | 46.0 |
| **% CHG** | **nm** | **(107)** | **(2)** | **34** |
| **Adj. EPS ($)** | | | | |
| Previous | (0.011) | 0.023 | 0.043 | 0.055 |
| Revised | (0.027) | (0.001) | 0.042 | 0.073 |
| **% CHG** | **156** | **(104)** | **(1)** | **33** |

Source: RaaS estimates

## 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 FY25f EBITDA multiple of RaaS selected peers (12.5x) to RaaS Australian FY25f EBITDA estimates using company divisional disclosures as a guide.

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 initial UK media deal with Channel 4.

The resulting valuation is $0.51/share but is short term in nature.

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**Exhibit 4: ART Sum of The Parts valuation – FY25 (in A$m unless otherwise stated)**

| Division | FY25f adj. EBITDA | Revenue | EBITDA multiple(x) | Revenue multiple(x) | Valuation |
|---|---|---|---|---|---|
| Australia | 15.8 | 54.5 | 12.5 | 3.6 | 198 |
| International * | (20.6) | 2.4 | | 8.1 | 19 |
| **Group** | (4.8) | 56.9 | | | **217** |
| | | | | | |
| Add net cash (Sep-24) | | | | | 18 |
| Less 20% of UK | | | | | (4) |
| **VALUATION** | | | | | **231** |
| | | | | | |
| Shares on issue (m) | | | | | 452 |
| **EQUITY VALUE** | | | | | **$0.51** |

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

### Discounted Cash Flow

As a sense check we use a DCF valuation for more of a medium-term guide to valuation, better capturing the forecast benefits of current media capital spend for international revenue using RaaS earnings estimates out to FY28 and modest medium-term growth assumptions thereafter. The result is a valuation of $0.72/share, up from $0.57/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;
- All convertible note liabilities associated with the media capital deals added to the reported net cash position at September 2024;
- Unchanged shares on issue; and
- No acquisitions.

**Exhibit 5: ART base-case DCF valuation**

| Parameters | Outcome |
|---|---|
| Discount rate /WACC | 11.2% |
| Beta | 1.1x |
| Terminal growth rate assumption | 2.2% |
| | |
| Sum of PV ($m) | 121.1 |
| PV of terminal value ($m) | 213.6 |
| PV of enterprise ($m) | 334.7 |
| Debt (cash) @ Sep 2024 adjusted for CN's ($m) | 27.8 |
| Net value – shareholder ($m) | 306.9 |
| No. of diluted shares on issue (m) | 452 |
| NPV ($/share) | **0.68** |

Source: RaaS estimates

## Investment Case Revisited

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 $245 in FY24.

- **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 was weak between June 2023 and March 2024, correlating with Airtasker's Australian GMV over the same period. With real wage growth, stage-three tax cuts, the prospect of interest rate cuts and weak comparables, ART appears to be well positioned to benefit from a discretionary spending recovery in Australia.

- **Australian recovery could be amplified by two new media deals totalling $11.2m**. Recent media capital deals with ARN Media and oOh!media are likely to amplify GMV and revenue growth in FY25 and FY26. Our analysis suggests these deals could add an additional $13m 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 than the US with a $6.7m contra media deal with the UK's Channel 4 signed June 2023, and a follow-on investment in November 2024 of $7.8m over two years.

  In the US a $14.4m US media capital deal with iHeartMedia and TelevisaUnivision was signed in September 2024, and additional partnerships with Sinclair and Mercurius totalling $18.4m in November 2024. Such investment is set to supercharge US growth off a very low base.

- **Strong balance sheet**. ART ended September 2024 with net cash of $17.9m, providing significant optionality for growth across both Australia and internationally.

- **Cash-flow positive in FY24 and a focus for FY25**. 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, with a clear focus of repeating this in FY25.

