

Strong September quarter earnings drivers

Bell Financial Group Ltd (ASX:BFG) is a diversified provider of financial products and software solutions within, and increasingly outside, its traditional full-service stockbroking business. The September 2024 quarter has been supportive for RaaS forecasts/BFG earnings growth across a wide range of metrics including Equity Capital Markets (ECM) activity, ASX volumes and equity market performance. BFG is sitting fourth on the LSEG ECM league tables for the nine months to September 2024, raising \$1.2b and on-track with RaaS forecasts (positive for Retail and Institutional). The ASX200 closed 6.3% higher at the end of September 2024 relative to June 2024, above implied RaaS assumptions for the full-year and positive for the Portfolio Administration Services (PAS) business and overall investor confidence. ASX transaction volumes continue to recover from a weak CY23, up 32% for the September quarter and positive for the Retail and Technology & Platforms divisions. Our numbers remain unchanged but appear well supported by these key September quarter drivers. We move our Sum-of-The-Parts (SoTP) valuation from FY24a to FY25f LSEG consensus estimates and as a result our valuation moves from \$2.25/share to \$2.40/share, with the peer group average share price up 10% over the past three months.

Business model

BFG is a diversified financial services business incorporating a traditional stockbroking business (retail, institutional and corporate), and a range of financial product offerings including margin lending, portfolio administration, trade execution, clearing and settlement, and cash management. The business is supported by ~100 IT professionals who have developed internal systems for account management (Fusion) and cloud-based trading platforms for Bell Direct. This platform forms the foundation for external offerings to financial planners (Desktop Broker), white labelling and third-party clearing. The company says more intermediaries will be targeted for these products, and more products and services added to complete the offering and monetise the investment already made.

Strong September quarter earnings drivers

A range of key BFG earnings drivers have been supportive over the September 2024 quarter. The latest LSEG ECM league tables have BFG fourth for the nine months to September raising \$1.2b, implying between \$300-400m over the September quarter and in-line with RaaS estimates for Institutional/Retail. The ASX200 increased 6.3% over the September quarter which is positive for the balance of PAS (Portfolio/Super Administration Service) funds (~18% of group NPATA) and resulting fee income before any new inflows, not to mention investor confidence. ASX volumes increased 32% over the September quarter, a positive for both the Retail and Technology & Platforms division.

Valuation of \$2.40/share or \$765m market cap

Given the different earnings streams and drivers of the BFG business we use a SoTP methodology to value BFG. We transition to FY25f LSEG consensus peer multiples and company guidance when consensus is not available, with our valuation moving from \$2.25/share to \$2.40/share. Key to this valuation is through-the-cycle PBTA assumptions for Retail and Institutional, a separate DCF valuation for PAS earnings and smaller 'platform' peer multiples for the Technology & Platform division.

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

Year end	Revenue	PBTA adj.	NPATA adj.	EPS adj.	P/E (x)	EV/PBTA (x)	Yield (%)
12/22a	241.3	43.5	32.2	0.101	12.9	7.0	5.4
12/23a	248.4	39.7	28.2	0.088	14.7	7.6	5.4
12/24f	279.2	52.9	37.4	0.117	11.1	5.1	6.2
12/25f	287.9	61.0	42.7	0.134	9.7	4.1	6.9

Source: Company data for actuals, RaaS estimates FY24f and FY25f

Financial Services

14 October 2024

Share Details

ASX code	BFG
Share price (11-Oct)	\$1.30
Market capitalisation	\$414.0M
Shares on issue	318.7M
Cash at 30-Jun-24	\$111.5M
Free float	~40%

Share Performance (12 Months)



Upside Case

- Expand avenues to market for commercially available solutions and products
- New products through existing channels
- ECM and ASX activity improvements

Downside Case

- Prolonged ECM downturn
- Regulatory breaches
- Severe ASX correction

Catalysts

- New platform distribution partnerships
- New customers for Clearing and Technology
- Evidence of improved ECM activity

Board of Directors

Brian Wilson AO	Independent Chair
Graham Cubbin	Independent Director
Alastair Provan	Non-Executive Director
Christine Feldmanis	Non-Executive Director
Andrew Bell	Executive Director

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September Quarter Update

ECM activity

The Retail and Institutional divisions derive revenue from brokerage (predominantly equities but also options and FX), ECM activity and interest income.

