Research as a Service

Airtasker Limited

FY24 Result and Outlook

Let the advertising begin/continue

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 reported RaaS adjusted FY24 EBITDA of $1.0m (FY23 -$6.0m), in line with RaaS estimates and driven by a higher monetisation rate and lower employee costs. Marketing costs increased 67% over the year including $4.4m in non-cash contra media spend in the UK. FY25 is set for further growth, driven by: 1) A discretionary spending recovery in Australia off a low base, 2) Media capital deals across Australia with ARN Media (ASX:A1N) and oOh!media (ASX:OML), the UK with Channel 4 and now the US with iHeartMedia and TelevisaUnivision in the US that are likely to grow gross marketplace volume (GMV) and revenue, and 3) a full year benefit from a higher monetisation rate driven by a new cancelation policy. Management has a focus on remaining cashflow positive, protecting the $17.8m cash balance, achieving double-digit revenue growth and building further trust in the Airtasker brand. 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 a Sum of The Parts (SoTP) valuation of $0.51/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 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.

Leveraged to Aus discretionary spend/UK & US success

Airtasker Australia has been affected by the contraction in discretionary spending following interest rate rises, with GMV declining over the last three halves, but turning modestly positive in Q4FY24. With a ~400bps improvement in monetisation rates over this period, a recovery in Australian discretionary spending offers significant operating leverage potential for ART into FY25, and likely to be amplified by two new media deals totalling $11.0m with oOh!media (ASX:OML) and ARN Media (ASX:A1N). The contra media deal with the UK's Channel 4 will see a further ~A$2.3m of advertising spend over the next 6 months and has been the key driver in the 76% increase in Q4 FY24 UK revenue. A new A$14.4m media capital deal in the US across two players, audio group iHeartMedia and Spanish-language content provider TelevisaUnivision promises to supercharge US growth.

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. 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 international investment to date, and combined we value ART at $0.51/share. Our Discounted Cash Flow (DCF) model for a sense check is $0.55/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)
6/23a	197.4	44.1	(6.0)	(11.1)	(0.02)	nm	2.5
6/24a	190.6	46.8	1.2	(3.4)	0.00	91.9	2.8
6/25f	220.6	56.9	0.3	(2.8)	0.00	296.7	2.3
6/26f	270.0	67.9	7.8	5.2	0.018	9.6	1.9

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

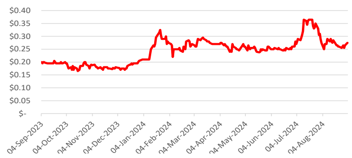
Online Marketplace

3 September 2024

Share Details

ASX code	ART
Share price (2-Sept)	$0.27
Market capitalisation	$122.0M
Shares on issue	452.0M
Cash at 30-Jun-24	$17.8M

Share Performance (12 Months)



Upside Case

- Market-share gains in Australia, UK and US
- Improved discretionary spending environment in Australia
- Keeping 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 deal translates to new customers
- Narrowing of International losses

Company Interview

Airtasker (ASX:ART) RaaS Interview 3 Sept '24

Airtasker (ASX:ART) RaaS Transcript 3 Sept '24

Board of Directors

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

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FY24 Result Highlights

Key observations from the FY24 result release include:

- **Airtasker marketplace GMV of $190.6m, down 3% on FY23**, with Australia -4% and International +27%, aided by growth in the UK on the back of the Channel 4 contra media spending. The international growth rate accelerated to 36% in H2 FY24 relative to H2 FY23.

  Over 788k bookings were made on Airtasker at an average value of $245 over the year.

- **Revenue of $46.6m, +6% on FY23,** with Australia +5% and International +56% off a low base.

  Growth in revenue relative to the decline in GMV can be attributed to an improved monetisation rate (from 17.5% to 20%, and a H2 FY24 rate of 20.0%), which was driven by the introduction of cancellation fees to improve platform efficiency.

