Research as a Service

Fluence Corporation Ltd

Q4 FY24 Update

Set up for a strong recovery

Water Utilities

4 February 2025

Fluence Corporation (ASX:FLC) specialises in the delivery of water and wastewater solutions in industrial, municipal and commercial industries across the globe. The company has released its quarterly 4C cash-flow statement and a Q4 financial and operating update (December year-end) and guidance for the FY25 year. Having endured a disappointing FY24 overall, driven largely by the ongoing delay in the Ivory Coast (IVC) project and a softer performance in the China and south-east Asian region, the Q4 result was a welcome turnaround and provides momentum heading into FY25. The company met its previously downgraded guidance and delivered revenue of US$51.5m (in-line with Raas US$51.2m) and an EBITDA loss of US$4.0m (9% ahead of RaaS's -US$4.4m forecast). FLC has provided a strong outlook for FY25 guiding to revenue of US$80-95m and EBITDA of US$3.0-5.0m. The backlog of the contracted order book sits at US$88.0m, US~$58.1m of which is expected to be recognised in FY25, representing 66% of forecast revenue at the guidance mid-point. This provides confidence on the back of legacy issues being de-risked, the progression of the IVC project and the solid forward order book being enhanced by a further US$5.0m of contract wins in January. We adjust our FY25 forecasts in-line with the mid-point of the guidance range with revenue at US$87.4m and EBITDA at US$4.1m. Our longer-term forecasts are adjusted slightly on timing impact (minor FY26f upgrade), resulting in our DCF valuation remaining unchanged at $0.18 per share, representing potential upside of 164% from the current share price.

Business model

Fluence is a diversified business, by product, customer profile and geography, and derives revenue from the design and sale of equipment solutions for water and wastewater treatment in municipal, industrial and commercial settings. This is complemented by the ongoing provision of parts and service, and operation and maintenance contracts.

A base from which to grow

The financial impact from the IVC project delay has materially affected performance in FY24 and resulted in a poor financial outcome. The Notice to Proceed for the IVC contract was effectively delayed by 9-12 months and finally obtained in the December quarter, but the first milestone payment of US$8.5m slipped into January. The project is now underway and is forecast to generate ~US$38m over the next 18 months. The challenges with IVC are a clear illustration as to why the new management team has pivoted the strategy away from these legacy large construction projects and towards recurring revenue and higher-margin SPS (Smart Product Solutions) projects. When the impact of IVC and SE & China are removed, the core part of the business is building momentum with revenue growth of 29% on Q4 of the previous corresponding period (pcp) and 19% year-on-year, with group recurring revenue growing 31%. The December quarter delivered revenue of US$21.2m and EBITDA of US$1.0m, suggesting the rule-of-thumb benchmark to profitability going forward is revenue of US$20m per quarter. We forecast the Q4 cash outflow of US$3.0m will reverse in the year ahead, led by a milestone payment for IVC in January and accelerating revenue growth across FY25. With the recent refinance and increase of the debt facility (now provided by the company's two largest shareholders) and cash generation in FY25, we believe FLC remains fully funded and does not require further equity capital.

DCF valuation unchanged at A$0.18/share

We reduce our FY25 forecasts to the mid-point of guidance but increase our FY26 revenue forecast marginally to reflect the timing shift. Our DCF valuation remains unchanged at A$0.18 per share. Execution risks remain but in our view, FLC presents a risk-adjusted opportunity for long-term capital growth in a business that should continue to transition towards higher-quality, lower-risk earnings in FY25 and beyond.

