

Force Majeure at Crinum, contract terminated

Metarock Group Ltd (ASX:MYE) has called Force Majeure on its Crinum contract with Sojitz Gregory Mining Pty Limited due to an inability to access the mine, resulting in the termination of the contract effective 21 October 2022. Crinum was forecast to contribute ~\$100m revenue per annum at higher than group EBITDA margins until at least 2028, and as a result has resulted in another significant reduction in earnings guidance for FY23 (revenue down ~10% and EBITDA down ~30% at the mid-point). Continuing underperformance at PYBAR has also continued to impact trading. No guidance has been provided for FY24 but we have made significant changes on the back of Crinum's termination. Such issues have resulted in a management change, with long-serving MD Tony Caruso resigning and being replaced by Paul Green, effective immediately. Mr Green has been CEO of Mastermyne for the past 2.5 years and has more than 25 years' experience across the Australian coal mining industry. While disappointing, the share price arguably has been incorporating this news and revised guidance still implies attractive near-term multiples and potential share price upside. Applying peer FY22 EV/EBITDA multiples to MYE FY23 and FY24 revised earnings estimates implies a valuation of \$0.62/share and \$1.25/share respectively. Our DCF, as a sense check, is \$1.00/share.

Business model

MYE provides a range of contracted services and equipment hire to major underground metallurgical coal operators (roadway development, conveyor installation, longwall relocation and maintenance, supply and installation of underground ventilation control devices) and metalliferous hard rock operators (mine development, raise boring, shotcreting, cable bolting and production drilling) via the acquisition of PYBAR. More recently, the group has sought to move into mine operations to operate mines in its own right for asset owners with limited underground experience. Such operations are longer-term in nature providing repeatable revenues at higher margins relative to contracting.

Key changes resulting from Crinum contract termination

Crinum was forecast to generate ~\$100m revenue for six years at higher-than-average EBITDA margins and as a result is the key driver of our medium-term earnings revisions (see page 3). Offsetting this to a small degree will be the sale of excess equipment resulting in lower debt, depreciation and ongoing maintenance capex. Cook becomes the key mine operation site for MYE and our estimates are unchanged for this project.

Valuation between \$0.62/share (FY23) to \$1.25/share (FY24)

Our preferred valuation methodology for MYE is multiple-based given the number of long-listed mining services companies on the ASX. We apply FY22 peer adjusted EV/EBITDA multiples to MYE's FY23 and FY24 earnings as they are more reflective of recent contracts at full production. The result implies a valuation of \$0.62/share using FY23 estimates (down from \$0.95) and \$1.25/share using FY24 (down from \$2.00). Our DCF as a reference is \$1.00/share, down from \$1.55/share.

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

| Year end | Revenue (adj.) | EBITDA (rep.) | NPATA (adj.) | EPS (adj.) (c) | P/E (x) | Dividend yield (%) | EV/EBITDA (x) |
|----------|----------------|---------------|--------------|----------------|---------|--------------------|---------------|
| 06/21a | 233.1 | 22.3 | 6.3 | 0.06 | 4.5 | 11.3 | 0.2 |
| 06/22e | 452.7 | 38.6 | 7.0 | 0.06 | 4.7 | 0.0 | 2.4 |
| 06/23e | 565.0 | 38.1 | (4.7) | (0.04) | (7.4) | 0.0 | 2.0 |
| 06/24e | 586.5 | 56.3 | 7.6 | 0.06 | 4.6 | 11.3 | 0.9 |

Source: Company data; RaaS Advisory estimates for FY23f and FY24f

Mining Services

19th October 2022

Share Details

| | |
|------------------------|---------|
| ASX code | MYE |
| Share price (intraday) | \$0.265 |
| Market capitalisation | \$34.6M |
| Shares on issue | 130.2M |
| Net debt at 30-Jun-22 | \$60.1M |
| Free float | ~52.4% |

Share Performance



Upside Case

- Delivering on \$1.3b order book
- Meeting new Cook schedules
- Delivering on PYBAR acquisition

Downside Case

- Lower metallurgical coal prices/lower activity
- Long-term technological advancements in non-blast furnace steel making
- Safety issues at key mines

