

Incremental annual recurring revenue in sight

Total Brain (ASX:TTB) is the developer of a neuroscience-based mental health & fitness platform powered by the largest standardized neuroscientific database in the world formed over almost two decades and with \$50m of R&D funding. Total Brain has announced that it is in sight of additional incremental annual recurring revenue of \$8.9m. This incremental ARR is derived from the clinical market (\$0.9m), corporate market (\$1.2m) and affinity market (\$6.8m) representing 5% penetration of the \$177m in identified opportunities. Total Brain also noted that the deployment of the IBM Mental Fitness 360 platform and GRIT application was now in its final stages of the contracting process and due to conclude in the very short term. This initial stage of 25,000 users represents \$0.57m in Annual Recurring Revenue (ARR) while the second stage of this rollout represents \$3.5m in incremental ARR. Our forecasts capture these opportunities in the near term and underpin our base case valuation of \$1.28/share.

Business model

Total Brain operates a subscription as a service (SaaS) model for its mental health and fitness platform. The science behind the platform has been developed over almost two decades with input from the leading academic institutions in the field. This has generated a proprietary neuroscientific database of scale which underpins the scientific validation that differentiates Total Brain from other brain training and wellness applications. The app assesses the 4 core brain capacities (emotion, feeling, cognition, self-control), pre-screens 7 common mental health conditions & delivers personalised brain & mind/body training.

Progress being made despite COVID-19

Total Brain noted that the COVID had caused significant process setbacks, delaying sales conversions of opportunities in the pipeline by 9-months including the first IBM transaction. The initial rollout of the IBM Mental Fitness 360 platform and GRIT application is in the final stages of the contracting process with conclusion expected in the very short term, albeit previously expected to be completed in December. First revenues are still on track to be received in the first quarter of CY2021, although we now expect revenues to flow from March. This opening phase of 25,000 users represents \$0.57m in ARR and is expected to lead to an expanded rollout to US Veterans' eligible population as well as accelerate other opportunities in the joint Total Brain/IBM pipeline. Total Brain estimates that the gradual deployment to up to 200,000 individuals a year transitioning will add potential incremental ARR of \$3.5m while further subsequent rollout to the entire benefit-eligible population of 18m individuals together with upsell features such as clinical care support and stress management will lead to incremental ARR, in addition to the above-mentioned \$4.1m.

Base case valuation is \$1.28/share

We use the discounted cashflow methodology to value Total Brain. Our base case DCF is \$1.28/share using a discount rate of 15.0% and terminal growth rate of 2.2%. In our view, continued momentum with new contracts, in particular with the IBM Mental Fitness 360 platform, which accounts for \$0.41/share of our valuation, and development of the clinical market, should underpin Total Brain's share price performance over the next 12 months.

Historical earnings and RaaS Advisory estimates

Year end	Revenue (A\$m)	EBITDA reported (A\$m)	NPAT reported (A\$m)	EPS* (c)	EV/Sales (x)
06/19	2.6	(6.7)	(8.6)	(12.21)	6.6
06/20	3.9	(7.4)	(7.6)	(8.07)	6.7
06/21e	6.2	(7.0)	(5.3)	(4.91)	5.8
06/22e	14.1	(1.8)	(1.7)	(1.60)	2.8

Source: Company data, RaaS Advisory Estimates for FY21e, FY22e *adj for one-time items

Healthcare services

15 January 2021

Share details

ASX Code	TTB
Share price (intraday)	\$0.38
Market Capitalisation	\$41.2M
Shares on issue	108.3M
Net cash at Sept 30	\$7.0m
Free float	~57%

Share performance (12 months)



Upside Case

- Highly scalable SaaS model
- Significant validation from IBM choosing the platform as the engine for Mental Health 360
- Targeting predominantly US corporates and consumers

Downside Case

- Enterprise sales cycle for the B2B product takes from 12-18 months
- New consumer product yet to be fully trialled in market
- Commercial success to date has been elusive

Board of Directors

Dr Evian Gordon	Executive Chairman/ Founder
Louis Gagnon	Managing Director/ CEO
Matthew Morgan	Non-Executive Director
David Torrible	Non-Executive Director
David Daglio	Non-Executive Director

