Research as a Service

Millennium Services Group Ltd

H1 FY23 Result & Outlook

Human Services

24 February 2023

Solid growth ahead with contract wins

Millennium Services Group Ltd (ASX:MIL) has delivered a H1 FY23 result well below prior forecast, with a two-month timing lag between wage increases and pass-through impacting the gross margin over H1 FY23 (down ~190bps to 14%). With these costs now passed through under contract, gross margins improved in Q2 FY23 and are forecast to average around 15% for FY23, implying H2 FY23 margins of ~16%. This combined with ~$25m-$30m of new contract business wins over the past six months puts the business in good stead for solid growth in H2 FY23 and into FY24. Our FY23 and FY24 numbers as a result are relatively unchanged and offer significant value at the current share price. MIL is currently trading at a 60% discount to our assessed peer group, using FY22a EV/EBITDA for MIL's FY23 estimate (which is lower than FY22). A multiple equal to the peer group would imply a share price of $1.05/share. As a sense check our DCF is $1.15/share.

Business model

MIL is a human services business with a focus on the essential services of cleaning and security, bidding for predominantly long-term contracts that have annual contract adjustments to protect MIL from movements in labour resource costs. Additional volumes over and above those contracted can be gained from ad-hoc services, which represent ~10% of group revenue at a higher average margin. Satisfying contractual obligations utilising a vast workforce and procuring consumables for the jobs within the contracted price is key to profitability. Historically focusing on cleaning and security services within major shopping centres, MIL is looking to de-risk the retail exposure by moving into new sectors including aviation, aged care, education and government. An increased focus on compliance (Fair Work, Modern Slavery Act and Labour Hire regulations), and utilising the ASX-listed nature of the business to demonstrate transparency in these important areas (which most large private companies can't achieve), will be keys in this push.

New business at sustainable GP% to drive H2 FY23 and FY24

Recent new contract wins totalling ~$25m-$30m (or ~14% of the existing contracted revenue base) are not evident in the numbers to date as the group has been cycling: (1) The loss of the QIC contract, which ended in September 2021; and (2) Covid related ad-hoc business, particularly in Security, which slowed in Q4 FY22. The lower ad-hoc revenue should cycle out by Q3 FY23. As a result, we expect H2 FY23 revenue to grow 6.5% (vs a 1.9% decline in H1) and H1 FY24 to grow by 7.3%. At historical group gross margins this should deliver solid operating leverage at the EBITDA line, supporting our current earnings estimates and valuation.

Relative EV/EBITDA implies a $1.05/share valuation

Our assessed peer group average FY22a EV/EBITDA multiple implies a $1.05/share valuation using MIL's FY23 estimates (5.7x EV/EBITDA). We see no reason why this business does not deserve multiples closer to the peer average given average contract length (three-five years), relatively low working capital, low capex intensity and market consolidation opportunities. To sense check, our DCF valuation is $1.15/share.

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

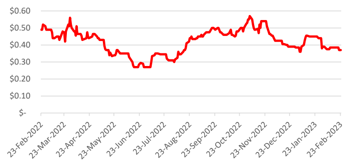
Year end	Adj. revenue	Adj. EBITDA	NPAT rep.	EPS adj. (c)	P/E (x)	EV/Adj. EBITDA
06/21a	273.7	11.6	2.2	0.07	5.0	1.5
06/22a	260.6	11.1	2.3	0.09	4.4	1.9
06/23f	266.8	9.6	2.2	0.06	6.1	1.9
06/24f	281.8	12.3	5.2	0.11	3.3	1.2

Source: Company data, RaaS estimates for FY23f and FY24f

Share Details

ASX code	MIL
Share price	$0.37
Market capitalisation	$17.0M
Shares on issue	45.9M
Net debt at 31-Dec-22	$3.8M
Free float	~31.5%

Share Performance



Upside Case

- Converting a portion of the tender pipeline
- Successfully diversify industry exposure to include government, education and aged care
- EPS accretive/complementary acquisitions