Board of Directors

| | |
|------------------|------------------------|
| Colin Bloomfield | Non-Executive Chairman |
| Paul Green | Managing Director |
| Andrew Watts | Non-Executive Director |
| Julie Whitcombe | Non-Executive Director |
| Gabriel Meena | Non-Executive Director |
| Paul Rouse | Non-Executive Director |

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Revised Guidance

FY23 guidance

The termination of the Crinum mine operation contract and continued issues at PYBAR have resulted in revised guidance for FY23 which we detail below:

- Revenues between \$530m-\$580m, down from \$600m and \$650m; and
- EBITDA between \$34m and \$40m, down from \$50m and \$55m.

While not specifically guided we expect:

- Gross capex spend to decline from the previous \$50m guidance as additional Crinum equipment will not be required;
- The likelihood of additional equipment sales in preference to the \$30m sales & lease back flagged in the FY22 result presentation; and
- The prospect of recouping some or all of the ~\$20m Crinum remediation costs (RaaS is forecasting \$12m) under contract terms.

All the above has implications for the level of depreciation (lower assets) and debt into FY24, with management aiming to get debt/EBITDA back to 1.0x (RaaS has 0.9x at year-end).

FY24 and beyond

While no specific guidance has been provided for FY24, the key changes will relate to the removal of the Crinum contract. Based on the original FY23 guidance, if we remove the implied Crinum contribution and assume a full contribution from Cook our revised FY24 estimates should hold true, particularly considering new contracts at Narrabri and Malabar.

With the Cook contract four years in duration with a two-year option, we view FY24 numbers as sustainable well into FY28, hence our numbers remain elevated medium-term.

A summary of key earnings estimate changes is detailed in the chart below.

Exhibit 1: RaaS MYE earnings adjustments (in A\$m unless stated)

| Variable | FY22a | FY23f | FY24f | FY25f | Comments |
|------------------------------|-------|---------|--------|--------|-----------------|
| Revenue | | | | | |
| Old | 452.7 | 615.0 | 718.4 | 758.5 | Crinum contract |
| New | 452.7 | 565.0 | 586.5 | 620.7 | |
| % CHG | 0.0 | (8.1) | (18.4) | (18.2) | |
| Adj. EBITDA | | | | | |
| Old | 38.6 | 53.0 | 84.9 | 86.2 | Crinum margin |
| New | 38.6 | 38.1 | 56.3 | 63.1 | |
| % CHG | 0.0 | (28.2) | (33.7) | (26.8) | |
| Adj. EBITA | | | | | |
| Old | 10.1 | 11.7 | 41.1 | 43.2 | |
| New | 10.1 | (0.6) | 16.1 | 23.6 | |
| % CHG | 0.0 | (106) | (61) | (45) | |
| NPATA | | | | | |
| Old | 7.0 | 4.6 | 25.6 | 27.5 | |
| New | 7.0 | (4.7) | 7.6 | 13.4 | |
| % CHG | 0.0 | (202) | (70) | (51) | |
| EPS | | | | | |
| Old | 0.057 | 0.035 | 0.196 | 0.211 | |
| New | 0.057 | (0.036) | 0.058 | 0.103 | |
| % CHG | 0.0 | (202) | (70) | (51) | |
| Net debt (ex-invoice) | | | | | |
| Old | 60.1 | 37.8 | 20.2 | (0.9) | Lower cash flow |
| New | 60.0 | 40.3 | 19.3 | 12.3 | |
| % CHG | 0 | 7 | (4) | n.m. | |
| Capex | | | | | |
| Old | 40.4 | 50.0 | 29.1 | 29.6 | Less Crinum |
| New | 40.4 | 37.0 | 26.4 | 26.4 | |
| % CHG | 0 | (26) | (9) | (11) | |

