X2M Connect Limited

H1 FY23 Result & Outlook

Solid operating leverage demonstrated in H1 23

Hardware, Software & Services

8 March 2023

X2M Connect Limited (ASX:X2M) has reported a 23% reduction in RaaS-adjusted EBITDA losses (to $2.4m) for H1 FY23 on the back of operating leverage from 96% sales growth, 135% gross profit growth and just a 14% increase in operating costs. While sales growth was driven by hardware sales (connected devices +100% over the pcp), hardware margins have improved ~500bps and connected devices in the field ultimately drive SaaS/maintenance fees (platform fees). Cash at bank was $3.05m with an additional net $0.5m received in January 2023 from an R&D tax credit. Management is confident of continued momentum into H2 FY23 and indeed into FY24 with the same factors at play, together with new business from the community energy sector in Australia and a likely pick-up in China post-Covid lockdowns. We have fine-tuned estimates for the likely timing of the first Australia Smart Community revenue, improved hardware and lower platform fees. The result is modest absolute changes to forecasts and an unchanged DCF valuation of $0.27/share.

Business model

The X2M business model starts with the sale of a hardware device which enables legacy utility meters or sensors to communicate with an Internet-of-Things (IoT) platform. This sale historically has been at a gross margin between 10% and 25%. A monthly SaaS style platform fee is then charged for each device in the field for the ongoing reading and monitoring of data from the meter, and associated maintenance. The average yearly platform fee across all regions is currently ~A$3.40 with a gross margin between 60% and 90%. Additional functionality is being developed and deployed to increase this yearly fee over time. The benefits for utility companies include the detection of leaks, a reduction in manual reading, and increased customer insights, while for end customers improved public safety and overall customer service are key benefits. In some regions a licensing-only model is employed where the customer provides all hardware and marketing and X2M the platform services.

Gross margins improving with SaaS to drive this further

H1 FY23 gross margins increased 440bps to 24.7% despite platform subscription fees being below the pcp on a statutory basis. Platform fees in the prior period included hardware subscription fees for Gochang which ended in December 2021. Adjusted for this we estimate growth closer to 60%. The gross margin implies a hardware margin improvement of ~520bps, aided by design efficiencies/buying power in South Korea and lower China sales (lower-margin region aiding mix). We expect margins to move higher medium-term as higher-margin platform revenue increases as a percentage of the mix from just 6% in H1 FY23 to a forecast 29% by FY27. Absolute hardware margins are also forecast to improve modestly over this period, adding to the gross margin story.

Valuation of $0.27/share or $50m market cap fully diluted

We use a DCF methodology to value X2M given the early stage of market penetration and current loss-making position. Our valuation remains $0.27/share with modest near-term earnings revisions around platform fees offset by higher hardware margins and a period roll forward. The biggest assumptions remain device numbers in the field (including China), successful negotiation of related platform fees and success for the Australian Smart Community solution.

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

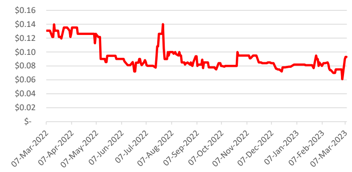
Year end	ARR*	Revenue	EBITDA adj.	NPAT adj.	EPS (adj.) (c)	EV/Revenue (x)
06/21a	0.1	5.7	(5.3)	(6.7)	n.m.	n.m.
06/22a	0.6	10.4	(6.6)	(7.9)	(0.057)	1.2
06/23f	2.0	18.7	(4.8)	(6.7)	(0.033)	0.6
06/24f	4.5	27.8	(1.6)	(3.7)	(0.013)	0.6

Source: Proforma for FY21; Actual FY22, RaaS estimates FY23f and FY24f; *Annual Recurring Revenue; EBITDA, NPAT and EPS adjusted for one-time, non-recurring and non-cash items