We believe the fee income (ECM) side of the business is the key to profitability as ECM fees are materially higher than vanilla brokerage fees, particularly the ex-100 space that Bell Potter specialises in.

Assuming an average 4% fee, ECM activity was ~\$930m in H1 FY24, with raises including a \$250m placement for Deep Yellow (ASX:DYL), \$90m for Propel Funeral Partners (ASX: PFP), \$100m for Dronesield (ASX:DRO), \$50m for Iperionx (ASX:IPX) and \$175m for Alpha HPA (ASX:A4N).

Using LSEG data for the nine months to September 2024, BFG was ranked number four in ECM raisings (\$1.2b) with a market share of 6.4%, up from a rank of nine in the previous corresponding period (PCP). Raises in the September quarter included \$60m for SRG Global (ASX:SRG), \$80m for Select Harvest (ASX:SHV) and \$60m for WA1 Resources (ASX:WA1).

This implies ~\$300-400m over the quarter, albeit not comparing quite apples with apples. RaaS is forecasting \$850m in total ECM activity over H2 FY24.

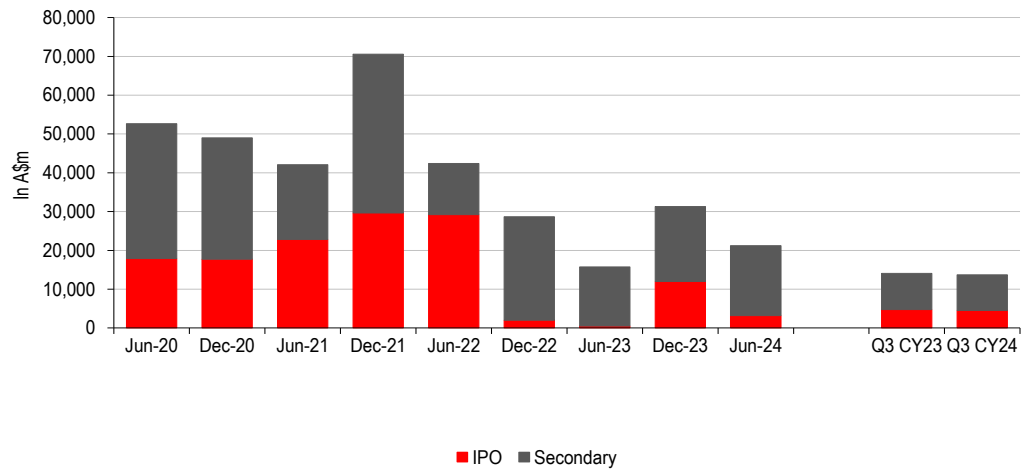
Exhibit 1: ECM league tables for the nine months to September 2024

Bookrunner	Proceeds (A\$m)	Rank 2024	Rank 2023	Market share 2024 (%)	No. issues
Goldman Sachs & Co	2,670	1	11	14.0	10
Canaccord Genuity	1,535	2	4	8.0	106
Citi	1,348	3	7	7.1	6
Bell Financial Group	1,227	4	9	6.4	70
Morgan Stanley	1,161	5	10	6.1	5
J P Morgan	1,129	6	6	5.9	5
Barclays	1,100	7	1	5.8	14
Macquarie Group	964	8	3	5.1	11
Jarden & Co	946	9	26	5.0	4
Jefferies	918	10	27	4.8	6

Source: LSEG

The ASX initial and secondary market data for the September quarter suggests a relatively stable secondary market but still limited IPO market.

Exhibit 2: Initial and secondary ECM activity on the ASX (A\$m)