Source: Company announcements and RaaS estimates

Exhibit 2: MYE divisional earnings forecasts (in \$A unless otherwise stated)

| | 2021a | 2022a | 2023f | 2024f | 2025f |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 233.1 | 452.7 | 565.0 | 586.5 | 620.7 |
| Contracting | 233.1 | 267.0 | 275.0 | 259.0 | 273.4 |
| Mine operations | 0.0 | 20.0 | 65.0 | 80.0 | 80.0 |
| PYBAR | 0.0 | 165.7 | 225.0 | 247.5 | 267.3 |
| Operating costs | 210.8 | 414.1 | 526.9 | 530.2 | 557.6 |
| EBITDA | 22.3 | 38.6 | 38.1 | 56.3 | 63.1 |
| EBITDA margin % | 9.6 | 8.5 | 6.7 | 9.6 | 10.2 |
| Depreciation | 12.2 | 28.5 | 38.7 | 40.2 | 39.5 |
| EBITA | 10.1 | 10.1 | (0.6) | 16.1 | 23.6 |
| Amortisation | 0.0 | 4.3 | 4.5 | 3.5 | 3.0 |
| EBIT | 10.1 | 5.8 | (5.1) | 12.6 | 20.6 |
| Interest expense | 1.1 | 4.0 | 6.0 | 5.5 | 5.0 |
| Pre-tax | 9.1 | 1.8 | (11.1) | 7.1 | 15.6 |
| Tax expense | 2.8 | (0.9) | (2.0) | 3.0 | 5.2 |
| (Tax rate %) | 31 | n.m. | 18 | 42 | 33 |
| Amortisation | 0.4 | 4.3 | 4.5 | 3.5 | 3.0 |
| Adjusted NPATA | 6.3 | 7.0 | (4.7) | 7.6 | 13.4 |

Source: Company financials and RaaS estimates

Peer Comparison

Our assessed peer group for MYE relies on a mix of human resources and equipment to deliver services, typically under contract, mostly on a fixed-rate basis and predominantly across the mining services space. These companies are people-heavy and rely on the efficient management and utilisation of people and equipment to deliver contracted outcomes and derive an acceptable return.

We have only included companies under A\$1b market cap, with most under A\$500m.

The table below summarises the peer group financials for FY22 and MYE for FY23 and FY24 given these are the first-year's earnings derived from the capex and debt incurred in FY22 to execute these contracts. The highlighted stocks represent the three highest-rated stocks according to our relative matrix and are key to our relative valuation approach.

Exhibit 3: Peer group financial comparison – FY22 metrics (MYE FY23)

| Company Name | Ticker | Share price (cps) | Mkt. cap. (A\$m) | FY22 net debt (A\$m) | FY22(f) EBITDA (A\$m) | FY22(f) sales (A\$m) | EBITDA % | Working capital/sales % | EV/ EBITDA (x) | EV/ EBIT (x) |
|----------------------------|------------|-------------------|------------------|----------------------|-----------------------|----------------------|-------------|-------------------------|----------------|--------------|
| NRW Holdings | NWH | 2.53 | 1,136 | 66.6 | 272.4 | 2,407 | 11.3 | 4.2 | 4.4 | 7.7 |
| Emeco Holdings | EHL | 0.76 | 397 | 245.0 | 239.3 | 754 | 31.7 | 4.3 | 2.7 | 5.3 |
| Macmahon | MAH | 0.14 | 302 | 215.5 | 220.0 | 1,700 | 12.9 | 10.3 | 2.4 | 5.1 |
| DDH1 * | DDH | 0.82 | 350 | 16.6 | 112.8 | 507 | 22.3 | 33.4 | 3.2 | 4.8 |
| MACA Limited | MLD | 1.07 | 366 | 194.9 | 150.9 | 1,651 | 9.1 | 10.0 | 3.7 | 9.0 |
| GR Engineering | GNG | 2.20 | 341 | (97.8) | 56.4 | 652 | 8.7 | (1.1) | 4.3 | 4.5 |
| Licopodium | LYL | 6.76 | 268 | (99.4) | 32.4 | 229 | 14.2 | 25.5 | 5.2 | 5.5 |
| Mitchell Services | MSV | 0.36 | 80 | 39.2 | 31.7 | 213 | 14.9 | 11.0 | 3.8 | 26.0 |
| AVERAGE | | | 405 | | | | 15.6 | 12.2 | 3.7 | 6.0 |
| Top-3 rated average | | | | | | | | | | |
| Metarock (FY22) | MYE | 0.30 | 39 | 53.1 | 31.8 | 453 | 7.0 | 9.6 | 2.9 | 9.1 |
| Metarock (FY23) | MYE | 0.30 | 39 | 33.4 | 30.7 | 565 | 5.4 | 9.6 | 2.4 | n.m. |
| Metarock (FY24) | MYE | 0.30 | 39 | 12.4 | 47.8 | 587 | 8.1 | 9.6 | 1.1 | 3.2 |