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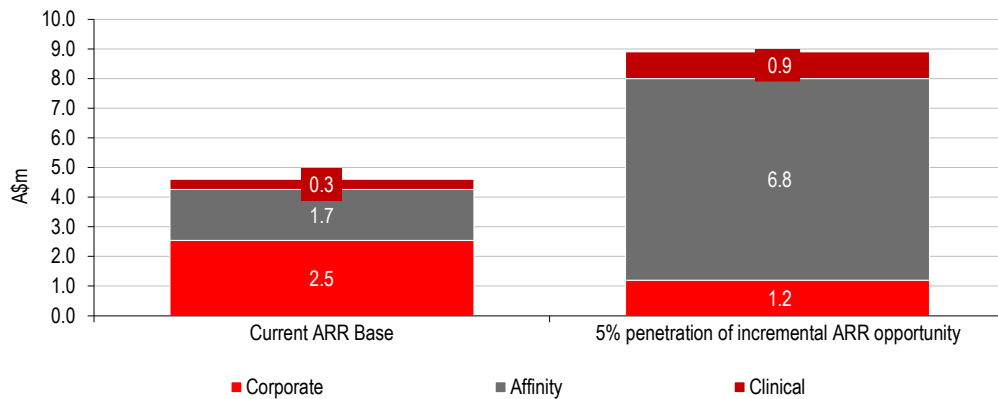
*The analyst holds shares

Operational progress despite COVID

Total Brain noted that current ARR was \$4m, an increase of 46% over December 2019 in AUD terms and a 53% increase in USD. Including the first 25,000 population in the pending IBM transaction, ARR is \$4.6m.

The company has identified additional incremental ARR of \$8.9m from the corporate, affinity and clinical markets in which it operates, which represent 5% penetration of the broader ARR opportunities that are presently in TTB's pipeline.

Exhibit 1: Current ARR and incremental ARR opportunity



Source: Company data

IBM/Mental Fitness 360 platform

Total Brain updated the market that the final stages of the contracting process was expected to be completed in the very short term (previously anticipated to be completed in December) with the first paying US government client of the IBM/Mental Fitness 360 platform. To the company, this represents initial Annual Recurring Revenue of A\$0.57m (previously anticipated at \$0.65m based on a lower AUD/USD exchange rate). The procurement phase is expected to be finalised early in this current quarter and is the final step in the contracting process which has already been through the following steps:

- An agreement for a pilot with a subset of the client's population and subsequent successful execution of the pilot;
- A Master Service Agreement detailing the full commercial and product terms between IBM and TTB; and
- A contract vehicle between IBM and the government client.

Total Brain does not mention which agency in its release but we note that the company completed a highly successful pilot with a 1,403 US veterans from July to November 2019 and so we deduce that the contracting agency is US Veterans. The company anticipates that the initial rollout will be to 25,000 end users with a gradual deployment of up to 200,000 users. We expect first revenues will be received in the latter part of Q1 CY2021 (previously we had modelled this from January 2021) and that this will generate \$0.21m in this current half year (previously \$0.32m). Further deployment to the broader population of 200,000 represents additional incremental ARR of \$3.5m.

Success should see the program rolled out to more of this agency's 18m eligible population and accelerate other opportunities identified by IBM and Total Brain including upsell of additional features such as clinical care support and stress management through heart rate variability. This should add additional incremental ARR over and above the \$4.1m already identified.

The company reminded the market that the current opportunity with the US government agency had been capped at A\$17m in ARR but that this excludes revenues to be derived from additional features such as stress management tools including heart rate variability monitors.

Our forecasts currently anticipate that just 5.0% of the 27m potential users identified by Total Brain and IBM (18m US veterans, 3.4m in other populations in transition and 5.5m in recovering addicts – or 25% of total recovering addicts) will be using the platform by June 2029. This equates to 1.5m users on our base case estimates. Our dimensioned upside case assumes 2.1m users by FY29 and downside case 1.1m.