Downside Case

- Competitive margin pressures re-emerge
- Sizable contract loss
- Timing of wages growth vs contracts clauses

Board of Directors

Stuart Grimshaw	Chairman
Royce Galea	CEO
Rohan Garnett	Non-Executive Director
Darren Perry	Non-Executive Director

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H1 FY23 Result

Key takeaways from the H1 FY23 interim result are:

- **Revenue**. Already reported via the 4C at $129.5m, a 1.7% decline (or $2.2m) on H1 FY22 due mainly to lower ad-hoc revenue (~$10.8m) from a reduction in Victorian Department of health COVID-related activity and the last impacts of the loss of the QIC contract (~$5.7m in Q2 FY23).
- **Underlying contract revenue growth** by definition was ~+13% (or $14m) on the back of a number of new contract wins including ISPT, Newcastle Airport and JVL Investment Group. These contract wins will continue to drive revenue and margins in H2 FY23 and beyond (see outlook).

Exhibit 1: MIL revenue history (in A$m unless otherwise stated)

	H1 FY22	H1 FY23	% CHG	Q1 FY23	Q2 FY23
Revenue	**131.7**	**129.5**	**(2)**	**63.3**	**66.2**
Contract	110.7	118.4	7	58.2	60.2
Ad-hoc	21.1	11.1	(47)	5.1	6.0
Contract ex QIC	105.0	118.4	13	58.2	60.2
% contract	84	91		92	91
% ad-hoc	16	9		8	9

Source: Company announcements

- The **gross margin** declined 190bps on H1 FY22 to 14.0%, impacted by lower ad-hoc revenue (adverse mix) and labour management issues associated with the timing of Fair Work National Wage increases (of 4.8%) and ability to pass these through under contract in the early months of H1 FY23. We have seen the same issues this half with the likes of Mitchell Services (ASX:MSV).

  Importantly, post the wage cost pass-through the Q2 FY23 GP% was 15.1 compared to 12.8% in Q1 FY23.

- **Adjusted EBITDA** declined 58% to $2.8m, impacted by the negative operating leverage of lower gross margins in Q1 and higher operating costs. Operating costs relative to sales increased 90bps to 11.8% on the back of investment in business development resources, the benefits of which are now being seen in new contract wins.
- **Interest expense** was well above forecast at $0.9m despite very low levels of debt, due to facility fees.
- **Adjusted NPAT** was a loss of $0.1m against a profit of $2.7m in H1 FY22. The lower gross margin, higher operating costs and higher interest expense were key drivers.
- **Adjustments** for the half were (-$0.6m) relating to share-based payments and advisory costs.

Exhibit 2: MIL H1 FY23 underlying earnings summary

Variable (A$000')	FY21	FY22	% CHG	Comments
Sales	**131.7**	**129.6**	**(2)**	**Lower ad-hoc and QIC hiding progress**
Cleaning	99.6	107.7	8	Contract wins
Security	32.1	21.9	(32)	Lower Covid-related adhoc work
Gross profit	21.0	18.1	(14)	Wage pass-through lag
GP%	15.9	14.0	(12)	Down 190bps
Operating costs	14.3	15.3	7	Vs Revenue decline of 2%
EBITDA	**6.7**	**2.8**	**(58)**	**Loss of operating leverage**
Depreciation	2.3	2.2	(6)	
EBIT	**4.4**	**0.6**	**(86)**	
Abnormals	0.0	0.0		
Adjustments	(0.8)	(0.6)		
Adjusted NPAT	**2.7**	**(0.)1**	**(105)**	
Reported NPAT	1.9	(0.7)		
Net debt (ex-invoice facility)	8.8	(0.3)	n.m.	