Sources: Company financials, RaaS estimates; Prices as at 19 October 2022; *Pro-forma; #Ex-MSV

Looking at selected peer group FY22 metrics (against MYE's FY22-FY24) we would highlight MYE:

- Is one of only two stocks to be < \$100m market cap;
- Has lower-than-average EBITDA margins, impacted by the recent PYBAR acquisition;
- MYE EBITA margins and multiples are distorted by a significant depreciation charge near-term;
- FY23(f) EV/EBITDA metrics (adjusted for AASB16) are 36% below peer group FY22 metrics (2.4x vs 3.7x); and
- FY24(f) EV/EBITDA metrics (adjusted for AASB16) are 71% below peer group FY22 metrics (1.1x vs 3.7x).

From the recent reporting season, we would note:

- NRW has issued EBITA guidance 3%-10% higher in FY23;
- MAH has guided EBITA 4%-24% higher in FY23;
- EHL is confident of growth 'across all divisions' without providing specific guidance, and is undertaking a 5% share buyback;
- MSV expects a "material year-on-year increase in earnings", is reinstating dividends while conducting a 10% buyback, and
- MLD received a takeover offer ~50% above the prevailing share price at the time.

This continues on from the strong operating metrics of the sector over the past three years where we estimate CAGR sales growth of 31%, CAGR EBITDA growth (ex-AASB16) of 15% and CAGR EBIT growth of 15%.

Capex spend relative to depreciation has increased significantly, from 0.9x in FY20 to 1.6x in FY22, setting the sector up for further growth in the future.

Peer Group Relative Multiple Valuation

Given the number of comparable ASX-listed peers, their extensive listed track record and analyst coverage, we prefer a relative multiple valuation approach for MYE. To establish the appropriate “relative” (premium or discount) we have used our seven-variable matrix with four qualitative and three quantitative measures. Our analysis suggests MYE deserves a premium to the peer group, so our reference multiple is the average of the highest-rated three stocks in our assessed peer group.

Based on FY22 metrics this equates to an EV/EBITDA of 3.7x (we provide EV/EBIT multiples but believe MYE’s high depreciation charge distorts this comparison) and apply these multiples to MYE’s FY23 and FY24 metrics as these years are more reflective of ongoing earnings under the recently won mine operation contracts and the PYBAR acquisition. The resulting valuation on an EV/EBITDA basis translates to \$0.62/share (FY23) and \$1.25 (FY24) depending on what year is selected. We have not valued excess franking credits which currently equate to \$0.16c/share.

| Exhibit 4: MYE valuation under various scenarios | | | | | |
|---|---------------------|---------------------|---------------------|------------------|---------------------------------|
| | MYE @ 0.265c | Peer average | Top-3 rated* | Top rated | Comments |
| EV/EBIT | | | | | |
| Multiple | nm | 6.0x | 7.3x | 9.0 x | |
| FY23 | \$0.265 | n.m. | n.m. | n.m. | Distorted by high depre in FY23 |
| FY24 | | \$0.65 | \$0.80 | \$1.00 | |
| EV/EBITDA | | | | | |
| Multiple | 2.2x | 3.7x | 4.6x | 5.2x | |
| FY23 | \$0.265 | \$0.62 | \$0.80 | \$1.00 | Only six months of Cook |
| FY24 | | \$1.25 | \$1.60 | \$1.80 | Cook at full production |
| Blended (50%) | | | | | |
| FY23 | \$0.265 | n.m. | n.m. | n.m. | |
| FY24 | | \$0.95 | \$1.20 | \$1.40 | |