Exhibit 2: Forecasted IBM/Mental Health 360 users/clients at June 2029			
	Base case	Downside Case	Upside Case
IBM/Mental Health 360 penetration at June 2029	5.0%	3.6%	7.2%
IBM /Mental Health 360 clients at June 2029 (Million)	1.5	1.1	2.1

Source: RaaS forecasts

Further, our estimates for revenues derived from the IBM/TTB JV are expected to become a meaningful contributor to Total Brain’s revenues overall. Our expectation is that Total Brain will generate \$0.21m (previously \$0.32m) in revenue in FY21 with this all falling in the last four months of the second half following finalisation of the US Veterans’ procurement process. With this program successfully deployed, we anticipate further rollout to US veterans as well as other populations in transition. IBM has previously noted on its blog that it sees an opportunity to rollout Mental Health 360 to several populations in transition, including prisoners on parole, foster care children becoming adults and addicts in remission. We calculate the addressable market to be over 27m today. Our forecasts envisage the platform securing 500,000 users by FY24, at which point, we expect volume discounts to kick in (hence the small decline in revenues this year versus FY23). To put this into the context of the A\$17m ARR cap, our forecast for just the US veterans contract is \$14.8m at 2030.

Exhibit 3: IBM Mental Health 360 forecasted revenues and share of total revenues					
	FY21	FY22	FY23	FY24	FY25
Revenues (in A\$m)	0.21	4.09	10.85	10.31	12.60
Share of total revenue	3%	29%	39%	27%	21%

Source: RaaS forecasts

The cashflow generated in our forecasts from this platform account for \$0.41 of our \$1.28/share valuation.

Clinical market

The company noted that it has completed 5 successful pilots with behavioural health clinic representing ~4,500 addressable patients, including the Brookline Centre for Community Mental Health, and Briarpatch, a paediatric clinic affiliated with Boston Children’s Hospital. The company has migrated more than 100 existing clinical clients to its new platform, representing ARR of \$0.3m and with opportunity to scale this business, Total Brain estimates that there is additional ARR of \$0.9m from this market by just securing 5% penetration of clinics. The company is targeting an initial set of 6,000 substance abuse clinics and another 19,000 general behavioural health clinics via online engagement and virtual events.

Mental Health Index

Total Brain’s Mental Health Index, which tracks the mental wellness of US employees through the COVID-19 pandemic, has enabled the company to engage with the senior decision-makers of more than 10 large, Fortune 500 companies with the prospect of converting these to corporate clients. A year ago and before the launch of the index, the company had fewer than five opportunities of the size and senior buy-in, of which two were converted for a total of \$0.51m in H1 CY20.

Resonant Breathing tool

The company will launch a new tool, Resonant Breathing, in Q1 CY21, to help users manage their breathing patterns to six breaths per minute. This is designed to break immediate states of stress in minutes and reduce long term, baseline stress levels by 25% with 10 minutes of daily usage over a 30 day period. The tool is one of a range of new features and tools launched by the company over the past year as the company aims to make its platform accessible to most users while still being scientifically driven.

DCF valuation

We are of the view that the discounted cashflow methodology is the most appropriate methodology for valuing early stage companies. We use a WACC of 15.0% and terminal growth value of 2.2%. If we include the 6.94M \$0.80 options issued to employees and with various expiry dates, the valuation is \$1.20/share. Our terminal value is \$0.67/share within this valuation. Our valuation incorporates a 10-year CAGR in free cashflows of 36.5% versus 16.5% implied in the current share price of \$0.38/share.

Exhibit 4: Base Case DCF valuation	
Parameters	Outcome
Discount Rate / WACC	15.0%
Beta	2.0
Terminal growth rate assumption	2.20%
Sum of PV	62.0
PV of terminal Value	69.6
PV of Enterprise	131.6
Debt (Cash) at Sept 30	(7.0)
Net Value - Shareholder	138.6
No of shares on issue (m) + in the money options	109
NPV	\$1.28
Source: RaaS estimates	