Historical earnings and RaaS' forecasts (in $A unless otherwise stated)

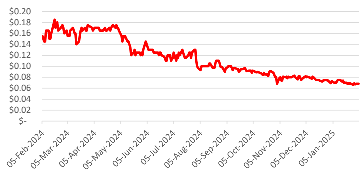
Year end	Revenue	Gross profit	EBITDA adj.*	NPAT adj.	EPS (c)	EV/Sales (x)	EV/EBITDA (x)	PER (x)
12/23a	68.8	17.8	0.2	(18.1)	(1.8)	0.3	129.8	n.m.
12/24f	51.5	15.5	(4.0)	(11.5)	(1.1)	1.1	n.a.	n.m.
12/25f	87.4	24.0	4.1	0.3	0.04	0.6	12.5	180.0
12/26f	92.4	29.1	6.5	1.6	0.21	0.5	7.6	32.9

Source: Company data, RaaS estimates for FY25f-FY26f; Adjusted for one-time and non-cash items

Share Details

ASX code	FLC
Share price (3-Feb)	$0.068
Market capitalisation	$73.5M
Shares on issue	1,080M
Net debt at 31-Dec-2024	$11.2M

Share Performance (12 months)



Upside Case

- New contract win-rate ahead of forecast
- The emergence of a clear BOO model backed by contract wins
- M&A opportunities

Downside Case

- Failure or delays in conversion of pipeline
- Margin expansion story doesn't play out
- Further problems in the Ivory Coast project

Catalysts

- Strong pipeline conversion
- Proof in delivering IVC profitably
- Evidence of maintainable margin expansion

Board of Directors

Doug Brown	Chair
Tom Pokorsky	CEO/Managing Director
Paul Donnelly	Non-Executive Director
Mel Ashton	Non-Executive Director
Nikolaus Oldendorff	Non-Executive Director

Company Contact

Ben Fash (CFO)

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RaaS Contact

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Q4 FY24 Results Discussion

The Q4 FY24 result was marginally stronger than our forecast and within the previously revised guidance range. That said, we believe FY24 overall has been a disappointing year, primarily due to the ongoing delay in the IVC addendum project, which only delivered US$7.0m in revenue versus US$22.2m for FY23. This was compounded by material underperformance in the South-east Asia and China division which experienced a 72% fall in revenue to US$3.8m. These two issues have been well flagged by management so the result was not unexpected. Outside that, the result contained some solid performances and encouragingly the core focus of SPS and recurring revenue contracts delivered growth of 19% year-on-year. Exhibit 1 illustrates the divisional contributions. Note all references to Fluence's earnings from here are in US$ unless otherwise stated.

Exhibit 1: FY24 divisional contribution versus FY23 (US$m)

	FY23		FY24		% chg
	Revenue	EBITDA	Revenue	EBITDA	Revenue
Municipal Water & Wastewater (MWW)	11.1	2.3	11.0	0.9	(1)
Industrial Water & Biogas (IWB)	7.0	0.1	8.9	0.1	27
Industrial Water & Reuse (IWR)	14.9	1.5	18.0	1.9	21
SEA & China	13.6	0.2	3.8	(0.9)	(72)
BOO	2.8	0.3	2.9	0.3	4
IVC	22.2	1.7	7.0	(0.5)	(68)
Corporate	(1.5)	(5.8)	(0.1)	(8.2)	
Total	70.1	0.3	51.5	(6.4)	(27)
Total SPS and recurring (ex-IVC & SEA China)	34.3		40.7		19

Source: Company data and RaaS analysis

The key discussion points regarding the recent release are outlined below. Note the release contained the 4C cash-flow statement and associated commentary, but the full financials won't be available until the release of the FY24 result in late February.

- **The IWB and IWR divisions are growing** solidly with revenue growth of 27% and 21% respectively YoY and both delivering positive EBITDA. We see these as two of the three core growth divisions going forward along with the municipal business (MWW). Municipal fell short of FY23 at the EBITDA line due to cycling against the completion of the US$20m New Mansoura WTP project in Egypt in H1 FY23, which saw a final revenue payment with very little associated cost, thereby inflating margin. The previously discussed IVC and SEA and China segments were obviously the material underperformers. We examine the position and outlook for each division later in this report.
- **Group revenue in Q4 was strong.** The December quarter delivered revenue of US$21.2m, more than double any other quarter through the 2024 year, and EBITDA of US$1.0m. Management stated that "EBITDA of $1.0m illustrates profitability when quarterly revenue exceeds $20.0m", which feels like a rule-of-thumb hurdle for the market to look for and the point at which operating leverage emerges as the top line grows.
- **Negative EBITDA was driven by the material reduction of revenue in SEA and the IVC project** resulting in the fixed portion of the cost base being exposed. The renewed guidance suggests the **FY25 revenue line will be materially stronger, providing cover. In regard to corporate overheads,** management stated "while corporate costs appear higher in FY 2024 vs. FY 2023, this is due to the impact of the reversal of the Chief Scientist accrual in FY 2023.

