Research as a Service

# Future First Technologies Ltd

Positioning Paper

## Transitioned to a SaaS revenue base

Software & Services

**Future First Technologies Limited (ASX:FFT), formerly known as PS&C Limited, is building a portfolio of digital assets that seek to make life simpler and safer. The company owns two key businesses, farmbuy.com and Asset Vision, which it respectively acquired in April and November 2020, and convertible notes in a third business, 1derful.com.au. These acquisitions came amidst the divestment of the company's previously held assets, several companies operating under its Melbourne Consulting business banner and a cybersecurity business. The sale of these businesses netted FFT more than $39m which allowed the company to pay down debt, provide capital for future acquisitions and working capital, and undertake a share buyback as a capital return to shareholders. The company completed the $0.05/share buyback of 147.72m shares in December 2020, at a total consideration of $7.38m, leaving it with $9.3m in the bank at period end. Having switched from IT & security consulting services into high growth technology companies, FFT is well positioned to benefit from the market's appetite for exposure to SaaS-style revenues. We initiate coverage with a base case DCF valuation of $0.17/share which incorporates modelling for both farmbuy.com and Asset Vision.**

### Business model

FFT generates its revenue from its fully-consolidated entities, Asset Vision and farmbuy.com. In the near term, Asset Vision's revenues and earnings will be the key driver of earnings and profitability. Asset Vision operates a SaaS model, generating enterprise contracts with corporates and government to digitally manage assets. Its contracts are usually 3-5 years in duration. Asset Vision's business began with state- and local government-responsible road authorities and their road maintenance contractors, with its cloud-based asset management platform delivering a simpler way to manage road inspections, schedule maintenance and capital works and optimising the authorities' asset register. The platform now spans assets across rail, buildings, utilities and parks and open spaces. Asset Vision is profitable, generating around $1.6m in revenue and $0.4m in NPAT in FY20. Farmbuy.com delivers an online marketplace for rural property agencies, buyers and sellers. It is relatively early stage but now has more than 380 rural property agents using its portal and is securing more than 200,000 user sessions per month.

### Asset Vision is the key near-term earnings driver

FFT's historical earnings will largely be irrelevant for investors. With the transition to SaaS businesses, the focus will be on the delivery of consistent recurring revenues, the ability to scale, and at maturity, EBITDA margins in the 50-70% range. Asset Vision is still early in its lifecycle so the ability to convert its contract pipeline into annual recurring revenues will be a key feature of its near term earnings outlook. More mature online marketplaces or classifieds platforms such as farmbuy.com generate EBITDA margins of 40-60% and we consider this to be a long term target range for this business.

### Base case DCF valuation is $0.17/share

We have used the discounted cashflow methodology to value FFT using a WACC of 14.5% (beta 1.9, terminal growth rate of 2.2%) and this derives an equity value of $0.17/share. Our model incorporates earnings forecasts for both Asset Vision and farmbuy.com with the investment in 1derful at face value.

**Historical earnings and RaaS forecasts**

| Year end | Total Revenue (A$m) | Gross Profit (A$m) | EBITDA (A$m) | NPAT (A$m) | EPS (c) | EV/Sales (x) |
|---|---|---|---|---|---|---|
| 06/20a | 51.1 | 51.1 | 5.2 | 3.8 | 0.61 | 0.7 |
| 06/21e | 1.2 | 1.1 | (3.2) | (4.6) | (1.69) | 17.5 |
| 06/22e | 2.6 | 2.4 | (3.2) | (3.6) | (0.90) | 9.2 |
| 06/23e | 4.3 | 3.7 | (2.3) | (2.4) | (0.59) | 7.0 |

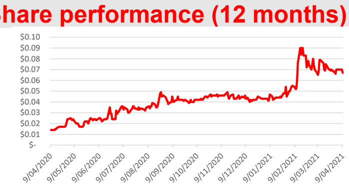
Source: Company data for historical earnings, RaaS estimates for FY21e, FY22e and FY23e

12th April 2021

**Share details**

| | |
|---|---|
| ASX Code | FFT |
| Share Price (9 April 2021) | $0.07 |
| Market Capitalisation | $27.2M |
| Shares on issue | 400.4M |
| Net Cash Dec 31 | $9.3M |
| Free float | ~68% |