Exhibit 5: Financial year financial summary

Total Brain (TTB.AX)						Share price (15 January 2021)						A\$	0.38							
Profit and Loss (A\$m)						Interim (A\$m)						H119A	H219A	H120A	H220A	H121F	H221F			
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Revenue														
Revenue	2.6	2.6	3.9	6.2	14.1	EBITDA	(4.4)	(3.7)	(3.8)	(3.6)	(4.0)	(3.0)	1.1	1.5	2.2	1.7	2.4	3.9		
Gross profit	2.5	2.3	3.2	5.3	12.0	EBIT	(4.5)	(4.0)	(3.9)	(3.7)	(4.2)	(3.2)								
GP margin %	95.3%	87.8%	83.4%	84.7%	84.7%	NPAT (normalised)	(4.5)	(4.1)	(3.9)	(3.7)	(3.0)	(2.3)								
EBITDA	(4.9)	(6.7)	(7.4)	(7.0)	(1.8)	Minorities	0.0	0.0	0.0	0.0	0.0	0.0								
Depn	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	NPAT (reported)	(4.5)	(4.1)	(3.9)	(3.7)	(3.0)	(2.3)								
Amort	(0.1)	(0.4)	(0.2)	(0.4)	(0.4)	EPS (normalised)	(6.9)	(0.6)	(4.8)	(3.3)	(2.8)	(2.1)								
EBIT	(23.4)	(7.2)	(7.7)	(7.4)	(2.2)	EPS (reported)	(6.9)	(0.6)	(4.8)	(3.3)	(2.8)	(2.1)								
Interest	(0.5)	0.0	0.0	0.1	(0.2)	Dividend (cps)	0.0	0.0	0.0	0.0	0.0	0.0								
Tax	0.8	0.0	0.0	2.0	0.7	Imputation	30.0	30.0	30.0	30.0	30.0	30.0								
Minorities	0.0	0.0	0.0	0.0	0.0	Operating cash flow	(2.3)	(3.4)	(4.3)	(1.7)	(0.6)	(2.1)								
Equity accounted assoc	(0.0)	0.0	0.0	0.0	0.0	Free Cash flow	(1.0)	(2.0)	(3.2)	(0.1)	0.5	(1.1)								
NPAT pre significant items	(23.1)	(8.6)	(7.6)	(5.3)	(1.7)	Divisionals						H119A	H219A	H120A	H220A	H121F	H221F			
Significant items	0.0	0.0	0.0	0.0	0.0	Total Brain - Corporate	0.9	0.9	1.1	1.2	1.6	2.0								
NPAT (reported)	(23.1)	(8.6)	(7.6)	(5.3)	(1.7)	Total Brain Affinity	-	0.2	0.1	0.3	0.6	1.6								
Cash flow (A\$m)						Other revenues	0.2	0.4	1.0	0.2	0.2	0.3								
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	Total Revenue	1.1	1.5	2.2	1.7	2.4	3.9								
EBITDA	(4.9)	(6.7)	(7.4)	(7.0)	(1.8)	Gross profit	1.0	1.3	1.8	1.4	2.0	3.3								
Interest	0.0	0.0	0.0	0.1	(0.2)	Gross Profit Margin %	89%	87%	82%	85%	85%	85%								
Tax	0.0	0.0	0.0	0.0	0.0	Employment	2.8	2.7	3.7	3.1	4.2	4.4								
Working capital changes	1.0	1.1	1.4	4.2	0.7	Marketing	0.4	0.4	0.4	0.5	0.5	0.5								
Operating cash flow	(3.9)	(5.6)	(6.0)	(2.7)	(1.3)	Other costs	1.2	1.3	1.5	1.2	1.3	1.3								
Mtce capex	0.0	0.0	(0.1)	(0.1)	(0.1)	Total costs	4.4	4.4	5.6	4.8	6.0	6.3								
Free cash flow	(3.9)	(5.6)	(6.1)	(2.8)	(1.4)	EBITDA	(3.4)	(3.1)	(3.8)	(3.4)	(4.0)	(3.0)								
Growth capex	(1.7)	(2.7)	(2.6)	(2.0)	(2.0)	Margins, Leverage, Returns						FY18A	FY19A	FY20A	FY21F	FY22F				
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA margin %		(186.7%)	(258.7%)	(191.6%)	(111.9%)	(12.5%)								
Other	(0.1)	0.1	0.0	0.0	0.0	EBIT margin %		(893.4%)	(274.8%)	(197.6%)	(118.6%)	(15.8%)								
Cash flow pre financing	(5.7)	(8.2)	(8.7)	(4.8)	(3.4)	NPAT margin (pre significant items)		(882.9%)	(329.4%)	(197.2%)	(85.1%)	(12.3%)								