Source: ASX

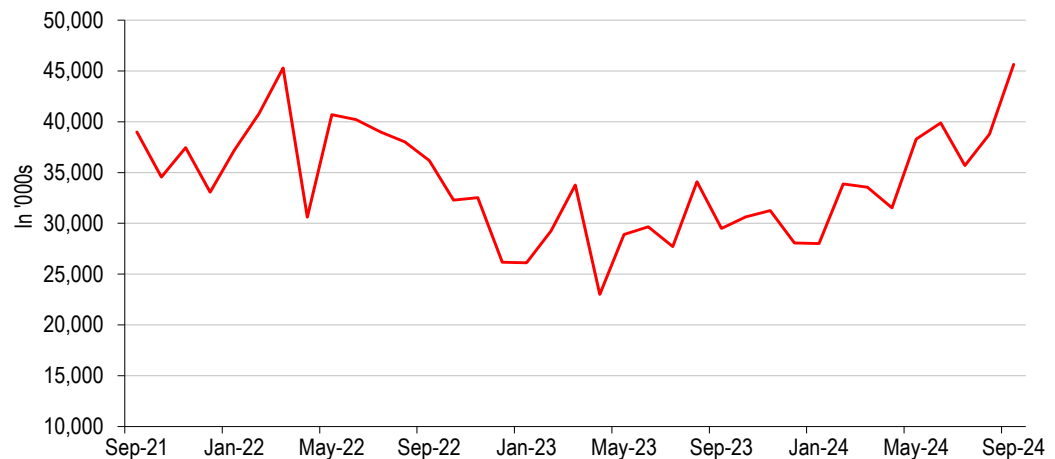
Equity trading volumes

Equity trading conditions measured by ASX trading volumes have improved significantly from a tough FY23, with H1 FY24 trading volumes up 20% on H1 FY23.

Volume growth has continued to be strong over the September 2024 quarter, increasing 32% on the PCP according to the ASX.

Brokerage volumes are important for revenues across the Retail division (vanilla brokerage) and Technology & Platforms (platforms and clearing) as revenue is predominantly earned on a transactional basis.

Exhibit 3: The number of ASX secondary-market equity trades by month



Source: ASX

Market performance

The ASX200 increased 6.3% over the September 2024 quarter from the June 2024 quarter, closing at 8,273. All else equal this should boost Funds Under Administration (FUM)/PAS and/or FUM by a similar amount before allowing for any client inflows or outflows.

BFG earns a fixed fee on the balance of funds in its PAS business, which ended June with a balance of \$5.2b, up from \$5.1b in December 2023 and \$4.6b in June 2023.

6.3% growth on the June 2024 balance would imply a balance closer to \$5.5b, +8% on December 2023 and +12% on June 2023 before customer movements.

The overall level and performance of the ASX200 and associated indices is also important to general investor confidence, in our view.

Key H2 FY24 Assumptions

Key assumptions and points of interest that we believe underpin our FY24 forecasts include:

- **ECM raisings of \$850m assumed over H2 FY24**, which is 8% above our forecast for H2 FY23 but 9% lower than our forecast for H1 FY24. LSEG data for the nine months to September 2024 (\$1.2b in raises) is supportive of this estimate. We assume an average 4% fee to derive fee income.
- **High-single-digit growth in brokerage volumes** cycling a low H2 FY23 base, where ASX volumes declined 11%, September quarter volumes increased 32%.

Higher volumes are key for Retail, Institutional, and Technology & Platforms, with Bell Direct, Desktop Broker and White Label all brokerage revenue-share models.

- **Stable cash rate of 4.35%** which should result in an interest rate ~20bps higher in H2 FY24 relative to H2 FY23. While funding costs will also increase, we expect net interest income in FY24 to be higher than FY23, benefitting cash at bank (Retail division) and net interest on client funds (Technology & Products division). Medium term we assume a sustainable cash rate of 3.6%, with reductions beginning H1 FY25.
- **Higher PAS and margin lending books.** The June 2024 PAS book was \$5.2b, 13% above June 2023. With the ASX200 +6.3% in September 2024 on June 2024 this book has likely grown to \$5.5b, above RaaS forecasts for the year and supportive of revenue/PBT growth given the fixed-fee nature of the business.

The margin lending book at June 2024 was \$575m, a 9% increase on the pcp, with stronger markets likely to encourage additional margin lending uptake.

- **Market performance.** The ASX200 is +9.0% for the nine months to September 2024, and +6.3% in the September quarter alone, supportive of most divisions within BFG.
- **Selling of existing products to existing customers.** Management estimates services such as PAS is currently used by ~10% of the existing client base, and as a result is targeting increased penetration of the existing customer base for products like PAS and margin lending.

Our current H2 FY24 earnings forecasts are detailed in Exhibit 4 below.