- **Operating costs down 9%**, predominantly the result of 29% lower employee costs (excluding share-based payments) on the back of redundancies taken late FY23.

  Within total costs, marketing costs increased 67%, 17% on a cash basis and $4.4m (non-cash) expensed as part of the UK Channel 4 media deal.

  Additional marketing spend information revealed Airtasker Australian cash spend of $2.3m or just 6.5% of revenue. This compared to Oneflare at $2.6m or ~30% of revenue and International of $9.4m ($4.4m non-cash and $5.0m cash).

- **Positive RaaS adjusted FY24 EBITDA of $1.0m**, in-line with RaaS estimates and an improvement on the FY23 loss of $6.0m due to leverage from revenue growth (higher monetisation) on a lower cost base (employee expense).
- **Amortisation of $3.8m**, in-line with our forecast; and
- **Reported NPAT loss of $2.9m**, after depreciation, amortisation, share based payments, interest and non-controlling interests (the UK).

Exhibit 1: ART FY24 result summary (A$m unless specified)

Variable (Am)	FY23	FY24	% CHG	Comments
Airtasker GMV	**197.4**	**190.6**	**(3)**	**Lower bookings and task value**
Revenue	**44.1**	**46.7**	**6**	**Higher monetisation rates**
Australia	43.2	45.2	5	
International	0.9	1.4	56	
Operating Costs (Inc. COGS)	**50.1**	**45.6**	**(9)**	
Employee (ex SBP)	28.7	20.5	(29)	FY23 headcount reduction
Marketing	8.6	14.5	67	A mix of cash and non-cash
IT and General	12.8	10.7	(16)	
EBITDA	**(6.0)**	**1.0**	**nm**	**Loss to profit**
Depreciation	1.0	0.7		
Amortisation	3.8	3.8		
EBIT	**(10.8)**	**(3.5)**	**(68)**	
Reported. NPAT	**(12.9)**	**(2.9)**	**nm**	

Source: Company announcements, RaaS estimates (adjusting for share-based payments and other income)

FY25 Outlook

The outlook for FY25, in our view, can be boiled down to four key drivers which we detail below, namely:

- **The Australian consumer discretionary environment**;
- **Growth in GMV and revenue aided by media deals across Australian, the UK and the US**;
- **An annualisation of a higher monetisation rate**; and
- **A focus on marketplace trust**.

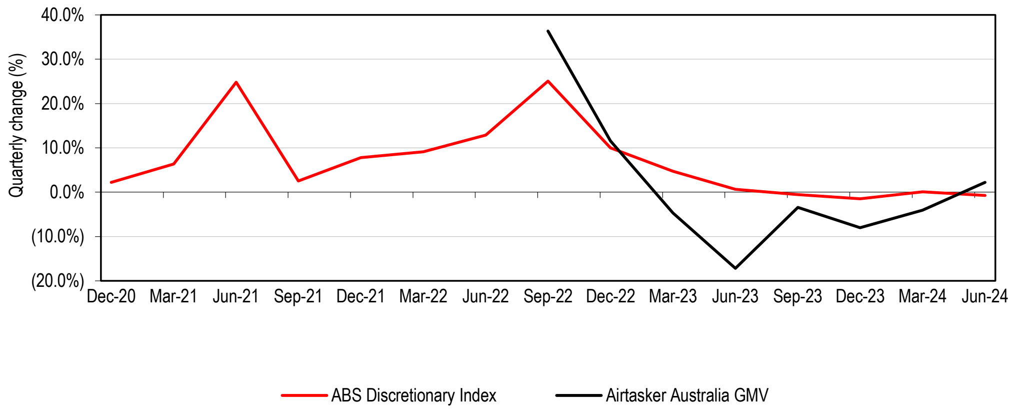
Australian consumer discretionary environment

ART has not been immune from the recent downturn in Australian consumer spending, with Airtasker Australia experiencing negative GMV growth over the five quarters to March 2024, and modest (~4.0%) growth in Q4 FY24.