Equity	10.5	6.7	13.7	0.0	0.0	Net Debt (Cash)		6.62	5.21	10.00	5.21	1.85								
Debt	(0.1)	0.0	1.1	2.2	2.2	Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	n/a								
Dividends paid	0.0	0.0	0.0	0.0	0.0	ND/ND+Equity (%)	(%)	(43.6%)	(34.8%)	(61.0%)	(33.2%)	(10.7%)								
Net cash flow for year	4.7	(1.5)	6.0	(2.6)	(1.1)	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	n/a								
Balance sheet (A\$m)						ROA		(95.8%)	(32.3%)	(30.2%)	(26.5%)	(8.3%)								
Y/E 30 June	FY18A	FY19A	FY20A	FY21F	FY22F	ROE		(124.4%)	(40.8%)	(32.8%)	(22.5%)	(8.7%)								
Cash	6.6	5.2	11.1	8.5	7.4	ROIC		(162.5%)	(109.5%)	(159.0%)	(126.2%)	(46.8%)								
Accounts receivable	1.3	0.8	2.8	0.9	1.2	NTA (per share)		41.0%	34.4%	27.8%	19.3%	17.7%								
Inventory	0.0	0.0	0.0	0.0	0.0	Working capital		82.8%	35.3%	237.6%	63.1%	94.1%								
Other current assets	0.0	0.2	0.1	0.1	0.1	WC/Sales (%)		31.6%	13.6%	61.3%	10.1%	6.7%								
Total current assets	8.0	6.2	14.1	9.5	8.7	Revenue growth		10.4%	(0.5%)	49.0%	61.1%	126.1%								
PPE	0.2	0.2	0.3	0.4	0.4	EBIT growth pa		n/a	n/a	n/a	n/a	n/a								
Goodwill	0.0	0.0	0.0	0.0	0.0	Pricing		FY18A	FY19A	FY20A	FY21F	FY22F								
Intangibles	14.7	14.9	15.0	16.6	18.2	No of shares (y/e)	(m)		53	59	95	108	108							
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	Weighted Av Dil Shares	(m)		36	59	95	108	108							
Other non current assets	0.0	0.0	0.0	0.0	0.0	EPS Reported	cps		(6.38)	(14.58)	(8.07)	(4.91)	(1.60)							
Total non current assets	14.9	15.2	15.3	17.0	18.6	EPS Normalised/Diluted	cps		(12.98)	(12.21)	(8.07)	(4.91)	(1.60)							
Total Assets	22.9	21.4	29.4	26.5	27.3	EPS growth (norm/dil)			n/a	n/a	n/a	n/a	nm							
Accounts payable	0.5	0.5	0.5	0.2	0.2	DPS	cps		-	-	-	-	-							
Short term debt	0.0	0.0	1.1	1.1	1.1	DPS Growth			n/a	n/a	n/a	n/a	n/a							
Tax payable	0.0	0.0	0.0	0.0	0.0	Dividend yield			0.0%	0.0%	0.0%	0.0%	0.0%							
Deferred revenue	0.5	0.6	1.4	2.0	2.3	Dividend imputation			30	30	30	30	30							
Total current liabilities	1.0	1.1	3.0	3.3	3.6	PE (x)			-	-	-	-	-							
Long term debt	0.0	0.0	0.0	2.2	4.4	PE market			18	18	18	18	18							
Other non current liabs	0.1	0.1	0.1	0.1	0.2	Premium/(discount)			(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)							
Total long term liabilities	0.1	0.1	0.1	2.3	4.6	EV/EBITDA			(5.5)	(2.5)	(3.5)	(5.1)	-	22.3						
Total Liabilities	1.1	1.2	3.0	5.6	8.2	FCF/Share	cps		(7.3)	(9.6)	(6.2)	(2.4)	-	-1.1						
Net Assets	21.8	20.2	26.4	20.9	19.2	Price/FCF share			(5.2)	(4.0)	(6.1)	(15.7)	-	35.0						
Share capital	58.1	64.8	78.4	78.4	78.4	Free Cash flow Yield			(19.2%)	(25.3%)	(16.3%)	(6.4%)	-	(2.9%)						
Accumulated profits/losses	(40.2)	(48.8)	(56.4)	(61.9)	(63.6)															
Reserves	3.9	4.2	4.4	4.4	4.4															
Minorities	0.0	0.0	0.0	0.0	0.0															
Total Shareholder funds	21.8	20.2	26.4	20.9	19.2															