Exhibit 4: BFG H2 FY24f P&L result (in A\$m unless otherwise stated)

Variable (A\$000')	H2 FY23	H2 FY24f	% Chg	Comments
Revenue	129.7	138.5	7	
Technology & Platforms	11.6	12.9	12	Supported by ASX volumes
Products & Services	11.8	13.6	15	Supported by market performance and inflows
Retail	49.4	52.0	5	Could be conservative given ASX volumes
Institutional	29.5	31.8	8	Cycling a solid pcp (mainly Q4)
Interest income	26.8	27.7	3	
Other income	0.6	0.5	n.m.	
Operating costs	94.2	94.3	0	
Finance costs	10.9	13.6	24	
EBTDA	24.6	30.6	25	
Depreciation	0.2	0.6		
Depreciation (RoU)	3.9	4.0		
Amortisation	1.6	1.6		
PBT	18.9	24.4	30	
less tax *	5.4	7.8		
add amortisation	1.6	1.6		
Adjusted NPATA	15.1	18.2	21	
Adjustments *	0.3	0.0		
Reported NPAT	13.7	16.6	21	

Source: Company announcements, RaaS forecasts* (relating to treatment of investment losses)

Listed Peers Update

Exhibit 5 summarises the key financial metrics of selected peers for FY25f which we use to select the appropriate multiples for our Sum-of-The-Parts valuation of BFG given the varying revenue and earnings streams.

For companies without consensus earnings (CAF) we use their latest FY25 guidance, while FY25 guidance is unavailable for EZL and EP1, so numbers below are FY24 actuals and not used for comparison.

Exhibit 5: Peer group FY25f financial comparison (in A\$m unless otherwise stated)

Company name	Ticker	Share price (cps)	Mkt. cap.	Net debt (cash) @ Jun-24	Adj. pre AASB16 PBTA	Revenue	Adj. EPS (cps)	Adj. EV/PBTA (x)	PER (x)	Yield (%)	
Platforms								Average all	27.3	41.0	1.9
								Average small	15.7	21.0	2.8
Netwealth	NWL	27.56	6,719	(126.6)	151.8	305	0.34	43.4	64.4	1.3	
Hub24	HUB	64.16	5,229	(58.1)	150.9	391	0.81	34.3	57.6	0.8	
Iress	IRE	9.84	1,837	291.5	97.4	596	0.36	21.9	24.2	2.7	
Praemium	PPS	0.57	286	(44.3)	25.4	102	0.03	9.5	17.8	2.8	
Stockbroking (FY24a)								Average	n.m.	n.m.	n.m.
Euroz Hartleys	EZL	0.82	135	(92.9)	3.2	89	0.01	13.2	60.5	5.8	
E&P Financial Group	EP1	0.48	114	(48.9)	-9.1	146	(0.03)	(7.2)	(17.9)	0.0	
Other financial								Average	9.0	12.8	6.3
MA Financial #	MAF	5.94	1,059	115.7	90.9	351	0.26	12.9	16.4	3.4	
Centrepnt Alliance *	CAF	0.30	59	(12.2)	9.3	36	0.03	5.1	9.2	9.2	
Bell Financial #	BFG	1.30	414	(114.3)	52.9	279	0.12	5.7	11.1	6.2	

Sources: Company guidance*; LSEG and RaaS estimates (BFG); Prices as of 11 October 2024; # December year-end

Looking at BFG relative to the peer group using FY25f consensus data from LSEG we would highlight the following:

- Trading at a 65% PBTA discount to our selected 'smaller' platform players, being IRE and PPS;
- Trading at a 40% PBTA discount to our selected 'other financial' peer group; and
- The peer group average share price has increased 10% over the last three months against a 1% decline for BFG.

Valuation

Sum of The Parts

Given the mix of growth businesses such as Technology & Platforms, the recurring nature of businesses within Products & Services, and the cyclical nature of Retail & Institutional we believe a Sum-of-The-Parts valuation is the most appropriate valuation methodology for BFG.

For Technology & Platforms, we use the average FY25f PBTA LSEG consensus forecast multiple of the two smaller platform operators Iress (ASX:IRE) and Praemium (ASX:PPS) which have similar revenue drivers, operating leverage and market capitalisation, in our view.

For the Margin Lending business within Products & Services, we apply a 20% premium to the average regional bank FY25f PBT multiple (8.6x) using LSEG consensus data to reflect what we see as the superior credit history, net interest margin and ROE of this product.