Share Details

ASX code	X2M
Share price (7-Mar)	$0.09
Market capitalisation	$16.8M
Shares on issue	186.7M
Cash at 31-Dec-22	$3.05M
Free float	~60%

Share Performance (12-months)



Upside Case

- Market consolidation, particularly in South Korea
- New module/functionality offering higher SaaS fees
- Favourable SaaS pricing deal in China

Downside Case

- Continued SaaS pricing pressures
- Limited uptake of new functionality
- Access to funding

Company Interview

X2M Connect RaaS 2023 Outlook Interview 16 January 2023

Board of Directors

Alan Stockdale	Non-Executive Chair
Jodie Leonard	Non-Executive Director
Damien Johnston	Non-Executive Director
John Stewart	Non-Executive Director

X2M Contacts

Mohan Jesudason (CEO) +61 1800 926 926

Keith Jelley (COO) +61 1800 926 926

investor.relations@x2mconnect.com

RaaS Contacts

John Burgess +61 410 439 723 john.burgess@raasgroup.com

Finola Burke +61 414 354 712 finola.burke@raasgroup.com

H1 FY23 Interim Result Summary

Key take aways from the H1 FY23 result include:

- H1 FY23 revenue +96% to $9.0m was already flagged and in-line with prior RaaS forecasts. Hardware sales increased 120% while platform revenue declined 23% on a statutory basis. After accounting for Gochang hardware subscriptions in the prior period we estimate platform fees increased ~60%.

  Regionally, South Korea revenue increased 134% (to $6.5m), Taiwan +145% and China +20%, impacted by lockdowns over the period (was up 154% in H2 FY22 on the pcp).
- Gross margins increased 440bps on the pcp to 24.7%, a touch below RaaS estimates due to lower-than-forecast subscription revenue relative to hardware but moving in the right direction. We estimate a 520bps improvement in hardware margins.
  Gross profit as a result increased 135% to $2.2m (excluding other income).
- Connected devices increased 23% on September 2022 to 361k and +99% on the pcp. The number of enterprise clients now totals 58, up 38% on the pcp.
- Operating costs increased just 14% against the 135% increase in gross profit, resulting in strong operating leverage at the EBITDA line.
- Underlying EBITDA losses declined 23% to $2.4m excluding other income, share based payments and abnormals, and declined 30% to $2.1m on a statutory basis.
- Continued spend on software development in the form of 'intellectual property'. IP spend has been elevated for four quarters now and is important for new product development, and in turn higher subscription fees.
- Cash at bank was $3.05m, and closer to $3.5m in early January following the receipt of the FY22 R&D tax claim ($1.3m) offset by the repayment of an associated $0.75m loan.
- $1.0m in debt relating to a loan against the expected FY23 R&D tax credit, which would be due for payment early CY24.

Exhibit 1: X2M H1 FY23 earnings summary

Variable (A$000')	H1 FY22	H1 FY23	% CHG	Comments
Sales	**4.59**	**8.97**	**96**	Pre-released but in-line with forecasts
Hardware	3.77	8.32	121	
Platform subscription	0.81	0.65	(20)	
Gross profit	**0.93**	**2.22**	**135**	Hardware margins have improved
GP%	20.4	24.7	**440**	~+520bps for hardware
Operating costs	**4.14**	**4.69**	**14**	Cost base ready for growth
EBITDA	(3.20)	(2.47)	(23)	Excludes other income ($2.1m inc)
D&A	0.62	0.51		
EBIT	**(3.82)**	**(2.98)**	**(22)**	Solid operating leverage
NPATA	(3.66)	(2.56)	(30)	

Source: Company announcements

H2 FY23 & >FY24 outlook

We expect similar directional trends into H2 FY23 and FY24, namely: (1) Strong revenue growth; (2) Gross margin growth ahead of revenue growth; and (3) Operating cost growth remaining around 10%-12%.

That said, we have made some modest revisions to our assumptions, mainly around timing and margin assumptions, which are detailed below.