**Share performance (12 months)**



**Upside Case**

- Transitioned to SaaS businesses with growth leverage
- Clean balance sheet, debt free
- Board has demonstrated commitment to delivering shareholder returns

**Downside Case**

- Little history on continuing businesses
- Farmbuy.com is still early stage and may require additional capital
- Asset Vision's enterprise clients have longer lead times (9-12 months) in making decisions

**Catalysts**

- Expansion of Farmbuy into additional agents, other business lines
- Conversion of Asset Vision pipeline into contracts
- Further evidence of operational momentum

**Board of directors**

| | |
|---|---|
| Renata Sguario | Non-Executive Chair |
| Keith Falconer | Managing Director/CEO |
| Nicole Ferro | Non-Executive Director |
| Nicholas Chan | Non-Executive Director |

**Company contacts**

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# Table of contents

RaaS
Research as a Service

# Future First Technologies Ltd

**Future First Technologies has transitioned into a SaaS company from a "people exertion" business following the sale of its Melbourne Consulting operations and cyber security business and adjacent acquisitions of its two wholly owned SaaS enterprises, Asset Vision, and farmbuy.com. Future First began life as PS&C which listed on the ASX in 2013 after raising $25m at $1.00/share for a market capitalisation at listing of $50.6m. Around $20m of the proceeds raised went towards acquiring four ICT businesses. The company subsequently acquired seven firms, spending approximately $25.7m ($7.75m cash and $18.0m in shares) to round out its People and Security segments. These businesses have since been sold with the Security segment acquired by Tesserent (ASX: TNT) for $14m ($9m cash and $5m in TNT shares which were passed through to PS&C shareholders by way of in specie distribution); and the People segment sold to LVP Technology for $23m. The company used the proceeds from its People and Security segments to pay down debt, undertake an $7.38m selective share buyback at $0.05/share, and provide a cash pile ($9m) for future acquisitions and working capital.**

## Investment case

In our view, Future First Technologies has the opportunity to achieve success for the following reasons:

- The company has switched out of people exertion, low operating margin businesses into SaaS-focused businesses which have leverage to higher growth prospects and higher margins;
- The board and senior management team are highly experienced in building SaaS businesses. Much of the senior management team worked together previously to build and sell MethodGroup, a private business, to RXP Services (ASX:RXP) or at Bauer Media's trader group building online marketplaces;
- FFT's acquisition of Asset Vision ($10m total price on an EV/sales multiple 6.25x) has delivered a profitable, SaaS business with a solid array of long-contracted government and enterprise clients and a growth pipeline of new clients;
- The acquisition of Respring Pty Ltd in April 2020 for $4.5m delivered 100% ownership of farmbuy.com, an early stage real estate portal for rural and lifestyle properties. Respring's senior executive team, Keith Falconer and Lucas Murtagh have respectively become Chief Executive Officer/Executive Director and Chief Operations Officer for the group. Mr Falconer and Mr Murtagh have considerable experience in building and selling subscription style businesses;
- The company has adopted a conservative approach with its investment in "banking infrastructure as a service fintech" 1derful, investing initially in a $1.25m convertible note and a follow-up second convertible note of the same amount, while getting to understand the business;
- FFT has a clean balance sheet, no debt, and a cash balance of $9m to put towards potential acquisitions and/or building its existing businesses.

## DCF valuation of $0.17/share

Valuing early stage companies is always a subjective exercise, particularly when considering the rollout of new opportunities, the timing of takeup and success. FFT's two segments are at different stages in their lifecycle with farmbuy.com still loss-making and Asset Vision cashflow positive but still early stage. For this reason we have applied a relatively high discount rate of 14.5% (beta 1.9, terminal growth rate of 2.2%). This derives an equity valuation of $0.17/share. We have dimensioned an upside case ($0.45/share) and downside case ($0.02/share) and discuss these on page 21 of our report.