For the PAS & Super business within Products & Services, we have conducted a standalone DCF valuation for this product given the recurring nature of this income, low capex, low working capital and growth visibility relative to other divisions. As a result, we apply a divisional beta of 0.9x against a group beta of 1.1x. Our numbers assume just 20% (or \$7b) of Bell Potter's \$40.7b in FUA adopt the PAS fee option by FY31 against \$5.2b currently.

For the combined Retail/Institutional businesses, we have applied the 'other financials' peer multiple of 9.0x to through-the-cycle earnings based on financial years FY21-FY23 inclusive, which incorporates both strong and weak trading environments. This is below the 13.8x FY24 multiple for peer EZL. While some divisions provide the environment for other divisions to thrive (Retail for example provides the FUA advice for PAS and leads for Margin Lending), we think the SoTP exercise is useful in identifying and highlighting the varying nature of revenue and earnings streams by product.

Our valuation increases from \$2.25/share to \$2.40/share, with the average peer group share price up 10% over the last three months. Key to this valuation is through-the-cycle PBTA assumptions for Retail & Institutional, a separate DCF valuation for the PAS division, and 'platform' peer multiples for the Technology & Platform division.

Exhibit 6: BFG Sum-of-The-Parts valuation – FY24 (in A\$m unless otherwise stated)				
Division	CY24 adj. PBTA	PBTA multiple (x)	Valuation	Comments
Technology & Platforms	15.1	15.7	238	Avg. of IRE and PPS, includes amort.
Products & Services	17.0	13.8	234	
Margin Lending	8.0	10.4	83	20% premium to regional bank average
PAS & Super	9.0	16.8	152	Standalone DCF
Retail *	5.0	9.0	45	Through-the-cycle PBTA * other financial
Institutional *	15.0	9.0	135	(FY21-FY23 inclusive)
Group total	69.1		652	
Add net cash (Jun 24)			111	
VALUATION			763	
Shares on issue			319	
EQUITY VALUE			\$2.40	Up from \$2.25

Source: RaaS estimates; *Average of FY21-FY23 inclusive

Investment Case Revisited

BFG has built a diversified earnings stream across multiple product streams, many at or approaching scale and therefore operating leverage. Despite this, we believe the group is arguably still seen and being valued as a traditional full-service stockbroker. Consider the following:

- 83% of group FY23 NPATA came from divisions outside of traditional full-service broking, being Technology & Platforms and Products & Services. This compared to 40% for listed stockbroking peer E&P Group and 0% for Euroz Harleys, highlighting the continued shift in the business composition over recent years.
- The Retail division experienced a \$5.4m PAT decline over the 12 months to December 2023 on the back of weak ASX trading volumes and lower ECM activity. Such a decline has aided the mix of non-stockbroking business but provides significant earnings leverage to improved equity market conditions, and we have seen this already on H1 FY24 with Retail/Institutional NPATA +400% on the pcp.
- Having the internal on-line trading platform (Bell Direct) and having developed an execution and settlement offering for financial planners (Desktop Broker), there is an opportunity to add additional products and services to these solutions and integrate with more platforms, offering a more compelling service and new revenue streams. International trading was soft launched in February 2024 while existing products such as margin lending and portfolio administration have platform attraction, in our opinion.
- BFG appears to have significant cash at bank for regulatory requirements, significant client cash holdings on its balance sheet, and a large and robust margin lending book that derives significant and consistent net interest income. BFG as a result should be a net beneficiary of higher interest rates.
- Market downturns and industry consolidation may provide further opportunities for Third-Party Clearing and Technology & Platforms as players look to cut costs and improve efficiencies.
- BFG is trading on an FY24f EV/PBTA discount to each of our defined financial segments on our forecasts, being small platforms (65% discount) and other financial (40% discount). We note BFG offers top-quartile dividend yields relative to our selected peer group.