Source: Company announcements

Outlook

Revenue

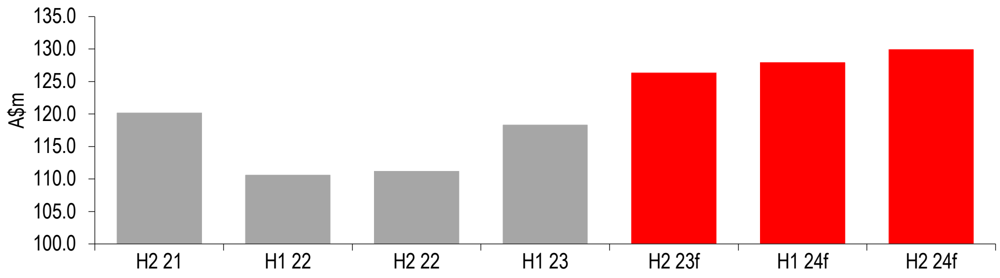
Management is targeting 8%-10% organic contract revenue growth and tracking above this based on recent contract wins. This is not apparent in reported revenue to date due to the cycling of:

- **The QIC contract loss,** which cycled out of the numbers in Q1 FY23; and
- **Lower ad-hoc revenue** from Covid-related work with the Victorian Department of Health, which will cycle out of the numbers by Q3 FY23.

Just looking at contracted revenue we have seen significant improvement in H1 FY23 which will accelerate into H2 FY23 given many of the new contract wins occurred late in CY22.

As a result, we are forecasting 6.5% H2 FY23 group revenue growth against the 1.6% decline in H1 FY23. Into FY24 we are forecasting 5.6% revenue growth driven by contracted revenue.

Exhibit 3: MIL half-yearly contracted revenue



Source: Company announcements and RaaS estimates

Exhibit 4: FY23 MIL sales reconciliation

Variable	A$m
Starting revenue base (FY22)	**260.6**
Less VIC Health ad-hoc	(18.4)
Less remaining QIC contract expiry (Q1 FY23)	(5.7)
Add implied contract organic growth	30.9
FY23 RaaS forecast revenue	**266.8**
(Implied contract revenue growth %)	14

Source: RaaS estimates

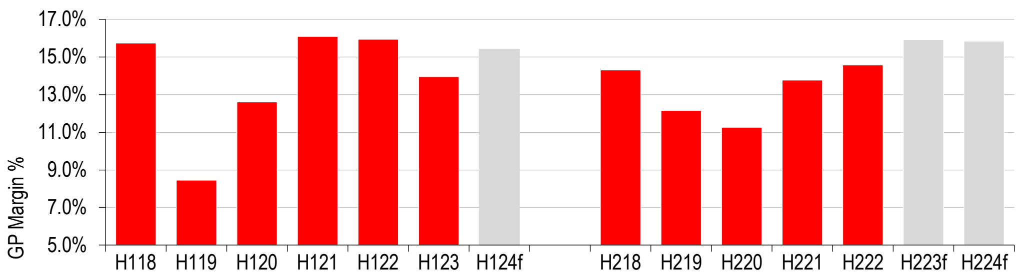
Gross margin

The labour management issues that impacted H1 FY23 are said to be rectified, with FY23 gross margins guided to 15%, implying a H2 FY23gross margin of ~16%, which would be above the pcp (14.6%).

Consumable procurement initiatives and the pass-through of recent Fair Work wage increases are supportive of this level.

FY24 RaaS assumptions incorporate a recovery of H1 FY24 gross margins from the wage-pressured H1 FY23, but to levels still below H1 FY21 and FY22, while H2 FY24 gross margins are forecast to be a touch below H2 FY23 for conservatism.

Exhibit 5: MIL gross margin history/forecast by half year



Source: Company announcements and RaaS estimates

Operating costs

H1 FY23 saw a step-up in business development spend with employee costs +10%, which is forecast continue into H2 FY23 (+8% forecast) before slowing to a forecast 3% per annum growth medium-term. Other costs are also to grow at 3.0% per annum medium-term excluding “one-off” costs.

Interest costs

Despite net debt of around $4m interest expense for FY23 in on-track to reach ~$1.9m which is higher than previously forecast. The issue is around the trade Finance Facility which attracts an interest rate of 11.2% per annum together with facility fees, resulting in total annual charges of ~$1.2m alone. Group finance arrangements continue to be explored.