Such declines have correlated with the ABS non-discretionary spending index, which peaked in the September 2022 quarter (Airtasker Australia GMV rose 36% in the same quarter), slowing to between +0.1% and -1.5% between the June 2023 and June 2024 quarter (Airtasker Australia GMV was down between 16% and 3% over the same period using RaaS estimates).

A recovery in Australian discretionary spend should be favourable to ART GMV and revenue growth, driven by a low base, tax cuts, real income growth and the prospect of interest rate cuts, and we are already seeing this in the results of a number of discretionary retailers.

Exhibit 2: Quarterly % change in Australian household discretionary spending vs. ART GMV



Source: ABS data, ART announcements, RaaS estimates for Airtasker Australian GMV over FY24

Media deal leverage for Australia the UK and now the US

Australia

Exhibit 3 below estimates how many new customers could potentially be gained from the two recent Australian media capital deals with ARN Media (ASX:A1N) and oOh!media (ASX:OML) and what this means for ART GMV and revenues into FY25 and FY26.

ART began running billboard adds with OML in August and will commence a radio campaign with A1N in the December quarter.

To start we divide the total of both media deals ($11.0m) by an estimated customer acquisition cost (CAC) of $80[1], which is in-line with estimates from listed peers. This delivers 140k new customers and represents ~30% of the 438k UPCs disclosed by ART in FY23.

We then multiply new customers by the current average spend per year, which we estimate at the average task price ($240) multiplied by a frequency rate of 1.8x ($432) to arrive at additional GMV of $59.4m.

Finally, we apply our estimated Airtasker Australian monetisation rate (22%) to GMV to arrive at a likely revenue uplift over the FY25-FY26 period ($13.1m) and represents 28% of the FY24 base. This number is before any other advertising spend, assumptions around a cyclical recovery or FY25 new customers repeat usage in FY26.

Exhibit 3: New customer analysis from Australian media deals

Variable	Workings
Media spend (ARN + oOh) ($m)	11.0
divided by estimated CAC ($)	80
= Implied new customers (No.)	140,000
Avg. customer spend ($240/task * 1.8x frequency per year) ($)	432
Implied new GMV ($m)	59.4
Implied new revenue assuming 22% monetisation ($m)	13.1
% of FY24 Revenue base	28.2
Year-1 value of a new customer (customer spend * 22%)	95.0

Source: RaaS estimates

Importantly ART spent just $2.3m or 6.5% of revenue in FY24 on Airtasker Australia to generate ~$37m in revenue.

The UK

The UK media deal with Channel 4 was signed in late 2023 and has seen ~$4.4m of the A$6.7m in spend used up to June 2024. UK revenue growth accelerated to +76% in Q4 FY24, and we are forecasting similar growth levels into FY25 and FY26 from the residual benefits of this spend.

Calculating potential customer numbers using the same methodology is less relevant in the UK and the US given the start-up nature of these regions.

The US

Post result release ART has announced their first media capital deals in the US with a two-pronged approach across language barriers. The first is with iHeartMedia (NASDAQ:IHRT), which will provide ART with a US$5m (A$7.4m) convertible note in exchange for a 4-year convertible note with a 5.0% coupon rate, similar to the deals in Australia.

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, which is similar to the deal with Channel 4 in the UK. This deal clearly addresses the large Hispanic population for Los Angeles, the major US city focus for ART.

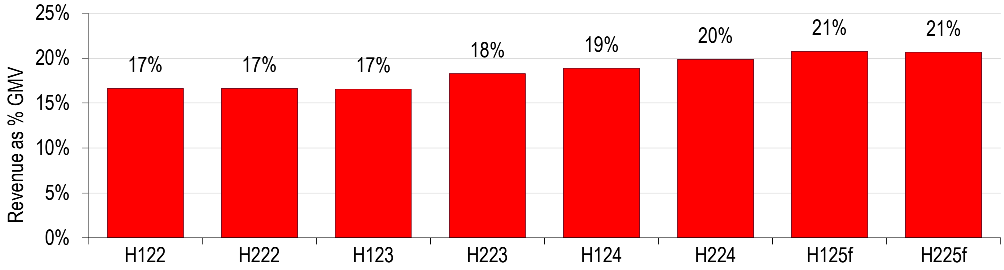
RaaS had only forecast ~8.0% revenue growth in the US, but with media capital deals now signed we adjust our estimates accordingly. The US is coming from a much lower base than the UK, and with a larger media capital deal should dramatically accelerate GMV and revenue growth.