Exhibit 7: BFG Financial Summary

Bell Financial Group (ASX:BFG)						Share price (11 October 2024)						A\$	1.300				
Profit and Loss (A\$m)						Interim (A\$m)						H122A	H222A	H123A	H223A	H124A	H224F
YE 31 Dec	FY21A	FY22A	FY23A	FY24F	FY25F	Revenue	111.8	129.5	118.7	129.7	140.6	138.5					
Operating Revenue	269.1	206.4	196.5	224.1	230.8	EBITDA	21.8	29.7	23.1	24.6	31.1	30.6					
Finance/Other Income	23.7	34.9	51.9	55.0	57.1	EBIT	16.1	24.7	17.9	18.9	25.7	24.4					
Total Revenue	292.8	241.3	248.4	279.2	287.9	NPATA (normalised)	14.7	20.2	15.0	16.2	21.2	19.8					
EBITDA	75.4	51.4	47.7	59.4	69.8	Adjustments	(2.8)	(1.0)	(1.2)	0.3	(1.3)	0.0					
Depn	(0.6)	(1.0)	(0.8)	(1.0)	(1.1)	NPAT (reported)	11.9	19.2	13.8	16.4	19.8	19.8					
RoU	(8.3)	(6.9)	(7.2)	(7.4)	(7.6)	EPS (adjusted)	0.046	0.063	0.047	0.051	0.066	0.062					
Amortisation	(2.7)	(2.7)	(3.0)	(3.2)	(3.2)	Dividend (cps)	0.025	0.045	0.030	0.040	0.040	0.040					
PBT	63.8	40.8	36.8	47.8	57.8	Imputation	30.0	30.0	30.0	30.0	30.0	30.0					
Tax	(19.0)	(11.3)	(11.5)	(15.6)	(18.3)	Operating cash flow	na	na	na	na	na	na					
(Tax Rate)	30%	28%	31%	33%	32%	Free Cash flow	na	na	na	na	na	na					
NPATA normalised	47.5	32.2	28.2	35.5	42.7	Divisionals	H122A	H222A	H123A	H223A	H124A	H224F					
Adjustments	(1.1)	(3.8)	(1.4)	(1.3)	0.0	Revenue	111.8	129.5	118.7	129.7	140.6	138.5					
NPAT (reported)	43.7	25.7	23.8	30.9	39.5	Technology & Platforms	12.3	11.6	11.0	11.6	12.1	12.9					
Cash flow (A\$m)						Products & Services	11.3	10.9	11.3	11.8	12.5	13.6					
YE 31 Dec	FY21A	FY22A	FY23A	FY24F	FY25F	Retail	57.9	55.6	50.7	49.4	53.0	52.0					
Adj EBTDA (after rent)	65.0	47.0	42.5	52.0	62.2	Institutional	16.9	29.9	21.2	29.5	36.2	31.8					
Tax	(21.6)	(12.1)	(10.6)	(15.6)	-18.3	Interest/Other	13.4	21.5	24.5	27.4	26.9	28.2					
Working Capital	40.8	-7.6	-87.1	17.1	9.0	Profit After Tax	9.2	16.5	11.1	13.3	16.6	17.6					
Other	(10.0)	(24.7)	9.4	0.0	0.0	Technology & Platforms	2.3	3.9	4.6	3.6	4.1	4.2					
Operating cash flow	74.2	2.6	(45.9)	53.5	52.9	Products & Services	5.4	5.7	5.9	6.1	6.2	6.7					
Mtce capex	(1.0)	(0.4)	(0.8)	(0.9)	-0.9	Retail	0.8	1.6	1.6	1.3	0.2	1.2					
Acquisition of Investments	-9.5	-10.8	-4.4	-3.7	0.0	Institutional	0.7	5.3	2.1	4.9	6.1	5.5					
Proceeds from Investments	9.6	5.2	1.4	5.6	0.0	PAT %	8.3%	12.7%	9.3%	10.2%	11.8%	12.7%					
Free cashflow	73.3	(3.5)	(49.7)	54.6	52.0	Margins, Leverage, Returns		FY21A	FY22A	FY23A	FY24F	FY25F					
Equity	(1.7)	(1.4)	0.0	0.0	0.0	EBITDA margin %		25.8%	21.3%	19.2%	21.3%	24.2%					
Borrowings	95.6	(0.0)	0.0	0.0	0.0	EBIT margin %		21.8%	16.9%	14.8%	17.1%	20.1%					
CHG in Client Cash Balance	43.6	-19.7	-68.9	0.0	0.0	NPAT margin (pre significant items)		16.2%	13.3%	11.3%	12.7%	14.8%					
CHG in Margin Loans	-63.5	37.8	-49.2	0.0	0.0	Net Debt (Cash)		-136.49	-110.31	-114.29	-140.36	-164.81					
CHG in borrowings	52.0	-48.0	130.0	25.7	36.1	Net debt/EBITDA (x)	(x)	-1.8	-2.1	-2.4	-2.4	-2.4					