- Platform pricing assumptions have been lowered modestly which has impacted the mix and therefore gross margins. We still have platform fees increasing significantly as a percentage of sales over time reaching 30% of sales by FY26 as devices rollout.
- Hardware margins have been increased across South Korea and China following the H1 FY23 trends and the continued likelihood of further manufacturing efficiencies.
- Pushed out initial contributions from the Australia Smart Community solution into FY24 and slowed the adoption rate due to the current interest rate environment (they rely on housing block sales), albeit remaining healthy medium-term (reaching 9,000 block equivalents by FY26).

Exhibit 2: RaaS X2M earnings adjustments (in A$m unless stated)

Variable	FY23f	FY24f	FY25f	FY26f	Comments
Revenue					
Previous	19.3	30.7	50.0	56.0	Slight decline in platform
Revised	18.7	27.8	49.8	58.3	
% CHG	(3)	(9)	0	4	
Adj. EBITDA					
Previous	(4.0)	(0.6)	5.4	9.9	Mainly mix – GP %
Revised	(4.8)	(1.6)	5.2	8.5	
% CHG	20	nm	(4)	(15)	
Adj. EPS					
Previous	(0.023)	(0.003)	0.027	0.034	
Revised	(0.028)	(0.008)	0.024	0.028	
% CHG	23	nm	(10)	(19)	

Source: Company announcements and RaaS estimates

RaaS medium-term earnings assumptions for X2M are summarised in the table below.

Exhibit 3: X2M P&L summary (in A$m unless otherwise stated)

Line item	2021a	2022a	2023f	2024f	2025f
Sales	**5.70**	**10.39**	**18.68**	**27.80**	**49.83**
Hardware	4.14	8.89	17.02	23.97	42.92
Subscription	1.44	1.15	1.57	3.82	6.91
Other	0.12	0.34	0.09	0.00	0.00
Gross profit	1.63	2.31	4.72	8.92	16.95
GP %	**29**	**22**	**25**	**32**	**34**
Operating costs	6.89	8.88	9.54	10.49	11.75
EBITDA	**(5.26)**	**(6.57)**	**(4.81)**	**(1.57)**	**5.20**
D&A	1.24	0.94	1.02	1.11	1.17
EBIT	(6.50)	(7.51)	(5.83)	(2.68)	4.03
Interest expense/(income)	0.16	0.07	0.15	0.10	0.07
Tax expense	0.00	0.00	2.08	0.00	0.00
NPATA	**(6.32)**	**(7.24)**	**(7.31)**	**(1.90)**	**4.91**
Reported NPAT	(8.44)	(10.23)	(5.73)	(2.56)	4.18

Source: Company announcements and RaaS estimates

X2M Contract Update

The table below summarises recent contract announcements, which provide good transparency and are more recently dominated by contracts from South Korean municipalities. Covid lockdowns have slowed momentum in China but a new contract in December 2022 suggests supply chain impacts are easing.

Exhibit 2: Key contract financials from recent announcements

Date	Value (A$m)	Nature	Region	Units	Price/unit or bundle/year (A$)
Oct-21	1.50	Hardware bundle*	South Korea	9,377	160
Nov-21	2.60	Hardware bundle*	South Korea	20,278	128
Dec-21	0.70	Hardware	China	n.a.	n.a.
Jan-22	1.00	Three-year SaaS/maintenance	South Korea	26,000	13
Mar-22	1.00	Hardware	China	n.a.	n.a.
Mar-22	0.85	Hardware bundle*	South Korea	5,360	159
May-22	1.25	Hardware bundle*	South Korea	10,387	120
Jun-22	1.00	Hardware	China	n.a.	n.a.
Jun-22	1.34	Hardware	China	22,000	61
Jun-22	0.66	Hardware bundle*	South Korea	7,777	85
Jun-22	0.60	Hardware bundle*	South Korea	4,000	150
Jul-22	1.60	Hardware bundle*	South Korea	11,000	145
Jul-22	1.25	Hardware bundle*	South Korea	9,754	128
Jul-22	0.70	Hardware bundle*	South Korea	3,252	215
Aug-22	1.13	Hardware bundle	South Korea	4,280	264
Oct-22	1.40	Hardware bundle*	South Korea	8,600	163
Dec-22	0.50	Bundle	South Korea	2,850	175
Dec-22	0.50	Hardware	China	5,000	100