Source: RaaS Advisory

Exhibit 6: Calendar year financial summary

Total Brain (ASX:TTB)						Share price (15 January 2021)						A\$	0.38
Profit and Loss (A\$m)						Interim (A\$m)							
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	H1CY18A	H2CY18A	H1CY19F	H2CY19A	H1CY20A	H2CY20F		
Revenue	2.7	3.7	4.1	9.9	19.4	1.6	1.1	1.5	2.2	1.7	2.4		
Gross profit	2.5	3.1	3.4	8.4	16.3	(5.9)	(4.4)	(3.7)	(3.8)	(3.6)	(4.0)		
GP margin %	93.5%	84.2%	84.7%	84.7%	84.2%	(9.3)	(4.5)	(4.0)	(3.9)	(3.7)	(4.2)		
EBITDA	(10.2)	(7.5)	(7.6)	(4.6)	1.8	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(3.0)		
Depn	(0.0)	(0.1)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0		
Amort	(0.2)	(0.3)	(0.2)	(0.4)	(0.4)	(11.0)	(4.5)	(4.1)	(3.9)	(3.7)	(3.0)		
EBIT	(13.9)	(7.9)	(7.9)	(5.0)	1.3	(20.9)	(6.9)	(6.6)	(4.8)	(3.3)	(2.8)		
Interest	0.0	0.0	0.1	(0.0)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0		
Tax	0.0	0.0	1.1	1.4	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0		
Minorities	0.0	0.0	0.0	0.0	0.0	30.0	30.0	30.0	30.0	30.0	30.0		
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0	(2.2)	(2.3)	(3.4)	(4.3)	(1.7)	(0.6)		
NPAT pre significant items	(15.5)	(8.0)	(6.7)	(3.7)	0.7	(0.8)	(1.0)	(2.0)	(3.2)	(0.1)	0.5		
Significant items	0.0	0.0	0.0	0.0	0.0	Divisionals							
NPAT (reported)	(15.5)	(8.0)	(6.7)	(3.7)	0.7	Total Brain - Corporate	0.7	0.9	0.9	1.1	1.2	1.6	
Cash flow (A\$m)						Total Brain Affinity	0.4	-	0.2	0.1	0.3	0.6	
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	Other revenues	0.5	0.2	0.4	1.0	0.2	0.2	
EBITDA	(10.2)	(7.5)	(7.6)	(4.6)	1.8	Total Revenue	1.5	1.1	1.5	2.2	1.7	2.4	
Interest	0.0	0.0	0.1	(0.0)	(0.3)	Gross profit	1.5	1.0	1.3	1.8	1.4	2.0	
Tax	0.0	0.0	0.0	0.0	(0.4)	Gross Profit Margin %	331%	416%	339%	176%	753%	912%	
Working capital changes	5.7	(0.1)	5.3	1.5	(0.1)	Employment	2.3	2.8	2.7	3.7	3.1	4.2	
Operating cash flow	(4.5)	(7.7)	(2.3)	(3.1)	1.0	Marketing	0.2	0.4	0.4	0.4	0.5	0.5	
Mtce capex	0.0	(0.0)	(0.1)	(0.1)	(0.1)	Other costs	1.3	1.2	1.3	1.5	1.2	1.3	
Free cash flow	(4.5)	(7.7)	(2.4)	(3.2)	0.9	Total costs	3.7	4.4	4.4	5.6	4.8	6.0	
Growth capex	(2.8)	(2.5)	(2.5)	(2.0)	(2.0)	EBITDA	(2.2)	(3.4)	(3.1)	(3.8)	(3.4)	(4.0)	
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0	EBITDA margin %	nm	nm	nm	nm	nm	nm	
Other	(0.1)	0.1	0.0	0.0	0.0	Margins, Leverage, Returns							
Cash flow pre financing	(7.4)	(10.0)	(4.9)	(5.2)	(1.1)	CY18A	CY19A	CY20F	CY21F	CY22F			
Equity	1.2	14.8	5.6	0.0	0.0	EBITDA margin %	(384.5%)	(204.7%)	(187.5%)	-46%	9%		
Debt	0.0	0.0	1.1	2.2	2.2	EBIT margin %	(521.2%)	(215.3%)	(194.9%)	-51%	7%		
Dividends paid	0.0	0.0	0.0	0.0	0.0	NPAT margin (pre significant items)	(582.8%)	(216.1%)	(165.4%)	-37%	4%		
Net cash flow for year	(6.1)	4.7	1.7	(3.0)	1.1	Net Debt (Cash)	3.27	7.62	8.39	3.16	2.07		