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Exhibit 6: MIL financial year earnings summary (in A$ unless otherwise stated)

Line item	2021a	2022a	2023f	2024f	2025f
Revenue	**273.7**	**260.6**	**266.8**	**281.8**	**293.1**
Cleaning	216.9	203.2	222.6	235.8	245.3
Security	56.8	57.4	44.2	46.0	47.8
Gross profit	40.8	39.8	39.9	43.5	44.9
GP%	14.9	15.3	15.0	15.4	15.3
Operating costs	29.2	28.6	30.3	31.2	32.1
EBITDA	**11.6**	**11.1**	**9.6**	**12.3**	**12.8**
Depreciation	4.9	4.6	4.2	3.8	3.6
EBIT	6.8	6.6	5.5	8.4	9.2
Interest expense	1.8	1.2	1.7	1.2	1.0
Tax expense	1.6	1.6	1.1	2.2	2.5
Adjustments	(1.2)	(1.6)	(0.6)	0.0	0.0
Adjusted NPAT	**2.2**	**2.3**	**2.2**	**5.2**	**5.9**
Abnormals	15.2	0.0	0.0	0.0	0.0
Reported NPAT	17.4	2.3	2.2	5.2	5.9

Source: Company announcements and RaaS estimates

It should be noted for board and management to achieve performance rights announced in October 2021 and issued in January 2022, for the period January 2022 to December 2024, 30% relates to financial metrics including the achievement of normalised EBITDA of $8.0m, achieving a positive net asset position, and remaining in compliance with all banking covenants.

The other 70% relates to absolute TSR (40%) from a share price base of $0.60/share at 1 January 2022 (currently down 35%), and relative TSR (30%) to the ASX200 from 1 January 2022, which was 7,440 at January 2022 and 7,350 (currently down 1.2%) and from a relative sense behind 28.8%).

Relative Peer Group Valuation

We compare MIL to other listed small-cap players that rely heavily on human resources and to a lesser extent equipment to deliver their services to typically larger clients.

The table below summarises actual FY22 metrics (given limited FY23 consensus data) across a wide range of variables but uses FY23 metrics for MIL given they are forecast to be below FY22.

Despite this, MIL currently trades at a material (60%) discount to the FY22 EV/EBITDA peer average of 5.5x despite generally better contract terms, similar gross margins, and lower working capital/capex requirements.

MIL is trading well below smaller security peer MCS Services, which trades around the peer-group average.

Exhibit 7: Peer group financial comparison – FY22a (in A$m unless otherwise stated)

Company name	Ticker	Share price (cps)	Mkt. cap.	FY22 net debt	Adj. FY22 EBITDA	FY22 revenue	GP%	Working capital/sales %	EV/ Sales (x)	EV/ EBITDA
GR Engineering	GNG	2.19	340	(97.8)	56.4	652	12	(1)	0.37	4.3
PeopleIn	PPE	3.25	327	45.7	47.1	682	15	8	0.55	7.9
Licopodium	LYL	8.47	336	(99.4)	32.4	229	27	10	1.04	7.3
Southern Cross Electrical	SXE	0.69	179	(53.1)	35.3	553	13	7	0.23	3.6
Ashley Services	ASH	0.81	117	3.6	18.7	450	16	5	0.27	6.4
MCS Services	MCS	0.04	7	0.1	1.5	44	16	3	0.17	4.9
AVERAGE							**16**	**5**	**0.44**	**5.7**
Millennium *	MIL	0.37	17	4.0	9.6	267	15	1	0.08	2.2

Sources: Company financials, RaaS estimates; *FY23f

DCF Valuation

Our DCF valuation sits at $1.15/share with key assumptions including:

- WACC 11.3% including a RFR of 3.5%, beta of 1.2x and equity risk premium of 6.5%;
- Medium-term growth rate of 3.0%, perpetuity growth of 2.2%; and
- Sustainable gross margin of 15.2% and EBITDA margin of 4.2%.