Adjusting for this reversal, Corporate EBITDA would have been US$0.3m lower in FY 2024 vs FY 2023".

- **Gross margin expanded from 28.1% to 30.1%,** representative of the contribution from higher-margin SPS and recurring revenue as stated in the group strategy, and is clearly evident when large construction projects such as the IVC addendum do not contribute as materially.
- **Cash-flow number and cash balance reflects delays.** The cash balance of US$8.9m is obviously a disappointing outcome across FY24, again severely affected by the IVC delay. This was worse than RaaS forecast predominantly due to timing whereby the initial milestone payment for the IVC project of US$8.5m was received in January rather than December as expected.
- **Debt facility increased for working capital.** FLC repaid the existing debt facilities (US$14.25m) in the September quarter, replaced by a new US$15m revolving loan facility provided by the company's two largest shareholders in Doug Brown (Chairman and 15% shareholder) and Niko Oldendorff (Director and 11% shareholder). The facility was increased by a further US$5m on 30 October 2024 to provide working capital headroom as the IVC project delays impacted. We understand this is likely to be reduced in the coming quarter by an amount of US$2.5m as cash flows back into the business.

Outlook

The company has guided to a materially stronger FY25 with forecast revenue in a range of US$80-95m and EBITDA US$3.0-5.0m. This is to be driven by:

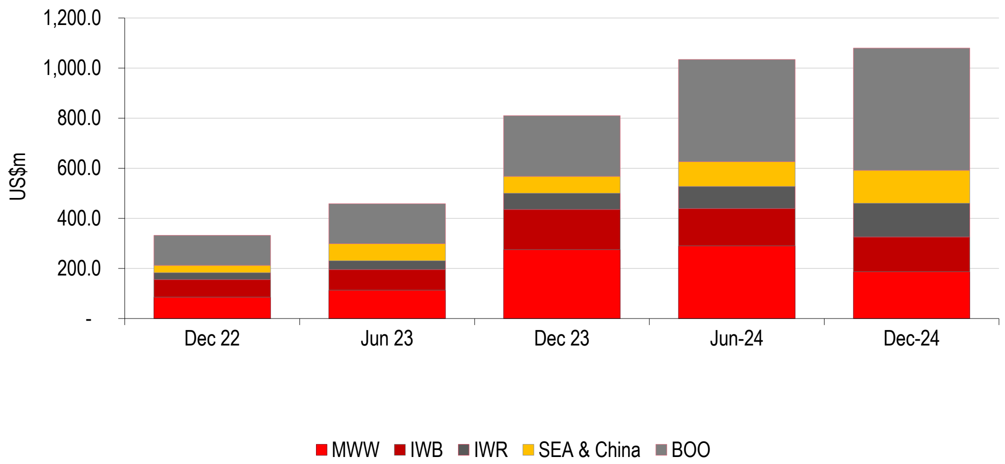
- **The IVC Addendum project commencement:** The revenue guidance range of US$80-95m includes a material contribution from the IVC addendum project. Our forecasts assume US$26m in revenue recognised by 31 December 2025. The balance of the project should be delivered in FY26 with RaaS forecast revenue of US$12m.

- **Solid and growing backlog of orders:** The order backlog sits at US$88.0m as at the end of Q4 FY24, of which US$58.1m is expected to be recognised in FY25, representing 66% of revenue guidance at the mid-point. It is worth noting that the backlog only contains orders that have been approved and with notices to proceed, derisking the book from material administrative delays that have impacted in the recent past. That said, there is always execution timing risk in the order book.