Source: Company announcements; *Bundles include 12 months' SaaS fees

A summary of RaaS regional assumptions in terms of device sales, Total Addressable Markets (TAM) and revenue for FY23 is presented in the table below. As a general comment South Korea and China dominate revenue assumptions, while forecast devices on the ground by June 2023 remain low in terms of estimated total market penetration.

Exhibit 3: X2M summary by region (FY23)

Variable	South Korea	Japan	Taiwan	China	Australia
Monitoring type	Water	Gas bottle	Gas	Water	Energy mgt
Est. devices @ June 2023	189,105	266,400	16,420	154,755	0
Est. TAM (households)	3,800,000	7,200,000	552,000	9,100,000	40,000
Est. TAM penetration %	5.0	3.7	3.0	n.m.	0
Hardware sales	Yes	No	Yes	Yes	Yes
Software sales	Yes	Yes	Yes	No	Yes
Est. FY23 revenue ($m)	12.4	0.5	1.1	4.9	0.0
(% X2M total)	66	3	6	26	0

Source: RaaS Advisory estimates

Investment Case Revisited

While the core X2M IoT platform technology is "mature", having primarily been in development since ~2012, the commercial rollout is accelerating, promising a narrowing of losses near-term and ultimately "sticky" profitability long-term, driven by the following factors:

- The previous ownership structure had disputing shareholders, was sub-scale and ultimately under-resourced financially.

  The new corporate structure has cleared key debts and provided funding for an acceleration in customer numbers and units in the field, with cumulative device numbers up from ~64k in H1 FY21 to 361k in December 2022. Contracts signed imply a number closer to 437k by June 2023 by RaaS estimates.
- Device sales ultimately drive recurring SaaS or platform revenue and are, therefore, an important driver for long-term shareholder value as these sales are delivered at a much higher margin than the initial hardware sale and require less marketing support.
- The benefits of remote smart metering are maximised when a client is "all-in" in terms of the number of their customers being digitally measured and analysed. Based on X2M's current penetration relative to a client's TAM, there is significant upside across key regions. In South Korea, for example, we estimate X2M has penetrated only ~4.4% of its clients' TAM in that country, while in Japan the number is estimated at 2.0%. Our FY25 estimates still imply modest penetration rates of 17% and 8% respectively relative to our estimated TAM in these regions.
- While existing platform fees are relatively low by SaaS standards, new product development promises additional functionality and, therefore, additional fees on the already installed device base.
- The group's cost base is built for growth, and as a result we expect modest cost growth relative to both revenue and gross profit, resulting in significant operating leverage. Our FY23 forecasts, as an example, imply 80% revenue growth, 104% gross profit growth and only 12% operating cost growth, similar to the trends delivered in H1 FY23.
- X2M products offer ESG benefits for both clients and their customers with respect to lower carbon footprints and direct energy cost savings, increasing their attractiveness in the current environment.
- Our DCF valuation of $0.27/share fully diluted implies >200% upside to the current share price.

DCF Valuation

Our DCF valuation remains A$0.27/share with platform fee reductions offset by higher hardware margins a roll forward of our DCF assumptions.