[1] ASX CHL estimated a H1 FY24 CAC of $155 for owners and $15 for hirers, ASX STP delivered 1 H1 FY24 CAC of $85 and ASX CTT quoted a H1 FY24 CAC of $108

Higher monetisation rate

FY25 will see a full year's impact from higher monetisation rates achieved over FY24, the result of implementing a cancellation policy that improved platform efficiencies. The group monetisation rate was 16.7% in H1 FY23 and 20.5% in H2 FY24 and is forecast by RaaS to be 20.7% over FY25.

Exhibit 4: ART group monetisation rate



Source: Company data, RaaS estimates (FY25f)

Build further marketplace trust

While difficult to quantify, management has placed a lot of emphasis on building on Airtasker marketplace trust in FY25 from three angles:

- **The brand**, supported by the advertising campaigns about to rollout with A1N and OML.
- **Between customer and tasker**, with improved functionality for taskers to add the likes of police checks and certifications.
- **Highlighting processes including secure payment**, which will also likely be a feature of upcoming add campaigns**.**

RaaS earnings adjustments are summarised in exhibit 5 below. Key changes can be summarised as follows:

- **Upgrades to International revenue growth, mainly driven by the US media capital deals**;
- **Lower near-term EBITDA due to higher non-cash media capital charges**;
- **Cashflow assumptions remain unchanged as media capital deals are non**-cash in nature; and
- **Long-term upgrades to EBITDA as media capital slows off a higher revenue base**.

Exhibit 5: RaaS ART earnings adjustments (in A$m unless otherwise stated)

Variable	FY24a	FY25f	FY26f	FY27f	FY28f
Revenue					
Previous	46.6	55.3	65.0	72.5	80.6
Revised	46.7	55.9	66.6	76.2	87.2
% CHG	**0**	**1**	**3**	**5**	**8**
Adj. EBITDA					
Previous	0.4	4.2	12.8	23.0	27.9
Revised	1.0	-0.6	6.8	22.7	33.1
% CHG	**188**	**(114)**	**(47)**	**(1)**	**19**
Adj. EPS ($)					
Previous	0.000	0.009	0.029	0.037	0.045
Revised	0.001	-0.001	0.015	0.037	0.053
% CHG	nm	(112)	(46)	(1)	18

Source: Company data (FY24a), RaaS estimates (FY25-FY28)

A full financial summary by division for ART to FY27 is presented in the table below.

Exhibit 6: ART P&L summary FY23-FY27f (A$m unless specified)

Year-ended June	2023a	2024a	2025f	2026f	2027f
Revenue	**44.13**	**46.82**	**56.93**	**67.85**	**77.50**
Australia	**43.20**	**45.37**	**54.55**	**62.81**	**68.03**
Airtasker	33.80	37.02	45.26	53.16	57.90
Oneflare	9.40	8.35	9.28	9.65	10.14
International	**0.93**	**1.45**	**2.38**	**5.04**	**9.47**
Operating costs	50.15	45.65	56.43	59.86	53.46
EBITDA	**(6.02)**	**1.04**	**(0.57)**	**6.75**	**22.71**
Australia (ex SBP)	5.60	13.80			
International	(11.60)	(12.48)			
Depreciation	1.05	0.68	0.93	0.95	1.00
Amortisation	3.78	3.82	3.21	2.87	2.41
EBIT	**(10.85)**	**(3.46)**	**(4.71)**	**2.93**	**19.30**
Interest expense	0.26	0.08	(1.00)	(1.20)	(1.00)
Pre-tax	(11.10)	(3.55)	(3.71)	4.13	20.30
Tax expense	0.00	0.00	0.00	0.00	6.09
Adj. NPATA	**(11.10)**	**(3.55)**	(3.71)	4.13	14.21
Adjustments	(1.79)	(0.87)	0.70	0.50	0.50
Non-controlling int.	0.02	1.54	0.00	0.00	0.00
Reported NPAT	**(12.88)**	**(2.88)**	**(3.01)**	**4.63**	**14.71**