- **Recent project orders secured:** FLC has won a further ~US$5m in contracted orders through January 2025 which were not included in the stated backlog as at December 2024. We understand ~US$3.5m of these are expected to be recognised in FY25, taking the secured percentage of forecast revenue to 70% at the mid-point of guidance.

- **Further pipeline conversion:** The balance of the revenue is expected to be converted from the group sales pipeline, which remains strong at US$1.1b and has grown significantly under new management over the past two years. Circa US$490m falls into the BOO vertical, which is potentially challenging given the FLC balance sheet, but the MWW, IWB and IWR divisions all have a healthy pipeline exceeding US$100m each. The sales cycle for the municipal business (MWW) is longer and more protracted, so we would look for a healthy flow of contracts in the IWR and IWB divisions. To reach the lower end of the guidance range FLC needs to secure and deliver a further US$19.4m of new work, with US$34.4m required to deliver to the top end (FLC signed US$50m of new orders in FY24). We view this as very achievable. Notably, management has withdrawn timing-based project win projections after disappointing in H2 FY24. Previous guidance had been for contract wins of US$50-60m for the second half, but a large portion was represented by the extension of the US$30m Bimini project which has been delayed, complemented by various other projects, some of which were not successful and others which have been pushed into Q1 FY25. The pipeline by division is illustrated in Exhibit 2.

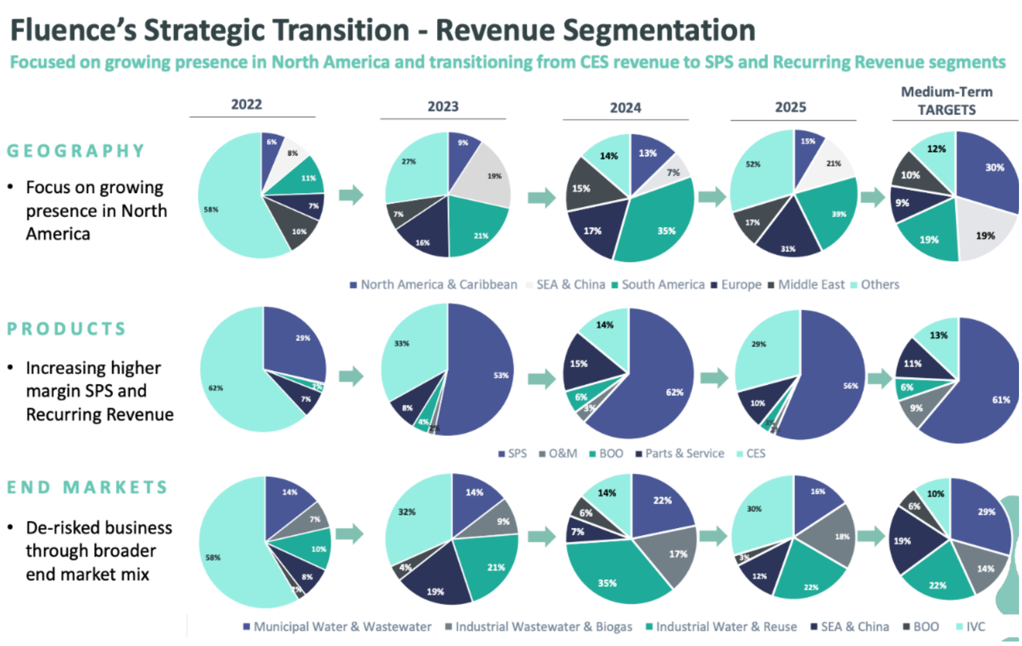
Exhibit 2: Sales pipeline



Source: Company reports

FLC has provided historical data and guidance on revenue segmentation geographically, by product type and divisionally, as illustrated in Exhibit 3.