We would highlight the following as being key drivers/assumptions of this valuation:

- A discount rate of 12% incorporating a beta of 1.3x, risk-free rate of 3.5% and market-risk premium of 6.5%;
- Medium-term growth beyond the forecast period (FY28-FY32) of 15%;
- Terminal growth rate of 2.2%;
- Overall gross margin reaching 36% by FY26, albeit this number is heavily influenced by the hardware mix in any given year. Hardware margins are forecast to average 26% (subject to the regional mix);
- Operating cost growth of 10%-12% per annum to FY25, slowing to 8% thereafter;
- Penetration rates (relative to the current customer addressable market) by FY27 of 16% in South Korea, 9% in Beijing, 9.5% in Japan and 15% (of all greenfield block developments) in Australia;
- 20% increase in ARPU across South Korea, China, and Japan from FY24 on the back of increased functionality;
- Tax payable from FY26; and
- Continued capitalised software spend at 2% of sales.

Research as a Service

Exhibit 4: X2M base-case DCF valuation

Parameters	Outcome
Discount rate/WACC	12.0%
Beta	1.3x
Terminal growth rate assumption	2.2%
Sum of PV ($m)	26.4
PV of terminal value ($m)	29.6
PV of enterprise ($m)	56.0
Debt (cash) ($m)	-0.4
Net value – shareholder ($m)	56.4
No. of shares on issue (fully diluted) (m)	212
NPV ($/share)	**$0.27**

Source: RaaS estimates

Exhibit 5: X2M Financial Summary

X2M Connect Limited (ASX:X2M)					
Profit and Loss (A$m)					
Y/E 30 Jun	**FY21A**	**FY22A**	**FY23F**	**FY24F**	**FY25F**
Revenue	5.7	10.4	18.7	27.8	49.8
Gross profit	1.6	2.3	4.7	8.9	16.9
GP margin %	28.5%	22.3%	25.3%	32.1%	34.0%
EBITDA	(5.3)	(6.6)	(4.8)	(1.6)	5.2
Depn	(0.9)	(0.6)	(0.3)	(0.2)	(0.2)
Amort	(0.3)	(0.3)	(0.8)	(0.9)	(0.9)
EBIT	(6.5)	(7.5)	(5.8)	(2.7)	4.0
Interest expense	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Tax	0.3	(0.0)	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Equity accounted assoc	0.0	0.0	0.0	0.0	0.0
NPATA pre sign. items	**(6.7)**	**(7.9)**	**(6.7)**	**(3.7)**	**3.0**