Source: Company data for actuals, RaaS estimates for FY25f-FY27f

Listed Peer Update

We see peers for ART as businesses operating 'marketplaces' for services, with such marketplaces typically holding no inventory, operating a negative working capital model, relying on advertising for new customer generation and deriving revenue by charging a service fee on the gross transaction fee.

We have added online-only retailers Step One (ASX:STP) and Adore Beauty (ASX:ADY) for additional profitable peers with consensus earnings.

The following table summarises the key financial metrics of selected peers for FY25 which we use to select the appropriate multiples for a Sum of The Parts (SoTP) valuation.

Exhibit 7: ART peer group FY25f financial comparison (in A$m unless otherwise stated)

Company Name	Ticker	Share price (cps)	Mkt. cap.	Net debt (cash) @ Jun-24	GMV	Revenue	Mon. rate (%)	EV/Rev (x)	EBITDA	EBITDA# (x)
hipages	HPG	1.38	185	-21.3	na	84.5	nm	2.2	19.5	9.5
Articore	ATG	0.38	107	-36.9	460.0	126.9	25.3	0.8	7.6	14.1
Camplify	CHL	1.26	90	-14.8	175.6	52.0	27.3	1.7	2.1	42.9
Freelancer *	FLN	0.18	81	-21.1	1,021.0	53.3	5.0	1.5	6.3	12.9
Step One	STP	1.68	311	-38.9	97.5	97.5	na	3.2	20.3	15.3
Adore Beauty ^	ADY	1.15	108	-12.8	217.9	217.9	na	0.5	9.1	11.9
							25.9	**1.66**		**12.7**
Airtasker	ART	0.27	122	-17.8	270.1	55.9	20.7	2.2	-0.6	nm

Sources: LSEG consensus, RaaS estimates (ART); Prices as of 2 September 2024; *CY24; # Average excludes CHL ^Pro-forma debt

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 excluding (ASX:CHL) due to its high multiple)(12.7x) to RaaS Australian FY25(f) 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 UK media deal with Channel 4.

The resulting valuation is $0.51/share, down from $0.54/share due to lower Australian earnings.

Exhibit 8: ART Sum of The Parts valuation – FY24 (in A$m unless otherwise stated)

Division	FY25f adj. EBITDA	Revenue	EBITDA multiple(x)	Revenue multiple(x)	Valuation
Australia	15.8	53.3	12.7	3.8	201
International *	(12.0)	2.1		8.1	17
Group	**3.8**	**55.3**			**218**
Add net cash (Jun-24)					18
Less 20% of UK					(3)
VALUATION					232
Shares on issue (m)					452
EQUITY VALUE					**$0.51**

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

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 has been weak since June 2023, while Airtasker Australian GMV has been negative through this period. With real wage growth, stage-three tax cuts and the prospect of interest rate cuts, 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 $11.0m**. 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 $13.1m 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 A$6.7m contra media deal with the UK's Channel 4 signed late CY23 aiming to deliver similar benefits that the Seven West Media deal did for the Australian business between 2016 and 2021 (6x brand awareness, 12x GMV, 20x revenue).

  An A$14.4m US media capital deal with iHeartMedia and TelevisaUnivision was signed in September 2024 with a similar structure to the Channel 4 deal.