Source: Company financials and RaaS estimates; * NRW, EHL, MLD

Exhibit 5: MYE Financial Year Summary

| Metarock Group (MYE.ASX) | | | | | | Share price (19 October 2022) | | | | | | A\$ | 0.265 | | | | |
|------------------------------------|--------------|--------------|---------------|---------------|--------------|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|-------|-------|-------|-------|
| Profit and Loss (A\$m) | | | | | | Interim (A\$m) | | | | | | H121A | H221A | H122A | H222A | H123F | H223F |
| Y/E 30 June | FY20A | FY21A | FY22A | FY23F | FY24F | Revenue | 110.9 | 122.2 | 178.4 | 274.3 | 262.0 | 303.0 | | | | | |
| Revenue | 292.7 | 233.1 | 452.7 | 565.0 | 586.5 | EBIT DA | 9.8 | 12.5 | 15.2 | 23.4 | 16.5 | 21.6 | | | | | |
| Other Income | 1.3 | 0.8 | 3.2 | 0.0 | 0.0 | EBIT | 3.8 | 6.3 | 4.2 | 5.9 | (3.3) | 2.7 | | | | | |
| Operating Costs | 262.7 | 210.0 | 410.9 | 526.9 | 530.2 | NPAT A (normalised) | 2.3 | 3.9 | 2.1 | 4.8 | (4.4) | (0.2) | | | | | |
| Underlying EBIT DA | 28.6 | 22.3 | 38.6 | 38.1 | 56.3 | Abnormals | 0.0 | 0.0 | (6.8) | (8.4) | 0.0 | 12.0 | | | | | |
| Depn | (11.1) | (12.2) | (28.5) | (38.7) | (40.2) | NPAT (reported) | 2.3 | 3.9 | (5.8) | (6.7) | (6.9) | 9.8 | | | | | |
| Amort | 0.0 | 0.0 | (4.3) | (4.5) | (3.5) | EPS (normalised) | 0.022 | 0.037 | 0.017 | 0.039 | (0.034) | (0.002) | | | | | |
| EBIT | 17.5 | 10.1 | 5.8 | (5.1) | 12.6 | EPS (reported) | 0.022 | 0.037 | (0.047) | (0.055) | (0.053) | 0.075 | | | | | |
| Interest | (0.8) | (1.1) | (4.0) | (6.0) | (5.5) | Dividend (cps) | 0.008 | 0.023 | 0.000 | 0.000 | 0.000 | 0.000 | | | | | |
| Tax | (5.1) | (2.8) | 0.9 | 2.0 | (3.0) | Imputation | 100% | 100% | 100% | 100% | 100% | 100% | | | | | |
| NPAT | 11.7 | 5.9 | 2.7 | (9.2) | 4.1 | Operating cash flow | na | na | na | na | na | na | | | | | |
| Adjustments | 0.0 | 0.4 | 4.3 | 4.5 | 3.5 | Free Cash flow | na | na | na | na | na | na | | | | | |
| Adjusted NPATA | 11.7 | 6.3 | 7.0 | (4.7) | 7.6 | Divisionals | H121A | H221A | H122A | H222A | H123F | H223F | | | | | |
| Abnormals (net) | 0.0 | 0.0 | (15.2) | 0.0 | 0.0 | Contracting | 110.9 | 122.2 | 125.0 | 142.0 | 132.0 | 143.0 | | | | | |
| Statutory NPAT | 11.7 | 5.9 | (12.5) | (9.2) | 4.1 | Mine Operations | 0 | 0 | 10.0 | 10.0 | 20.0 | 45.0 | | | | | |
| Cash flow (A\$m) | | | | | | Hard Rock (PYBAR) | - | - | 43.4 | 122.3 | 110.0 | 115.0 | | | | | |
| Y/E 30 June | FY20A | FY21A | FY22A | FY23F | FY24F | Total Revenue | 110.9 | 122.2 | 178.4 | 274.3 | 262.0 | 303.0 | | | | | |
| EBIT DA (inc cash rent) | 25.6 | 16.0 | 33.3 | 32.7 | 50.3 | Operating Costs | | | | | | | | | | | |
| Interest | (0.8) | (1.1) | (4.0) | (6.0) | (5.5) | Contract Disbursements | 14.2 | 16.3 | 34.9 | 66.5 | 65.5 | 75.8 | | | | | |