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## Business Model

Future First Technologies is building a portfolio of digital assets which have a predominantly subscription model focus. The company's senior management team is actively involved in developing these assets, having vended their businesses into FFT. The shift to subscription models away from people exertion businesses re-positions FFT as a SaaS business, which by and large generate higher operating margins and are leveraged to scale. Currently FFT has two fully consolidated operating segments:

- Farmbuy.com, an online portal for Australia's rural and lifestyle real estate, delivering digital advertising and marketing services to the agricultural and real estate companies operating in that sector. Farmbuy.com is wholly owned by Respring Pty Ltd which FFT acquired in April 2020. Respring is a digital technology company that invests in and advises other digital companies in growing markets, assisting them to reach their full potential.
- Asset Vision, a proprietary cloud and mobile-based platform providing a unified approach to asset management, inspections, maintenance and work schedules operating in the Enterprise Asset Management software market.

The company has also invested $2.5m in two convertible note series for emerging fintech, 1derful, which is seeking to create a disruptive banking infrastructure as a service solution to consumers. FFT owns 100% of its two core assets and therefore fully consolidates their earnings. These earnings are reported segmentally, giving a good insight into each individual business' performance and the overarching corporate expenditure. Given both investments have a subscription focus (and therefore the opportunity to gain scale leverage off a relatively fixed cost base), we expect the market will price Future First as a SaaS company rather than the consulting services business it was previously.

## Corporate history

In its 7+ years as a listed entity, the company has been an active acquirer of businesses. Under the current board, the transition away from People and Security accelerated with the sale of all these businesses and the acquisition of two subscription/SaaS businesses, farmbuy.com and Asset Vision.

**Exhibit 1: Historical timeline of events**

| Year | Event |
|---|---|
| Dec-13 | Listed on the ASX as PS&C (ASX:PSZ), raising $25m at $1.00/share, for a total market cap of $50.57m; acquires four businesses, Systems and People Ltd, Securus Global Consulting, Hacklabs Ltd, Allcom Networks and Allcom Consulting Services, as part of the raise for $20m combined |
| Aug-14 | PS&C acquires Sydney based cyber security company, Pure Hacking for $8.3M - $4.15 in cash and $4.15 in scrip |
| Oct-15 | Purchased Bexton IT services for an initial $2.9M and future payments contingent on EBIT in 2018. It was a 50:50 split of cash and share capital. |
| Jan-16 | Acquires Melbourne based governance and risk company Certitude for an initial payment of $2.1M in a 50:50 split of cash and share capital. |
| May-17 | Appoints Glenn Fielding as Managing Director |
| Jun-17 | Acquires cloud services provider Sacon and Salesforce consulting company Coroma Consulting |
| Jul-17 | Establishes Glass (QLD) under its People Division - a company focussed on innovation and machine learning |
| Oct-17 | Jeff Bennett appointed CFO |
| Dec-17 | Terry Benfold retires as director, Nigel Warren appointed as director, Kevin McLaine (a director since July 2013) appointed non-executive chairman. |
| Dec-17 | Acquires business and technology consulting company Seisma with a mix of scrip and cash |
| May-18 | Acquires NTH Consulting providing the company with Tier 1 government coverage for a 4x EBIT totalling $1m plus earnout using a mix of scrip/cash |
| Nov-18 | Sells Allcom Network business division to Crosspoint Telecommunications for $3.2M cash |
| Feb-19 | Acquires Salesforce solutions business Artisan Consulting for $1.64m ($0.24m cash, $0.92m shares, $0.48m deferred consideration) |
| Jun-19 | Established a new $15m debtor finance facility with Scottish Pacific & renegotiates senior debt facility from ANZ, reducing it to $5.05M |
| Aug-19 | Nigel Warren resigns as director |
| Sep-19 | Glenn Fielding steps down from his role as CEO to be replaced by an interim CEO Robert Hogeland. Renata Sguario appointed non-executive director |
| Oct-19 | Sells its Security Segment to Tesserent Ltd (ASX:TNT) for $14m ($9m cash/$5m scrip (100m shares @ $0.05) which is distributed to shareholders. |
| Nov-19 | Kevin McLaine resigns as chairman, Renata Sguario becomes non-executive chairman |
| Dec-19 | Sells Glass & Co, to Vitrics for $1.6m cash. Vitrics is controlled by Glenn Fielding, Jeff Bennett, and Glass executives Erin Brown & Wayne Custodio. |
| Jan-20 | Glenn Fielding resigns from board, Nicole Ferro appointed to board |
| Feb-20 | Jeff Bennett resigns as CFO |
| Apr-20 | Acquires Respring through the issue of 150m shares at $0.03/shares. Acquisition includes rural & lifestyle property portal farmbuy.com. Vesna Jelesic appointed CFO. |
| Jun-20 | Debt repaid in full, deferred consideration reduced to less than $0.7m |
| Jul-20 | Respring wins advisory role with fintech start up The 1derful Group, invests $1.25m in 1derful through convertible note with a face value of $1.00/note. |
| Aug-20 | Nicholas Chan appointed as director |
| Oct-20 | PS&C changes its name to Future First Technologies (ASX:FFT); FFT completes the sale of Melbourne consulting business to LVP Technology Services for $23M in cash. Robert Hogeland remains CEO of the Melbourne Consulting Business and steps down as a director and CEO of FFT. |
| Nov-20 | FFT acquires Asset Vision for a total of $10m ($5m in cash/$1.0m scrip @ $0.042/share upfront and $4m on the first anniversary of the transaction). Keith Falconer, founder of Respring, is appointed Executive Director and CEO of FFT. Senior management team put in place with the appointment of Lucas Murtagh from Respring/farmbuy.com as Head of Operations, Damien Smith, Managing Director of Asset Vision as Chief Product Officer, Paul Fielding as Head of Mergers and Acquisitions, Chris Wignall as Head of Sales and Distribution and Robyn Murphy as Chief Information Officer. |
| Feb-21 | FFT invests a further $1.25m into 1derful through convertible notes at a face value of $1.00/note. |