- **Strong balance sheet**. ART ended June 2024 with net cash of $17.8m, providing significant optionality for growth across both Australia and internationally.
- **Cash-flow positive in FY24**. 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.

Research as a Service

Exhibit 9: ART Financial Summary

Airtasker (ART.ASX)					
Profit and Loss (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24A**	**FY25F**	**FY26F**
Airtasker GMV	186.6	197.4	190.6	220.6	270.0
Revenue	**31.6**	**44.1**	**46.8**	**56.9**	**67.9**
Operating costs	46.3	50.1	45.6	56.6	60.1
Underlying EBITDA	**(14.7)**	**(6.0)**	**1.2**	**0.3**	**7.8**
Depn	(0.9)	(1.0)	(0.7)	(0.9)	(0.9)
Amort	(2.6)	(3.8)	(3.8)	(3.2)	(2.9)
EBIT	**(18.2)**	**(10.8)**	**(3.3)**	**(3.8)**	**4.0**
Interest	0.0	(0.3)	(0.1)	1.0	1.2
Tax	0.0	0.0	0.0	0.0	0.0
Adj. NPAT	**(18.2)**	**(11.1)**	**(3.4)**	**(2.8)**	**5.2**
Adjustments	(2.2)	(1.8)	(0.9)	0.0	0.0
Adjusted NPAT	**(20.4)**	**(12.9)**	**(4.3)**	**(2.8)**	**5.2**
Minorities	0.0	0.0	1.5	0.7	0.5
NPAT (reported)	**(20.4)**	**(12.9)**	**(2.8)**	**(2.1)**	**5.7**
Cash flow (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24A**	**FY25F**	**FY26F**
EBITDA (inc cash rent)	(15.3)	(6.8)	0.7	(0.2)	7.3
Interest	0.0	(0.3)	(0.1)	1.0	1.2
Tax	0.0	0.0	0.0	0.0	0.0
Working capital/Other	1.0	(3.5)	4.8	13.9	13.3
Operating cash flow	**(14.2)**	**(10.6)**	**5.3**	**14.7**	**21.8**
Capitalised IT spend	(4.6)	(3.4)	(1.9)	(2.0)	(1.8)
Free cash flow	**(18.8)**	**(14.0)**	**3.4**	**12.7**	**20.0**
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**	**12.7**	**20.0**
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**	**12.7**	**20.0**
Balance sheet (A$m)					
Y/E 30 June	**FY22A**	**FY23A**	**FY24A**	**FY25F**	**FY26F**
Cash	23.7	16.1	17.2	29.9	49.9
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	15.5	2.9
Total current assets	*30.2*	*26.1*	*28.4*	*46.5*	*54.0*
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	1.5	3.1
Total non current assets	*24.7*	*24.8*	*22.2*	*21.8*	*21.8*
Total Assets	54.8	51.0	50.5	68.4	75.8
Accounts payable	7.3	3.9	2.7	4.3	5.2
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	3.3	4.1
Other	0.9	0.3	0.2	0.0	0.3
Total current liabilities	*16.7*	*12.6*	*9.5*	*11.5*	*13.5*
Long term debt	0.0	0.0	0.0	0.0	0.0
Other non current liabs	1.2	9.2	8.4	26.4	26.4
Total long term liabilities	*1.2*	*9.3*	*8.4*	*26.4*	*26.4*
Total Liabilities	17.9	21.9	17.9	37.9	39.9
Net Assets	**36.9**	**29.1**	**32.6**	**30.4**	**35.9**
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)	(132.9)	(127.2)
Minorities	0.0	0.2	(1.3)	(1.3)	(1.3)
Total Shareholder funds	**37.0**	**29.1**	**32.6**	**30.5**	**36.2**