| Tax | (5.5) | (3.0) | (2.3) | 0.0 | 4.5 | Personnel | 83.0 | 89.3 | 123.3 | 174.1 | 169.0 | 194.7 | | | | | |
| Working capital/other | 9.7 | 1.2 | (12.8) | 10.8 | 13.4 | Office | 3.6 | 3.5 | 5.4 | 7.9 | 8.0 | 8.0 | | | | | |
| Operating cash flow | 29.1 | 13.2 | 14.2 | 37.5 | 62.7 | Other | 1.0 | 0.8 | 1.3 | 4.0 | 3.0 | 3.0 | | | | | |
| Mtce capex | (6.0) | (6.0) | (17.0) | (28.0) | (28.0) | Other income | (1.2) | (0.7) | (0.1) | (1.7) | (1.5) | 0.0 | | | | | |
| Free cash flow | 23.1 | 7.2 | (2.8) | 9.5 | 34.7 | Total costs | 100.6 | 109.1 | 164.8 | 250.7 | 244.0 | 281.4 | | | | | |
| Growth capex | (2.3) | (1.3) | (23.4) | (9.0) | 1.6 | EBITDA | 10.2 | 13.1 | 13.6 | 23.6 | 18.0 | 21.6 | | | | | |
| (Acquisitions)/Disposals | (3.8) | 0.0 | (13.7) | 0.0 | 0.0 | EBITDA margin % | 9.2% | 10.7% | 7.6% | 8.6% | 6.9% | 7.1% | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Margins, Leverage, Returns | | | | | | | | | | | |
| Cash flow pre financing | 17.0 | 5.9 | (39.9) | 0.5 | 36.3 | FY20A | FY21A | FY22A | FY23F | FY24F | | | | | | | |
| Equity | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | EBIT DA margin % | 9.8% | 9.6% | 8.5% | 6.7% | 9.6% | | | | | | |
| Debt | 0.0 | 0.0 | 24.5 | (20.0) | (8.0) | EBIT margin % | 6.0% | 4.3% | 1.3% | -0.9% | 2.1% | | | | | | |
| Net Dividends paid | (6.1) | (4.7) | (2.2) | 0.0 | (1.3) | NPAT margin (pre significant items) | 4.0% | 2.7% | 1.5% | -0.8% | 1.3% | | | | | | |
| Net cash flow for year | 10.9 | 1.2 | (17.7) | (19.5) | 27.0 | Net Debt (Cash) | - | 25.36 | - | 24.18 | 60.01 | 40.33 | 16.72 | | | | |
| Balance sheet (A\$m) | | | | | | Net debt/EBIT DA (x) | (x) | -0.9 x | -1.1 x | 1.6 x | 1.1 x | 0.3 x | | | | | |
| Y/E 30 June | FY20A | FY21A | FY22A | FY23F | FY24F | ND/ND+Equity (%) | (%) | nm | nm | 16.0% | 17.0% | 0.6% | | | | | |
| Cash | 25.4 | 24.4 | 5.2 | 4.9 | 20.5 | EBIT interest cover (x) | (x) | 0.0x | 0.1x | 0.7x | n/a | 0.4x | | | | | |
| Accounts receivable | 49.1 | 40.4 | 86.0 | 86.1 | 89.4 | ROA | | 25.5% | 7.6% | 2.7% | (1.8%) | 4.6% | | | | | |
| Inventory | 6.3 | 6.4 | 21.1 | 25.1 | 26.0 | ROE | | 15.8% | 7.8% | 3.2% | (11.7%) | 4.8% | | | | | |
| Other current assets | 0.0 | 1.2 | 12.3 | 0.0 | 0.0 | ROIC | | 11.4% | 2.4% | (19.0%) | (12.5%) | 4.3% | | | | | |
| Total current assets | 80.7 | 72.4 | 124.7 | 116.1 | 135.9 | NTA (per share) | | 0.59 | 0.59 | 0.32 | 0.30 | 0.37 | | | | | |
| PPE | 22.4 | 22.9 | 110.7 | 91.3 | 86.0 | Working capital | | 21.2 | 22.4 | 37.9 | 42.1 | 43.8 | | | | | |
| Goodwill | 12.2 | 12.3 | 44.1 | 39.6 | 36.1 | WC/Sales (%) | | 7.2% | 9.6% | 8.4% | 7.5% | 7.5% | | | | | |
| Right of use asset | 14.5 | 14.0 | 19.6 | 19.6 | 19.6 | Revenue growth | | 29.7% | (20.4%) | 94.2% | 24.8% | 3.8% | | | | | |