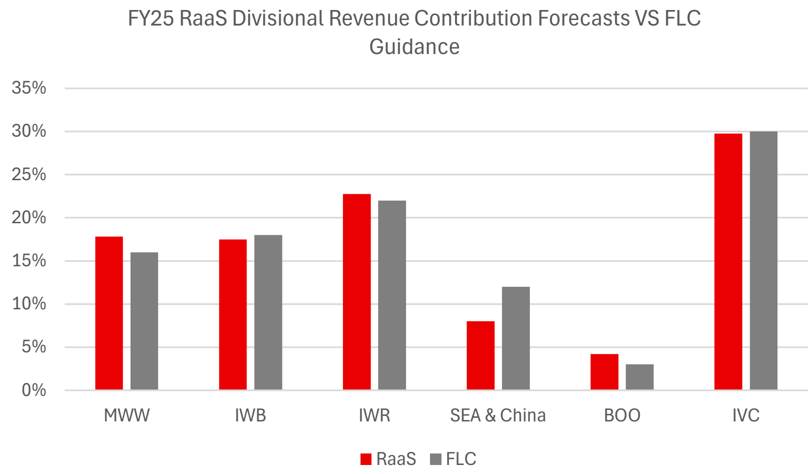
Exhibit 3: Fluence revenue segmentation



Source: Company reports

The transition away from reliance on the IVC project is clear in all three segmentation types. Geographical diversification across the business is forecast to improve but the strategy of developing the North American exposure is still underway with the region expected to contribute 15% of revenue in FY25 versus the medium-term target of 30%. The product segmentation data clearly shows the execution of the strategy away from large CES projects to higher-margin SPS and recurring revenue contracts. The divisional, or "End Markets", data again shows improved diversification across the revenue base of the business. This provides an interesting guide toward the FY25 expectation. At RaaS we model the business by division. Exhibit 4 shows the previous RaaS revenue forecasts by percentage of contribution in FY25 versus the new FLC guidance.

Exhibit 4: FY25 RaaS divisional revenue contribution forecast v FLC guidance



Source: Company reports, RaaS estimates

As illustrated above, there are no material surprises to us in the relative contribution guidance provided (other than our more conservative stance on a China and SEA recovery). Some of the key considerations at the divisional level are:

- **MWW (Municipal Water and Wastewater):** Delivered US$11.0m revenue in FY24 (flat against pcp and in-line with RaaS forecast). We retain our FY25 revenue forecast of US$15.6m representing growth of 42%. We understand that the municipal business has a current order backlog of US$9.0-10.0m to be realised in FY25f and given our relative contribution forecast is broadly in-line with that of FLC, we remain comfortable. It's worth noting that ~75% of the MMW contract pipeline of US$137m is represented by North American opportunities and could prove to be strategically important work to propel FLC forward in the region.

- **IWB (Industrial Water and Biogas):** Delivered US$8.9m revenue in FY24 (+27% over pcp but US$1.0m lighter than RaaS forecast). We retain our existing FY25 revenue forecast of US$15.3m, representing growth of ~70%, driven by the fact that IWB has a contract backlog of US$9.0-10.0m (exceeding FY24 total revenue). This forecast has been validated by the recent contribution guidance from Fluence, stating IWB is expected to deliver 18% of group revenue which equates to US$15.7m at guidance mid-point of US$87.5m.

- **IWR (Industrial Water and Reuse):** Delivered US$18.0m revenue in FY24 (+21% over pcp and in-line with RaaS forecast of US$17.9m). We pare our existing FY25 revenue forecast from US$21.5m to US$20.0m on a slightly smaller contract backlog than we anticipated. This represents growth of ~12% over the pcp and may prove conservative given the US$135m contract pipeline for the division.

- **South-east Asia and China:** A poor FY24 where revenue dropped by 72% from US$13.6m to US$3.8m placed this division as the only EBITDA loss maker for the group at -US$1.1m (before corporate overheads). The macro environment in China appears to continue to be challenging, but management sounds optimistic about other areas of south-east Asia. As such management has recently undertaken a strategic review resulting in a restructure of the business. A newly-appointed team includes a General Manager who is a seasoned engineering chief from within the Fluence business elsewhere, complemented by a new Finance Manager and Operations Manager. Fluence management spoke of the fact that there has already been an improvement and some orders are "coming in". That said, we retain our existing FY25 revenue forecast of US$7.0m, which represents some improvement over FY24 but still a shortfall against the contribution of FY22 and FY23. We view our revenue forecast as conservative and below management guidance of 12% of revenue (a range of US$9.6-11.4m).