Adjustments	(2.1)	(2.8)	(0.0)	0.0	0.0
NPAT (reported)	**(9.1)**	**(11.1)**	**(7.5)**	**(4.6)**	**2.1**
Cash flow (A$m)					
Y/E 30 Jun	**FY21A**	**FY22A**	**FY23F**	**FY24F**	**FY25F**
Adj EBITDA	(5.4)	(6.7)	(5.0)	(1.7)	5.0
Interest	0.2	0.1	0.1	0.1	0.1
Tax	0.5	0.4	1.4	1.3	0.0
Working capital/other	1.8	0.2	0.2	(0.4)	(1.2)
Operating cash flow	**(2.9)**	**(6.1)**	**(3.2)**	**(0.7)**	**3.9**
Mtce capex	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Capitalised Software	(0.8)	(1.7)	(2.0)	(1.5)	(1.3)
Free cash flow	**(3.7)**	**(7.8)**	**(5.2)**	**(2.3)**	**2.6**
Acquisitions/Disposals	0.0	0.0	0.0	0.0	0.0
Other	(0.1)	0.1	0.0	0.0	0.0
Cash flow pre financing	(3.8)	(7.6)	(5.2)	(2.3)	2.6
Equity	2.0	7.3	3.6	3.0	0.0
Other	0.7	(1.4)	1.3	0.0	(1.0)
Net Dividends paid	0.0	0.0	0.0	0.0	0.0
Net change in cash	**(1.1)**	**(1.8)**	**(0.3)**	**0.7**	**1.6**
Balance sheet (A$m)					
Y/E 30 Jun	**FY21A**	**FY22A**	**FY23F**	**FY24F**	**FY25F**
Cash	2.0	1.0	0.4	1.0	2.4
Accounts receivable	0.2	0.2	1.0	1.5	2.7
Inventory	0.1	0.1	0.3	0.4	0.7
Other current assets	1.7	2.9	2.1	2.1	0.8
Total current assets	*4.0*	*4.2*	*3.8*	*4.9*	*6.5*
PPE	0.6	0.6	0.5	0.5	0.5
Capitalised Software	2.2	3.1	4.3	5.0	5.3
Goodwill	0.0	0.0	0.0	0.0	0.0
Deferred tax asset	0.0	0.0	0.0	0.0	0.0
Other non current assets	0.1	0.2	0.8	0.0	4.5
Total non current assets	*3.0*	*3.9*	*5.7*	*5.4*	*10.3*
Total Assets	6.9	8.2	9.5	10.4	16.8
Accounts payable	2.0	2.2	2.8	3.0	3.2
Contract liabilities	1.1	2.2	4.4	4.3	7.6
Borrowings	2.4	0.6	1.8	1.8	0.8
Other	0.9	1.0	0.0	0.4	0.0
Total current liabilities	*6.4*	*6.0*	*9.1*	*9.4*	*11.7*
Lease liabilities	0.1	0.3	0.3	0.3	0.3
Employee benefits	0.2	0.3	0.3	0.4	0.4
Total long term liabilities	*0.4*	*0.6*	*0.7*	*0.7*	*0.7*
Total Liabilities	6.8	6.6	9.7	10.1	12.4
Net Assets	**0.2**	**1.6**	**(0.2)**	**0.2**	**4.4**
Share capital	9.4	19.3	23.3	26.3	26.3
Reserves	0.4	2.1	2.1	2.1	2.1
Accumulated losses	(9.6)	(19.9)	(25.6)	(28.2)	(24.0)
Other	0.0	0.0	0.0	0.0	0.0
Total Shareholder funds	**0.2**	**1.6**	**(0.2)**	**0.2**	**4.4**