## Exhibit 4: ART Financial Summary

| Airtasker (ART.ASX) | | | | | |
|---|---|---|---|---|---|
| **Profit and Loss (A$m)** | | | | | |
| **Y/E 30 June** | **FY22A** | **FY23A** | **FY24A** | **FY25F** | **FY26F** |
| Airtasker GMV | 186.6 | 197.4 | 190.6 | 222.2 | 285.6 |
| **Revenue** | **31.6** | **44.1** | **46.8** | **57.2** | **70.4** |
| Operating costs | 46.3 | 50.1 | 45.6 | 69.4 | 71.4 |
| **Underlying EBITDA** | **(14.7)** | **(6.0)** | **1.2** | **(12.2)** | **(1.0)** |
| Depn | (0.9) | (1.0) | (0.7) | (0.9) | (0.9) |
| Amort | (2.6) | (3.8) | (3.8) | (3.2) | (2.9) |
| **EBIT** | **(18.2)** | **(10.8)** | **(3.3)** | **(16.3)** | **(4.8)** |
| Interest | 0.0 | (0.3) | (0.1) | 1.0 | 1.2 |
| Tax | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Adj. NPAT** | **(18.2)** | **(11.1)** | **(3.4)** | **(15.3)** | **(3.6)** |
| Adjustments | (2.2) | (1.8) | (0.9) | 0.0 | 0.0 |
| **Adjusted NPAT** | **(20.4)** | **(12.9)** | **(4.3)** | **(15.3)** | **(3.6)** |
| Minorities | 0.0 | 0.0 | 1.5 | 0.7 | 0.5 |
| **NPAT (reported)** | **(20.4)** | **(12.9)** | **(2.8)** | **(14.6)** | **(3.1)** |
| **Cash flow (A$m)** | | | | | |
| **Y/E 30 June** | **FY22A** | **FY23A** | **FY24A** | **FY25F** | **FY26F** |
| EBITDA (Inc. rent) | (15.3) | (6.8) | 0.7 | (12.7) | (1.5) |
| Interest | 0.0 | (0.3) | (0.1) | 1.0 | 1.2 |
| Tax | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Add Media Capital/WC | 1.0 | (3.5) | 4.8 | 26.6 | 24.2 |
| **Operating cash flow** | **(14.2)** | **(10.6)** | **5.3** | **14.9** | **23.9** |
| Capitalised IT spend | (4.6) | (3.4) | (1.9) | (2.0) | (1.8) |
| **Free cash flow** | **(18.8)** | **(14.0)** | **3.4** | **12.9** | **22.1** |
| Capex | 0.0 | (0.3) | 0.0 | 0.0 | 0.0 |
| Acquisitions/Disposals | (2.4) | (0.1) | 0.6 | 0.0 | 0.0 |
| Other | (0.1) | (0.2) | 0.0 | 0.0 | 0.0 |
| **Cash flow pre financing** | **(21.3)** | **(14.6)** | **4.0** | **12.9** | **22.1** |
| 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)** | **4.0** | **12.9** | **22.1** |
| **Balance sheet (A$m)** | | | | | |
| **Y/E 30 June** | **FY22A** | **FY23A** | **FY24A** | **FY25F** | **FY26F** |
| Cash | 23.7 | 16.1 | 17.2 | 30.1 | 52.2 |
| Accounts receivable | 0.2 | 0.3 | 0.5 | 0.6 | 0.7 |
| Financial Assets | 4.5 | 1.0 | 0.5 | 0.5 | 0.5 |
| Other current assets | 1.7 | 8.7 | 10.1 | 30.5 | 7.3 |
| *Total current assets* | *30.2* | *26.1* | *28.4* | *61.8* | *60.6* |
| Goodwill | 14.1 | 14.2 | 14.2 | 14.2 | 14.2 |
| Capitalised software | 9.0 | 7.9 | 5.9 | 4.7 | 3.6 |
| Right of use asset | 0.9 | 2.4 | 1.9 | 1.4 | 0.8 |
| Other | 0.7 | 0.3 | 0.1 | 1.6 | 3.3 |
| *Total non current assets* | *24.7* | *24.8* | *22.2* | *21.9* | *22.0* |
| **Total Assets** | 54.8 | 51.0 | 50.5 | 83.7 | 82.6 |
| Accounts payable | 7.3 | 3.9 | 2.7 | 4.3 | 5.3 |
| Contract & lease liabilities | 2.2 | 2.6 | 2.6 | 2.6 | 2.6 |
| Employee benefits | 1.6 | 1.3 | 1.1 | 1.2 | 1.3 |
| Unclaimed customer credi | 4.7 | 4.6 | 2.9 | 3.4 | 4.3 |
| Other | 0.9 | 0.3 | 0.2 | 0.0 | 0.0 |
| *Total current liabilities* | *16.7* | *12.6* | *9.5* | *11.6* | *13.6* |
| Long term debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other non current liabs | 1.2 | 9.2 | 8.4 | 54.1 | 54.1 |
| *Total long term liabilities* | *1.2* | *9.3* | *8.4* | *54.1* | *54.1* |
| **Total Liabilities** | 17.9 | 21.9 | 17.9 | 65.7 | 67.7 |
| **Net Assets** | **36.9** | **29.1** | **32.6** | **18.0** | **14.9** |
| | | | | | |
| Share capital | 133.8 | 137.4 | 137.4 | 137.4 | 137.4 |
| Reserves | 18.2 | 19.3 | 27.3 | 27.3 | 27.3 |
| Retained Earnings | (115.0) | (127.9) | (130.8) | (145.4) | (148.5) |
| Minorities | 0.0 | 0.2 | (1.3) | (1.3) | (1.3) |
| **Total Shareholder funds** | **37.0** | **29.1** | **32.6** | **18.0** | **14.9** |