- **IVC (The Ivory Coast Addendum Project):** FLC finalised the financing of the Ivory Coast Addendum contract in Q4 FY24. This was a key milestone and resulted in the receipt of the Notice to Proceed from the Ivory Coast National Drinking Water Organisation. Execution of the works began immediately thereafter and FLC booked revenue of US$7.0m for the December quarter. The balance of the contract equates to ~US$38.0m, which is expected to be recognised over the next 18 months. We forecast US$26.0m revenue for FY25 (revised down from US$30.0m to be conservative and assuming some minor delays) and the balance in H1 FY26, which is broadly in-line with management guidance.

Changes To Forecasts

We remain optimistic about the outlook for the business and the capability of the management team to drive the new strategy, however we believe the market will require proof of execution in 2025 to drive material share price strength. The company has made significant strides toward the turnaround, particularly in the three key divisions of MWW, IWB and IWR. We adjust our forecasts which align with released data points for FY24, the mid-point of guidance for FY25f and timing adjustments on contracts for FY26f, as illustrated in Exhibit 5.

Exhibit 5: Revised forecasts (in US$m unless otherwise stated)

	FY24 Old	FY24 New	*Change*	FY25 Old	FY25 New	*Change*	FY26 Old	FY26 New	*Change*
Revenue	51.2	51.5	*0.3*	93.0	87.4	*(5.6)*	86.5	92.4	*5.9*
EBITDA	(4.4)	(4.0)	*0.4*	5.2	4.1	*(1.1)*	6.3	6.5	*0.2*
NPAT (adj.)	(8.5)	(11.5)	*(3.0)*	1.3	0.3	*(1.0)*	2.0	1.6	*(0.4)*

Source: RaaS forecasts

- **FY24f:** We adjust our FY24 forecasts to the actual data points that were released in the update, most notably revenue and EBITDA which came in within the previously adjusted guidance range and marginally ahead of our forecasts. Further detail will become available at the release of the FY24 result in late February.

- **FY25f:** We reduce revenue forecast by US$5.6m to US$87.4m, representing the mid-point of management guidance. As a result, we reduce our EBITDA forecast from US$5.2m to US$4.1m.

- **FY26f:** The impact of the previous timing delay on the IVC Addendum project is forecast to push revenue into the first half of FY26, resulting in an increase in our forecast from US$86.5m to US$92.4m. Group margins reduce slightly due to the contribution from the lower-margin CES project, resulting in only an immaterial upgrade at the EBITDA line from US$6.3m to US$6.5m.

DCF Valuation

In our view, given the early-stage of the turnaround for the Fluence business, the discounted cash-flow methodology is the most appropriate method for valuing the company. We use a weighted average cost of capital of 11.3% (risk-free rate 4.0% and equity risk premium 6.0%). We use a beta of 1.2 (LSEG observed Beta is 0.86). This gives us a base-case valuation of A$0.18/share fully diluted which remains unchanged. The recent timing issues do not impact our mid- and long-term earnings forecasts.

Exhibit 3: DCF valuation

DCF valuation	Parameters
Discount rate / WACC	11.2%
Beta*	1.2
Terminal growth rate	3.0%
Sum of PV (US$m)	29.1
PV of terminal value (US$m)	89.1
PV of enterprise (US$m)	118.2
Net debt 30 Dec US($m)	10.7
Net value – shareholder (US$m)	128.9
No. of shares on issue (in millions and fully diluted)	1,080
NPV in US$	**$0.12**
NPV in A$ (ER 0.65)	**$0.18**

Source: RaaS analysis; *LSEG observed beta is 0.86

RaaS
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Exhibit 4: Financial Summary