Exhibit 8: MIL base-case DCF valuation

Parameters	Outcome
Discount rate / WACC	11.3%
Beta	1.2x
Terminal growth rate assumption	2.2%
Sum of PV ($m)	31.6
PV of terminal value ($m)	25.2
PV of enterprise ($m)	56.8
Debt (cash) ($m)	3.9
Net value – shareholder ($m)	52.9
No. of shares on issue (m)	45.9
NPV ($/share)	**$1.15**

Source: RaaS estimates

Outlook And Investment Case

- The group operates in markets worth an estimated $11.7b (cleaning) and $9.8b (investigation and security services), according to IBISWorld. In the cleaning business (~83% of MIL revenue) MIL has less than 2% market share in a market where the top-four largest players have less than 10% of the market, offering significant market-share opportunities.
- The group's growth strategy will look to use the current balance sheet, ASX listing and trading history to increase "value-add" services, participate in industry rationalisation, and use technology such as rostering and traffic-flow systems and robotics to improve operating efficiencies.
- The acquisition of 49% of Codee Cleaning Services in December 2021 overlays industry consolidation with an increasing focus on ESG.
- Net debt was just $3.8m as at December 2022 (including trade finance), providing a solid base from which to grow and/or acquire while looking at capital management options. MIL has undrawn banking facilities of $14.9m.
- Gross margins were back to "targeted" levels in Q2 FY23 following a timing issue in Q1 FY23 and based on historical and peer analysis we feel these margins are sustainable at ~15%-16% and EBITDA margins 4.0%-5.0%.
- A change in debt covenants would pave the way for the resumption of dividends. Based on FY23 RaaS adjusted EPS forecasts, a 50% pay-out ratio at current prices would imply a dividend yield of 8%.
- Recent M&A transactions of similar businesses add valuation support to MIL, namely the 75% purchase of Linc Personnel by Ashley Services for 3.4x EBITDA, and the 100% acquisition of BIC by Bidvest for ~8.8x EBITDA.

Exhibit 9: Financial Summary (in A$m unless otherwise stated)