| Share price (3 December 2024) | | | | | A$ | 0.325 |
|---|---|---|---|---|---|---|
| **Interim (A$m)** | **H123** | **H223** | **H124** | **H224** | **H125f** | **H225f** |
| Revenue | 21.8 | 22.3 | 23.5 | 23.3 | 29.2 | 28.0 |
| EBITDA | (2.5) | (3.5) | 2.5 | (1.4) | (1.3) | (10.9) |
| EBIT | (5.1) | (5.8) | 0.2 | (3.5) | (3.4) | (13.0) |
| NPAT (adjusted) | (5.2) | (5.9) | 0.0 | (3.4) | (2.9) | (12.5) |
| Adjustments | (1.1) | (0.7) | 0.4 | 0.3 | 0.4 | 0.3 |
| NPAT (reported) | (6.3) | (6.6) | 0.4 | (3.1) | (2.5) | (12.2) |
| EPS (normalised) | (0.014) | (0.015) | 0.001 | (0.008) | (0.006) | (0.027) |
| EPS (reported) | (0.014) | (0.014) | (0.008) | (0.008) | (0.006) | (0.027) |
| 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** | **H224** | **H125f** | **H225f** |
| GMV | 131.6 | 122.1 | 123.6 | 119.5 | 141.1 | 135.7 |
| **Revenue** | **21.8** | **22.3** | **23.5** | **23.3** | **29.2** | **28.0** |
| Australia | 21.4 | 21.8 | 22.9 | 22.5 | 28.2 | 26.4 |
| International | 0.4 | 0.5 | 0.6 | 0.8 | 1.0 | 1.6 |
| Monetisation rate | 16.6% | 18.3% | 19.0% | 19.5% | 20.7% | 20.6% |
| **Operating Costs** | | | | | | |
| Employee (ex SBP) | 14.1 | 14.6 | 10.1 | 10.4 | 11.4 | 11.5 |
| Sales & Marketing | 3.7 | 4.9 | 5.5 | 9.0 | 10.3 | 11.4 |
| IT | 2.9 | 2.9 | 2.7 | 2.5 | 2.8 | 2.6 |
| General & Admin | 3.6 | 3.3 | 2.7 | 2.9 | 3.1 | 3.2 |
| **Total costs** | **24.4** | **25.8** | **20.9** | **24.7** | **27.5** | **28.7** |
| | | | | | | |
| **EBITDA** | **(2.5)** | **(3.5)** | **2.5** | **(1.4)** | **1.7** | **(0.7)** |
| EBITDA margin | (11.6%) | (15.6%) | 10.9% | (5.9%) | 5.8% | (2.5%) |
| D&A | -2.5 | -2.3 | -2.4 | -2.1 | -2.1 | -2.1 |
| **EBIT** | **-5.1** | **-5.8** | **0.2** | **-3.5** | **-0.4** | **-2.8** |
| Margins, Leverage, Returns | | **FY22A** | **FY23A** | **FY24A** | **FY25F** | **FY26F** |
| EBITDA margin % | | -46.6% | -13.6% | 2.5% | -21.3% | -1.4% |
| EBIT margin % | | -57.7% | -24.6% | -7.1% | -28.6% | -6.8% |
| NPAT margin (pre significant items) | | -64.6% | -29.3% | -9.2% | -26.8% | -5.1% |