Fluence Corporation	All financials in US$ unless stated otherwise				
Profit and Loss (A$m)					
Y/E 30 December	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
Sales Revenue	116.3	68.8	51.5	87.4	92.4
Gross Profit	26.8	17.8	15.5	24.0	29.1
EBITDA underlying	0.5	0.2	(4.0)	4.1	6.5
Depn	(2.0)	(1.8)	(1.6)	(1.8)	(1.8)
Amort	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)
EBIT underlying	(1.7)	(1.4)	(5.8)	2.0	4.4
Interest	(4.0)	(5.7)	(1.5)	(1.6)	(1.6)
Tax	(1.0)	(0.7)	(0.6)	(0.2)	(1.2)
Equity accounted assoc	(0.1)	0.0	0.0	0.0	0.0
NPAT pre significant items	(9.0)	(9.2)	(8.0)	0.3	1.6
Significant & non-cash items	(9.8)	(8.8)	(3.5)	0.0	0.0
NPAT (reported)	**(18.8)**	**(18.1)**	**(11.5)**	**0.3**	**1.6**
Cash flow (A$m)					
Y/E 30 December	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
EBITDA	0.5	0.2	(4.0)	4.1	6.5
Interest	(3.9)	(5.7)	(1.6)	(1.6)	(1.6)
Tax	(0.1)	(0.2)	(0.2)	(0.2)	(1.2)
Working capital & other	(17.0)	(13.3)	(14.3)	5.3	1.4
Operating cash flow	(20.5)	(19.0)	(20.1)	7.6	5.0
Mtce capex	0.0	0.0	(1.5)	(0.4)	(0.4)
Free cash flow	(20.5)	(19.0)	(21.5)	7.2	4.6
Capex	(0.4)	(1.8)	(1.6)	(2.0)	(2.0)
Acquisitions/Disposals	0.3	0.1	1.9	0.0	0.0
Other	10.9	6.1	(1.0)	(0.2)	(0.2)
Cash flow pre financing	(9.8)	(14.6)	(22.2)	5.0	2.4
Equity	3.7	26.6	0.0	0.0	0.0
Debt	(0.4)	(13.4)	1.9	(2.5)	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow for year	(6.5)	(1.4)	(20.3)	2.5	2.4
Balance sheet (A$m)					
Y/E 30 December	**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
Cash	30.9	24.6	6.4	9.0	11.3
Accounts receivable	49.0	35.3	35.3	41.2	40.3
Inventory	9.3	5.7	3.1	6.3	6.2
Other current assets	10.6	8.7	6.3	6.3	6.3
Total current assets	99.8	74.3	51.1	62.7	64.1
PPE	9.7	8.1	8.1	8.3	8.5
Intangibles and Goodwill	1.3	1.1	1.1	1.2	1.3
Investments	0.3	0.3	0.2	0.2	0.2
Deferred tax asset	0.0	2.0	1.1	1.1	1.1
Other non current assets	12.4	7.2	16.2	12.0	11.0
Total non current assets	23.8	18.8	26.7	22.8	22.1
Total Assets	123.6	93.1	77.9	85.6	86.3
Accounts payable	51.5	32.4	33.8	41.2	40.3
Short term debt	1.3	15.8	15.4	12.9	12.9
Tax payable	0.1	0.7	0.0	0.0	0.0
Other current liabilities	32.3	28.7	24.5	27.0	27.0
Total current liabilities	85.1	77.6	73.7	81.1	80.3
Long term debt	32.9	2.6	2.2	2.2	2.2
Other non current liabs	2.6	0.8	0.7	0.7	0.7
Total long term liabilities	35.6	3.4	2.9	2.9	2.9
Total Liabilities	120.7	80.9	76.6	84.0	83.2
Net Assets	**2.9**	**12.2**	**1.3**	**1.6**	**3.1**
Share capital	217.7	232.3	232.6	232.6	232.6
Accumulated profits/losses	(198.9)	(214.9)	(226.4)	(226.1)	(224.5)
Reserves	(13.9)	(3.3)	(3.1)	(3.1)	(3.1)
Minorities	(2.0)	(2.0)	(1.9)	(1.9)	(1.9)
Total Shareholder funds	**2.9**	**12.2**	**1.3**	**1.6**	**3.1**