| Deferred tax asset | 7.9 | 7.5 | 0.0 | 0.0 | 0.0 | EBIT growth pa | | 49.6% | (42.4%) | (42.7%) | n/a | (344.2%) | | | | | |
| Other | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Pricing | | | | | | | | | | | |
| Total non current assets | 57.0 | 56.8 | 174.5 | 150.6 | 141.8 | FY20A | FY21A | FY22A | FY23F | FY24F | | | | | | | |
| Total Assets | 137.7 | 129.2 | 299.2 | 266.7 | 277.7 | No of shares (y/e) | (m) | 105.4 | 107.0 | 123.0 | 130.7 | 130.7 | | | | | |
| Accounts payable | 34.1 | 24.4 | 69.2 | 69.0 | 71.6 | Weighted Av Dil Shares | (m) | 105.4 | 107.0 | 123.0 | 130.7 | 130.7 | | | | | |
| Short term debt | 0.0 | 0.2 | 44.2 | 24.2 | 16.2 | EPS Reported | cps | 0.111 | 0.055 | (0.102) | (0.070) | 0.031 | | | | | |
| Invoice financing | 0.0 | 0.0 | 18.8 | 16.6 | 18.2 | EPS Normalised/Diluted | cps | 0.111 | 0.058 | 0.057 | (0.036) | 0.058 | | | | | |
| Lease liabilities/other | 16.5 | 19.5 | 45.1 | 39.8 | 48.3 | EPS growth (norm/dil) | | 48% | -47% | -3% | n/a | -262% | | | | | |
| Total current liabilities | 50.6 | 44.2 | 177.4 | 149.5 | 154.3 | DPS | cps | 0.060 | 0.030 | 0.000 | 0.000 | 0.030 | | | | | |
| Long term debt | 0.0 | 0.0 | 21.0 | 21.0 | 21.0 | DPS Growth | | 50% | -50% | -100% | n/a | n/a | | | | | |
| Other non current liabs | 13.1 | 9.9 | 17.6 | 17.6 | 17.6 | Dividend yield | | 22.6% | 11.3% | 0.0% | 0.0% | 11.3% | | | | | |
| Total long term liabilities | 13.1 | 9.9 | 38.6 | 38.6 | 38.6 | Dividend imputation | | 100 | 100 | 100 | 100 | 100 | | | | | |
| Total Liabilities | 63.8 | 54.0 | 216.0 | 188.1 | 192.9 | PE (x) | | 2.4 | 4.5 | 4.7 | 7.4 | 4.6 | | | | | |
| Net Assets | 73.9 | 75.2 | 83.2 | 78.5 | 84.7 | PE market | | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | | | | | |
| Share capital | 61.0 | 64.3 | 87.9 | 87.9 | 87.9 | Premium/(discount) | | (84.0%) | (69.7%) | (68.7%) | (149.4%) | (69.6%) | | | | | |
| Reserves | (19.8) | (22.5) | (23.4) | (23.4) | (23.4) | EV/EBIT DA | | 0.1 | 0.2 | 2.4 | 2.0 | 0.9 | | | | | |
| Retained Earnings | 32.2 | 33.4 | 18.7 | 14.0 | 20.3 | FCF/Share | cps | 19.74 | 5.14 | -22.54 | -1.17 | 25.88 | | | | | |
| Minorities | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | Price/FCF share | | 1.34 | 5.16 | -1.18 | -22.74 | 1.02 | | | | | |
| Total Shareholder funds | 73.9 | 75.2 | 83.2 | 78.5 | 84.8 | Free Cash flow Yield | | 60.0% | 15.9% | (80.0%) | 67.8% | 97.6% | | | | | |

Source: RaaS Advisory

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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This Financial Service Guide (FSG) is designed to assist you in deciding whether to use RaaS’s services and includes such things as

- 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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