Millennium Services (ASX.MIL)					
Profit and Loss (A$m)					
Y/E 30 June	**FY20A**	**FY21A**	**FY22A**	**FY23F**	**FY24F**
Revenue	257.3	273.7	260.6	266.8	281.8
Gross profit	30.8	40.8	39.8	39.9	43.5
GP margin %	12.0%	14.9%	15.3%	15.0%	15.4%
Underlying EBITDA	4.0	11.6	11.1	9.6	12.3
Depn	(5.9)	(4.9)	(4.6)	(4.2)	(3.8)
Minorities (AT)	0.0	0.0	0.1	0.1	0.1
EBIT	(1.9)	6.8	6.7	5.6	8.6
Interest	(3.2)	(1.8)	(1.2)	(1.7)	(1.2)
Tax	5.3	(1.6)	(1.6)	(1.1)	(2.2)
NPAT (adj)	**0.3**	**3.4**	**3.9**	**2.8**	**5.2**
Adjustments	1.7	(1.2)	(1.6)	(0.6)	0.0
NPAT	**2.0**	**2.2**	**2.3**	**2.2**	**5.2**
Abnormals (net)	14.5	15.2	0.0	0.0	0.0
NPAT (reported)	**16.5**	**17.4**	**2.3**	**2.2**	**5.2**
Cash flow (A$m)					
Y/E 30 June	**FY20A**	**FY21A**	**FY22A**	**FY23F**	**FY24F**
EBITDA (inc cash rent/JK)	19.4	29.3	10.0	8.6	11.1
Interest	(3.2)	(1.8)	(1.2)	(1.7)	(1.2)
Tax	0.5	(0.1)	(2.4)	(1.1)	(2.2)
Working capital changes	(16.6)	12.9	(1.6)	(0.2)	(0.2)
Operating cash flow	**0.1**	**40.3**	**4.8**	**5.5**	**7.6**
Mtce capex	(2.2)	(2.2)	(1.8)	(2.0)	(2.1)
Free cash flow	**(2.1)**	**38.1**	**3.0**	**3.5**	**5.4**
Growth capex	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0
Other	(1.7)	(2.1)	(2.2)	(1.0)	(1.0)
Cash flow pre financing	(3.8)	36.0	0.8	2.5	4.4
Equity	0.0	0.0	0.0	0.0	0.0
Debt drawdown/(repay)	1.6	(21.4)	(2.0)	(2.0)	(2.6)
Net Dividends paid	0.0	0.0	0.0	0.0	0.0
Net cash flow for year	**(2.2)**	**14.6**	**(1.2)**	**0.5**	**1.8**
Balance sheet (A$m)					
Y/E 30 June	**FY20A**	**FY21A**	**FY22A**	**FY23F**	**FY24F**
Cash	1.8	7.3	1.9	2.3	4.1
Accounts receivable	29.8	18.0	17.3	18.9	20.0
Inventory	1.2	1.1	1.2	1.3	1.3
Other current assets	2.6	2.3	1.9	3.0	3.1
Total current assets	*35.5*	*28.8*	*22.3*	*25.5*	*28.4*
PPE	8.6	7.0	6.8	5.7	5.1
Goodwill	7.5	7.5	7.5	7.5	7.5
Right of use asset	2.9	3.0	1.7	1.7	1.7
Deferred tax asset	7.4	8.5	7.8	7.8	7.8
Equity accounted Investee	0.0	0.0	1.3	1.3	1.3
Total non current assets	*26.4*	*26.0*	*25.0*	*23.9*	*23.4*
Total Assets	61.9	54.9	47.4	49.4	51.8
Accounts payable	16.3	17.3	15.0	16.4	17.4
Short term debt	36.4	5.5	4.7	2.7	0.1
Provisions	22.4	22.6	20.0	20.4	21.6
Lease liabilities/other	0.8	5.5	3.4	3.4	3.4
Total current liabilities	*76.0*	*50.9*	*43.1*	*43.0*	*42.4*
Long term debt	0.0	2.1	1.2	1.2	1.2
Other non current liabs	5.8	4.1	2.7	2.7	2.7
Total long term liabilities	*5.8*	*6.2*	*3.9*	*3.9*	*3.9*
Total Liabilities	81.8	57.1	47.0	46.9	46.3
Net Assets	**(19.9)**	**(2.3)**	**0.4**	**2.5**	**5.5**
Share capital	19.0	19.1	19.1	19.1	19.1
Reserves	(8.5)	(8.3)	(7.9)	(7.9)	(7.9)
Retained Earnings	(30.3)	(13.1)	(10.8)	(8.6)	(5.7)
Minorities	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**(19.9)**	**(2.4)**	**0.4**	**2.6**	**5.5**