Net Dividends paid	(35.3)	(28.9)	(24.1)	(25.5)	-25.5	ND/ND+Equity (%)	(%)	(57.5%)	(47.3%)	(49.0%)	(58.9%)	(65.3%)					
Change in cash	164.1	(63.6)	(61.9)	54.8	62.5	EBITDA interest cover (x)	(x)	-0.6	-0.5	-0.4	-0.4	-0.4					
Balance sheet (A\$m)						ROA		9.5%	3.1%	3.1%	4.0%	4.6%					
YE 31 Dec	FY21A	FY22A	FY23A	FY24F	FY25F	ROE		18.3%	10.9%	10.1%	12.8%	15.5%					
Cash	136.5	110.3	114.3	140.4	164.8	NTA (per share)		0.29	0.28	0.28	0.30	0.35					
Client cash	216.2	151.0	118.9	126.3	133.8	Working capital		184.6	133.2	85.2	83.3	86.3					
Trade receivables	100.9	151.0	118.9	126.3	133.8	WC/Sales (%)		68.6%	64.5%	43.3%	37.2%	37.4%					
Other receivables	180.7	102.8	57.7	61.3	64.9	Revenue growth			(23.3%)	(4.8%)	14.1%	3.0%					
Financial Assets	13.3	15.6	15.6	19.3	19.3	EBIT growth pa			(36.1%)	(9.9%)	30.2%	20.8%					
Loan advances	534.0	495.8	546.1	592.3	628.3	Pricing		FY21A	FY22A	FY23A	FY24F	FY25F					
RoU assets	12.2	45.5	40.0	32.6	25.0	No of shares (y/e)	(m)	320	319	319	319	319					
Goodwill	130.4	130.4	130.4	130.4	130.4	Weighted Av Dil Shares	(m)	320	319	319	319	319					
Intangibles	14.8	15.5	15.5	15.3	14.1	EPS Reported	A\$ cps	0.136	0.080	0.075	0.097	0.124					
Other assets	7.9	36.1	(8.7)	(12.3)	(16.2)	EPS Normalised/Diluted	A\$ cps	0.148	0.101	0.088	0.111	0.134					
Total Assets	1,347.0	1,254.0	1,148.8	1,231.8	1,298.2	EPS growth (norm/dil)		-3%	-32%	-12%	26%	20%					
Trade payables	132.5	168.9	152.7	169.3	181.2	DPS	cps	0.11	0.07	0.07	0.08	0.09					
Other payables	324.8	253.1	104.9	116.3	124.6	DPS Growth		5%	-36%	0%	14%	13%					
Bell Financial Trust	481.1	461.4	392.5	392.5	392.5	Dividend yield		8.5%	5.4%	5.4%	6.2%	6.9%					
Cash Advance Facility	92.0	44.0	174.0	199.7	235.8	Dividend imputation		30	30	30	30	30					
Lease Liability	16.3	52.0	48.5	48.5	48.5	PE (x)		8.8	12.9	14.7	11.7	9.7					
Employee Benefits	58.9	37.2	38.4	42.0	41.7	PE market		15.0	15.0	15.0	15.0	15.0					
Other	2.4	1.9	2.3	22.5	19.0	Premium/(discount)		(41.6%)	(14.0%)	(2.0%)	(22.1%)	(35.3%)					
Total Liabilities	1,108.0	1,018.6	913.4	990.9	1,043.4	EV/EBITDA (x)		5.5	8.1	8.7	7.0	3.6					
Net Assets	239.0	235.4	235.4	240.9	254.9	FCF/Share	A cps	0.218	(0.021)	(0.165)	0.162	0.157					
Share capital	204.2	204.2	204.2	204.2	204.2	Price/FCF share		6.0	(60.6)	(7.9)	8.0	8.3					
Other Equity	(28.9)	(28.9)	(28.9)	(28.9)	(28.9)	Free Cash flow Yield		16.9%	(1.7%)	(12.7%)	12.4%	12.1%					
Reserves	(0.6)	(1.0)	(1.2)	(1.2)	(1.2)												
Retained Earnings	64.2	61.0	61.3	66.7	80.7												
Total Shareholder funds	239.0	235.4	235.4	240.9	254.9												

Source: Company data for actuals, RaaS estimates

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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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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