Balance sheet (A\$m)						Net debt/EBITDA (x)	(x)	n/a	n/a	n/a	n/a	1.16	
Y/E December 31	CY18A	CY19A	CY20F	CY21F	CY22F	ND/ND+Equity (%)	(%)	(22.9%)	(46.2%)	(56.6%)	(19.3%)	(11.3%)	
Cash	3.3	7.6	10.6	7.6	8.7	EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	21.0%	
Accounts receivable	0.5	2.5	0.8	1.0	1.4	ROA		(62.3%)	(36.1%)	(29.9%)	(18.5%)	4.6%	
Inventory	0.0	0.0	0.0	0.0	0.0	ROE		(94.3%)	(38.2%)	(28.4%)	(17.2%)	3.7%	
Other current assets	0.1	0.3	0.1	0.1	0.1	ROIC		(102.9%)	(223.5%)	(132.8%)	(103.0%)	21.6%	
Total current assets	3.8	10.4	11.5	8.7	10.2	NTA (per share)		33.0%	41.1%	24.5%	18.1%	18.7%	
PPE	0.2	0.2	0.3	0.4	0.4	Working capital		(6.6%)	193.3%	55.3%	75.3%	111.9%	
Goodwill	0.0	0.0	0.0	0.0	0.0	WC/Sales (%)		(2.5%)	52.4%	13.6%	7.6%	5.8%	
Investments	0.0	0.0	0.0	0.0	0.0	Revenue growth		12.3%	38.5%	10.4%	142.4%	96.5%	
Deferred tax asset	0.0	0.0	0.0	0.0	0.0	EBIT growth pa		n/a	n/a	n/a	n/a	(125.9%)	
Other non current assets	14.5	14.7	15.8	17.4	19.0	Pricing		CY18A	CY19A	CY20F	CY21F	CY22F	
Total non current assets	14.8	15.0	16.2	17.8	19.4	No of shares (y/e)	(m)	53	95	108	108	108	
Total Assets	18.6	25.4	27.7	26.5	29.6	Weighted Av Dil Shares	(m)	590	95	108	108	108	
Accounts payable	0.5	0.6	0.2	0.2	0.2	EPS Reported	cps	(29.19)	(9.31)	(6.73)	(3.39)	0.69	
Short term debt	0.0	0.0	1.1	1.1	1.1	EPS Normalised/Diluted	cps	(29.19)	(9.31)	(6.73)	(3.39)	0.69	
Tax payable	0.0	0.0	0.0	0.0	0.0	EPS growth (norm/dil)		n/a	n/a	n/a	n/a	-120%	
Deferred revenue	0.4	0.6	2.0	2.2	2.4	DPS	cps	-	-	-	-	-	
Total current liabilities	0.9	1.1	3.3	3.6	3.7	DPS Growth		n/a	n/a	n/a	n/a	n/a	
Long term debt	0.0	0.0	1.1	3.3	5.5	Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%	
Other non current liabs	0.1	0.1	0.1	0.1	0.1	Dividend imputation		30	30	30	30	30	
Total long term liabilities	0.1	0.1	1.2	3.4	5.6	PE (x)		-	-	-	-	55.3	
Total Liabilities	1.0	1.2	4.5	7.0	9.3	PE market		18	18	18	18	18	
Net Assets	17.5	24.1	23.2	19.6	20.3	Premium/(discount)		(100.0%)	(100.0%)	(100.0%)	(100.0%)	207.1%	
Share capital	58.1	72.6	78.4	78.4	78.4	EV/EBITDA		(2.6)	(4.1)	(4.1)	-	7.8	22.0
Accumulated profits/losses	(44.8)	(52.7)	(59.6)	(63.3)	(62.5)	FCF/Share	cps	(7.3)	(5.9)	(5.4)	-2.4	-1.1	
Reserves	4.2	4.3	4.4	4.4	4.4	Price/FCF share		(5.2)	(6.4)	(7.0)	-	15.7	35.0
Minorities	0.0	0.0	0.0	0.0	0.0	Free Cash flow Yield		(19.2%)	(15.6%)	(14.3%)	(6.4%)	(2.9%)	
Total Shareholder funds	17.5	24.1	23.2	19.6	20.3								

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

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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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 - Securities
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 - Securities

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