Share price (23 February 2023)					A$	0.370
Interim (A$m)	**H122A**	**H222A**	**H123A**	**H223F**	**H124F**	**H224F**
Revenue	131.7	128.9	129.6	137.2	139.1	142.7
EBITDA	6.7	4.4	2.8	6.8	5.7	7.2
EBIT	4.4	2.2	0.6	4.9	3.8	5.3
NPAT (normalised)	**2.7**	**1.0**	**(0.1)**	**2.9**	**2.2**	**3.3**
Minorities (AT)	0.0	0.1	0.1	0.1	0.1	0.1
NPAT (reported)	**1.9**	**0.2**	**(0.7)**	**2.9**	**2.2**	**3.3**
EPS (normalised)	0.041	0.005	(0.016)	0.062	0.048	0.071
EPS (reported)	0.041	0.005	(0.016)	0.062	0.048	0.071
Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.020
Imputation						
Operating cash flow	na	na	na	na	na	na
Free Cash flow	na	na	na	na	na	na
Divisionals	**H122A**	**H222A**	**H123A**	**H223F**	**H124F**	**H224F**
Cleaning	99.6	103.5	107.7	114.9	116.3	119.5
Security	32.1	25.3	21.9	22.3	22.8	23.2
(Other)	-	-	-	-	-	-
Total Revenue	**131.7**	**128.9**	**129.6**	**137.2**	**139.1**	**142.7**
Gross profit	21.0	18.8	18.1	21.8	21.4	22.6
Underlying GP Margin %	15.9%	14.6%	14.0%	15.9%	15.4%	15.8%
Operating Costs						
Employment	8.8	8.9	9.7	9.3	10.0	9.6
Other	5.5	5.5	5.6	5.7	5.8	5.9
Exceptional	-	-	-	-	-	-
Total costs	**14.3**	**14.4**	**15.3**	**15.0**	**15.8**	**15.5**
EBITDA	**6.7**	**4.4**	**2.8**	**6.8**	**5.7**	**7.2**
EBITDA margin %	5.1%	3.4%	2.2%	5.0%	4.1%	5.0%
Margins, Leverage, Returns		**FY20A**	**FY21A**	**FY22A**	**FY23F**	**FY24F**
EBITDA margin %		1.6%	4.3%	4.3%	3.6%	4.3%
EBIT margin %		(0.7%)	2.5%	2.6%	2.1%	3.0%
NPAT margin (pre significant items)		0.8%	0.8%	0.9%	0.8%	1.8%
Net Debt (Cash)		34.6	0.3	4.0	1.6	-2.8
Net debt/EBITDA (x)	(x)	8.6 x	0.0 x	0.4 x	0.2 x	-0.2 x
ND/ND+Equity (%)	(%)	63.5%	11.5%	111.7%	(161.8%)	33.4%
EBIT interest cover (x)	(x)	n/a	0.3x	0.2x	0.3x	0.1x
ROA		(6.0%)	11.6%	13.1%	11.6%	17.0%
ROE		nm	nm	nm	nm	nm
ROIC		nm	nm	nm	nm	nm
NTA (per share)		-0.60	-0.21	-0.15	-0.11	-0.04
Working capital		14.8	1.9	3.5	3.7	4.0
WC/Sales (%)		**5.7%**	**0.7%**	**1.3%**	**1.4%**	**1.4%**
Revenue growth		(12.7%)	6.4%	(4.8%)	2.4%	5.6%
EBIT growth pa		nm	(463.7%)	(1.1%)	(16.3%)	53.4%
Pricing		**FY20A**	**FY21A**	**FY22A**	**FY23F**	**FY24F**
No of shares (y/e)	(m)	45.9	45.9	45.9	45.9	45.9
Weighted Av Dil Shares	(m)	45.9	45.9	45.9	45.9	45.9
EPS Reported	cps	0.359	0.379	0.049	0.047	0.113
EPS Adjusted	cps	0.006	0.074	0.085	0.060	0.113
EPS growth (norm/dil)		nm	nm	14%	-29%	88%
DPS	cps	0.000	0.000	0.000	0.000	0.020
DPS Growth		n/a	n/a	n/a	n/a	n/a
Dividend yield		0.0%	0.0%	0.0%	0.0%	5.4%
Dividend imputation		30	30	30	30	30
PER Adjusted (x)		nm	5.0	4.4	6.1	3.3
PE market		15	15	15	15	15
Premium/(discount)		nm	(66.9%)	(71.0%)	(59.0%)	(78.2%)
EV/EBITDA		12.8	1.5	1.9	1.9	1.2
FCF/Share	cps	-4.5	83.0	4.9	7.6	11.9
Price/FCF share		-8.2	0.4	7.6	4.9	3.1
Free Cash flow Yield		(12.3%)	224.4%	13.2%	20.5%	32.0%

Source: RaaS estimates

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

- who we are
- our services
- how we transact with you
- how we are paid, and
- complaint processes

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- provide general advice to retail and wholesale clients in relation to
  - Securities
- deal on behalf of retail and wholesale clients in relation to
  - Securities

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Website: www.afca.org.au; Email: info@afca.org.au; Telephone: 1800931678 (free call)
In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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