Share price (6 March 2023)					A$	0.090
Interim (A$m)	**H121A**	**H221A**	**H122A**	**H222A**	**H123A**	**H223F**
Revenue	3.2	2.5	4.6	5.8	9.0	9.7
EBITDA	(1.8)	(3.5)	(3.2)	(3.4)	(2.5)	(2.3)
EBIT	(2.4)	(4.1)	(3.8)	(3.5)	(2.8)	(2.7)
NPATA (normalised)	(2.3)	(3.7)	(3.7)	(3.4)	(2.6)	(2.4)
Adjustments	0.2	(2.3)	(2.6)	(0.2)	(0.0)	0.0
NPAT (reported)	(2.2)	(5.9)	(6.4)	(3.5)	(2.6)	(2.4)
EPS (adjusted)	nm	nm	(0.028)	(0.025)	(0.014)	(0.013)
Dividend (cps)	0.000	0.000	0.000	0.000	0.000	0.000
Imputation	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	na	na	na	na	na	na
Free Cash flow	na	na	na	na	na	na
Divisionals	**H121A**	**H221A**	**H122A**	**H222A**	**H123A**	**H223F**
Revenue	**3.2**	**2.5**	**4.6**	**5.8**	**9.0**	**9.7**
Hardware	2.5	1.8	3.9	5.4	8.4	8.7
Subscription/other	0.7	0.7	0.7	0.4	0.6	1.0
Gross profit	1.0	0.6	0.9	1.4	2.2	2.5
Gross Profit Margin %	31.6%	24.6%	20.4%	23.8%	24.7%	25.8%
Employee	2.2	2.4	2.5	2.7	2.8	2.9
Professional fees	0.3	0.6	0.6	0.8	0.4	0.7
Other	0.3	1.1	1.0	1.3	1.4	1.3
Total costs (ex SBP/1-time	**2.8**	**4.1**	**4.1**	**4.7**	**4.7**	**4.9**
EBITDA	**(1.8)**	**(3.5)**	**(3.2)**	**(3.4)**	**(2.5)**	**(2.3)**
EBITDA margin %	(240%)	(494%)	(443%)	(790%)	(441%)	(232%)
Margins, Leverage, Returns		**FY21A**	**FY22A**	**FY23F**	**FY24F**	**FY25F**
EBITDA margin %		(92.3%)	-63.2%	-25.8%	-5.7%	10.4%
EBIT margin %		(114.1%)	-72.3%	-31.2%	-9.7%	8.1%
NPAT margin (pre significant items)		(116.9%)	-76.5%	-36.0%	-13.2%	6.1%
Net Debt (Cash)		0.46	- 0.46	1.41	0.89	- 1.53
Net debt/EBITDA (x)	(x)	nm	nm	nm	nm	nm
ND/ND+Equity (%)	(%)	nm	nm	nm	nm	nm
EBIT interest cover (x)	(x)	nm	nm	nm	nm	nm
ROA		nm	nm	nm	(27.0%)	29.7%
ROE		nm	nm	nm	#######	46.9%
NTA (per share)						
Working capital		-1.8	-1.9	-1.5	-1.1	0.1
WC/Sales (%)		**(30.9%)**	**(17.9%)**	**(8.0%)**	**(3.9%)**	**0.3%**
Revenue growth		nm	82.2%	79.9%	48.8%	79.3%
EBIT growth pa		n/a	n/a	n/a	n/a	(250.2%)
Pricing		**FY21A**	**FY22A**	**FY23F**	**FY24F**	**FY25F**
No of shares (y/e)	(m)	-	133	179	212	212
Weighted Av Dil Shares	(m)	-	133	179	212	212
EPS Reported	A$ cps	nm	(0.0807)	(0.0377)	(0.0174)	0.0142
EPS Normalised/Diluted	A$ cps	nm	(0.0572)	(0.0334)	(0.0132)	0.0187
EPS growth (norm/dil)		nm	nm	-42%	-61%	-242%
DPS	cps	0.000	0.000	0.000	0.000	0.000
DPS Growth		n/a	n/a	na	na	na
Dividend yield		0.0%	0.0%	0.0%	0.0%	0.0%
Dividend imputation		0	0	0	0	0
PE (x)		nm	- 1.6	- 2.7	- 6.8	4.8
PE market		15.0	15.0	15.0	15.0	15.0
Premium/(discount)		nm	(110.5%)	(118.0%)	(145.6%)	(67.9%)
EV/EBITDA (x)		nm	(1.9)	(2.4)	(11.1)	3.8
FCF/Share	A cps	nm	(0.060)	(0.031)	(0.012)	0.011
Price/FCF share		nm	(1.5)	(2.9)	(7.7)	7.9
Free Cash flow Yield		nm	(47.7%)	(32.7%)	(14.7%)	14.4%

Source: Company data for actuals, 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

Effective Date: 6th May 2021

About Us

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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

Contact Details, BR and RaaS
BR Head Office: Suite 5GB, Level 5, 33 Queen Street, Brisbane, QLD, 4000
RaaS. 20 Halls Road Arcadia, NSW 2159
P: +61 414 354712
E: finola.burke@raasgroup.com

RaaS is the entity providing the authorised AFSL services to you as a retail or wholesale client.

What Financial Services are we authorised to provide? RaaS is authorised to

- 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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If you have a complaint about our service you should contact your representative and tell them about your complaint. The representative will follow BR’s internal dispute resolution policy, which includes sending you a copy of the policy when required to. If you aren’t satisfied with an outcome, you may contact AFCA, see below. BR is a member of the Australian Financial Complaints Authority (AFCA). AFCA provide fair and independent financial services complaint resolution that is free to consumers.
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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BR has in place Professional Indemnity Insurance which satisfies the requirements for compensation under s912B of the Corporations Act and that covers our authorized representatives.

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