Share price (2 September 2024)					A$	0.270
Interim (A$m)	**H123**	**H223**	**H124**	**H224**	**H125f**	**H225f**
Revenue	21.8	22.3	23.5	23.3	29.2	27.8
EBITDA	(2.5)	(3.5)	2.5	(1.4)	0.9	(0.5)
EBIT	(5.1)	(5.8)	0.2	(3.5)	(1.2)	(2.6)
NPAT (adjusted)	(5.2)	(5.9)	0.0	(3.4)	(0.7)	(2.1)
Adjustments	(1.1)	(0.7)	0.4	0.3	0.4	0.3
NPAT (reported)	(6.3)	(6.6)	0.4	(3.1)	(0.3)	(1.8)
EPS (normalised)	(0.014)	(0.015)	0.001	(0.008)	(0.001)	(0.004)
EPS (reported)	(0.014)	(0.014)	(0.008)	(0.008)	(0.001)	(0.004)
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	140.8	134.4
Revenue	**21.8**	**22.3**	**23.5**	**23.3**	**29.2**	**27.8**
Australia	21.4	21.8	22.9	22.5	28.2	26.4
International	0.4	0.5	0.6	0.8	1.0	1.4
Monetisation rate	16.6%	18.3%	19.0%	19.5%	20.7%	20.7%
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	10.1	7.5
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**	**27.3**	**24.8**
EBITDA	**(2.5)**	**(3.5)**	**2.5**	**(1.4)**	**1.9**	**3.0**
EBITDA margin	(11.6%)	(15.6%)	10.9%	(5.9%)	6.4%	10.7%
D&A	-2.5	-2.3	-2.4	-2.1	-2.1	-2.1
EBIT	**-5.1**	**-5.8**	**0.2**	**-3.5**	**-0.2**	**0.9**
Margins, Leverage, Returns		FY22A	FY23A	FY24A	FY25F	FY26F
EBITDA margin %		-46.6%	-13.6%	2.5%	0.6%	11.5%
EBIT margin %		-57.7%	-24.6%	-7.1%	-6.7%	5.9%
NPAT margin (pre significant items)		-64.6%	-29.3%	-9.2%	-5.0%	7.6%
Net Debt (Cash)		-21.5	-13.4	-14.6	-27.3	-47.3
Net debt/EBITDA (x)	(x)	1.5 x	2.2 x	-12.5 x	-85.4 x	-6.1 x
ND/ND+Equity (%)	(%)	36.8%	31.5%	30.9%	47.2%	56.6%
EBIT interest cover (x)	(x)	n/a	n/a	n/a	n/a	-0.3x
ROA		nm	nm	(6.6%)	(6.4%)	5.5%
ROE		nm	nm	nm	10.0%	15.0%
ROIC		nm	nm	nm	(7.3%)	5.6%
NTA (per share)		0.05	0.03	0.04	0.04	0.05
Working capital		-2.5	-2.5	-1.7	-3.2	-4.0
WC/Sales (%)		**(8.1%)**	**(5.7%)**	**(3.7%)**	**(5.7%)**	**(5.8%)**
Revenue growth		18.9%	39.7%	6.1%	21.6%	19.2%
EBIT growth pa		n/a	n/a	n/a	n/a	(204.1%)
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)	(0.005)	0.013
EPS Adjusted	**cps**	**(0.037)**	**(0.016)**	**0.001**	**0.001**	**0.018**
EPS growth (norm/dil)		n/a	n/a	-105%	-4%	1982%
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)		- 7.2	- 16.5	302.8	315.4	15.2
PE market		18.0	18.0	18.0	18.0	18.0
Premium/(discount)		nm	nm	nm	1752.5%	84.2%
EV/EBITDA		(6.2)	(17.9)	91.9	296.7	9.6
FCF/Share	cps	-4.50	-3.12	0.75	2.81	4.43
Price/FCF share		-6.00	-8.65	35.85	9.62	6.10
Free Cash flow Yield		(15.4%)	(11.5%)	2.8%	10.4%	16.4%

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

FINANCIAL SERVICES GUIDE

RaaS Research Group Pty Ltd

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Corporate Authorised Representative, number 1248415, of

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Effective Date: 26th March 2024

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