Share price (4 November 2024)	All per share metrics in A$					0.068
Interim (A$m)						
	1H23A	**2H23A**	**1H24F**	**2H24F**	**1H25F**	**2H25F**
Revenue	30.4	38.4	20.1	30.7	39.0	48.4
EBITDA (adj)	(1.6)	2.2	(3.5)	(0.5)	2.2	1.9
EBIT (adj)	(2.6)	1.2	(4.4)	(1.3)	1.2	0.9
NPAT (normalised)	(5.1)	(3.8)	(5.9)	(2.0)	0.3	0.1
EPS (normalised/diluted)	(0.69)	(0.48)	(0.55)	(0.18)	0.03	0.01
Dividend (cps)	-	-	-	-	-	-
Imputation	-	-	-	-	-	-
Operating cash flow	(12.9)	(0.4)	(13.6)	6.4	0.8	(0.2)
Divisions	**1H23A**	**2H23A**	**1H24F**	**2H24F**	**1H25F**	**2H25F**
MWW	5.3	5.8	3.7	7.4	7.6	8.0
IWB	3.4	3.6	3.2	5.7	5.5	9.8
IWR	5.7	9.2	8.7	9.3	9.6	10.3
SEA & China	2.2	11.4	2.4	1.4	3.5	3.5
BOO	1.2	0.9	1.5	1.4	1.8	1.8
IVC	13.2	9.1	0.7	7.0	11.0	15.0
Sales revenue	**30.4**	**38.4**	**20.2**	**30.7**	**39.0**	**48.4**
EBITDA (normalised)	(1.6)	2.2	(3.5)	(0.5)	2.2	1.9

Margins, Leverage, Returns		FY22A	FY23A	FY24F	FY25F	FY26F
Gross Profit Margin		23.1%	25.9%	30.0%	27.5%	31.5%
EBITDA		0.4%	0.3%	(7.7%)	4.7%	7.0%
EBIT		(1.5%)	(2.1%)	(11.3%)	2.3%	4.8%
NPAT pre significant items		(16.2%)	(26.3%)	(22.3%)	0.3%	1.7%
Net Debt (Cash)		3.3	(6.3)	11.2	6.2	3.8
ND/ND+Equity (%)	(%)	933.1%	34.0%	112.8%	133.7%	567.9%
EBIT interest cover (x)	(x)	n/a	n/a -	3.8	1.3	2.8
ROA		n/a	n/a	(6.8%)	2.5%	5.1%
ROE		n/a	n/a	(170.2%)	20.3%	67.0%
ROIC		n/a	n/a	323.5%	(26.0%)	(128.9%)
Working capital		6.8	8.6	4.6	6.3	6.2
WC/Sales (%)		5.9%	12.5%	8.9%	7.2%	6.7%
Revenue growth		6.3%	(40.9%)	(25.1%)	69.7%	5.7%
EBITDA growth pa		n/a	n/a	-2390%	-203%	58%
Pricing		**FY22A**	**FY23A**	**FY24F**	**FY25F**	**FY26F**
No of shares (y/e)	(m)	651	1,076	1,076	1,076	1,076
Weighted Av Dil Shares	(m)	710	791	1,163	1,163	1,163
EPS Reported (A$)	cps	(4.07)	(3.51)	(1.52)	0.04	0.21
EPS Normalised/Diluted (A$)	cps	(1.94)	(1.79)	(1.06)	0.04	0.21
EPS growth (norm/dil)		n/a	n/a	n/a	-104%	448%
DPS	cps	-	-	-	-	-
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)		n/a	n/a	n/a	180.0	32.9
PE market		18.0	18.0	18.0	18.0	18.0
Premium/(discount)		n/a	n/a	n/a	899.8%	82.6%
EV/EBITDA		59.1	129.8	n/a	13.2	7.9
EV/Revenue		0.3	0.3	1.1	0.6	0.6
FCF/Share (A$)	cps	-4.8	-2.7	-3.1	1.0	0.7
Price/FCF share	x	n/a	n/a	n/a	6.6	10.4
Free Cash flow Yield		-71.2%	-40.0%	-45.3%	15.2%	9.6%

Source: RaaS estimates, Company data for actuals

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

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