| Net Debt (Cash) | | -21.5 | -13.4 | -14.6 | -27.5 | -49.6 |
| Net debt/EBITDA (x) | (x) | 1.5 x | 2.2 x | -12.5 x | 2.3 x | 50.8 x |
| ND/ND+Equity (%) | (%) | 36.8% | 31.5% | 30.9% | 60.4% | 76.9% |
| EBIT interest cover (x) | (x) | n/a | n/a | n/a | n/a | n/a |
| ROA | | nm | nm | (6.6%) | (24.3%) | (5.8%) |
| ROE | | nm | nm | nm | 12.7% | 33.5% |
| ROIC | | nm | nm | nm | (35.2%) | (8.7%) |
| **NTA (per share)** | | 0.05 | 0.03 | 0.04 | 0.01 | 0.00 |
| **Working capital** | | -2.5 | -2.5 | -1.7 | -3.2 | -4.2 |
| **WC/Sales (%)** | | **(8.1%)** | **(5.7%)** | **(3.7%)** | **(5.7%)** | **(5.9%)** |
| **Revenue growth** | | 18.9% | 39.7% | 6.1% | 22.1% | 23.2% |
| **EBIT growth pa** | | n/a | n/a | n/a | n/a | n/a |
| **Pricing** | | **FY22A** | **FY23A** | **FY24A** | **FY25F** | **FY26F** |
| No of shares (y/e) | (m) | 418.0 | 448.3 | 451.9 | 451.9 | 451.9 |
| Weighted Av Dil Shares | (m) | 418.0 | 448.3 | 451.9 | 451.9 | 451.9 |
| | | | | | | |
| EPS Reported | cps | (0.049) | (0.029) | (0.006) | (0.032) | (0.007) |
| **EPS Adjusted** | **cps** | **(0.037)** | **(0.016)** | **0.001** | **(0.027)** | **(0.002)** |
| EPS growth (norm/dil) | | n/a | n/a | -105% | n/a | n/a |
| 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) | | - 8.7 | - 19.9 | 364.5 | - 12.1 | - 203.0 |
| PE market | | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| Premium/(discount) | | nm | nm | nm | (67.3%) | (1128.0%) |
| EV/EBITDA | | (7.8) | (22.0) | 113.2 | (9.8) | (99.8) |
| FCF/Share | cps | -4.50 | -3.12 | 0.75 | 2.86 | 4.88 |
| Price/FCF share | | -7.23 | -10.42 | 43.16 | 11.38 | 6.66 |
| Free Cash flow Yield | | (12.8%) | (9.5%) | 2.3% | 8.8% | 15.0% |

Source: Company data for actuals, RaaS estimates (FY25-FY26)

# 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

Effective Date: 26th March 2024

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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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