Source: Company announcements

## Asset Vision

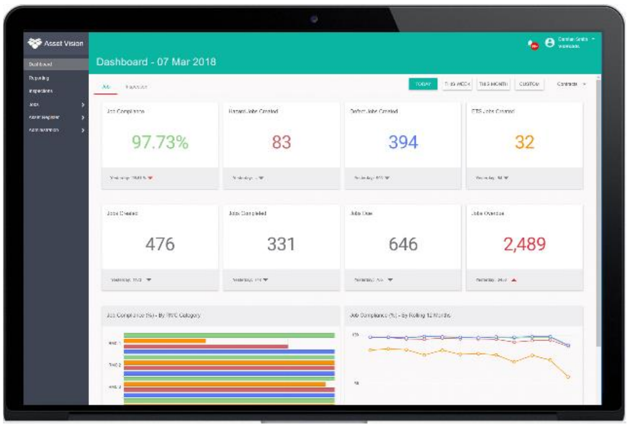
Future First Technologies acquired Asset Vision in November 2020 for $10m, which includes a deferred payment of $4m payable on the first anniversary of the acquisition. Asset Vision has created a platform to deliver asset owners and their contractors a unified approach to asset inspections, maintenance and operations management. In the 10 years since the company was created, Asset Vision has completed more than 2.5m inspections, its system has overseen more than 100,000 kms of road maintenance and it has under management more than 300,000 civil and transport infrastructure assets on its platform.

The platform has several key functions including:

- **Asset Register** which provides a comprehensive dynamic overview of the client's built, fixed and mobile assets and helps maximise asset life cycles through effective decision making;
- **Asset Inventory and Condition** which captures in the field the individual asset's condition and identifies that it is safe and available for public usage; provides mobile functionality to capture new assets in the field and update attributes on existing assets; enables work orders to be raised and assigned to assets;
- **Asset Maintenance** which manages asset inspection compliance by bringing together the client and contractor to collaborate in the same environment, optimises inspections and works schedules, mobile inspection and defect capture, and delivers workflow efficiency from task creation to completion;
- **Risk and Compliance** generates site risk documentation such as traffic management plans, work permits, safety, environmental and quality management plans at the site, and provides risk reporting tools both spatially and via data export and dashboards to deliver a live overview of the current state and health of each project;
- **Operations** which is a planning tool designed to manage the project budgets and actual costs, provides documentation and reporting functions for up to the minute efficiency of resources and delivery of projects; extracts timesheets and resource allocations;
- **Asset CoPilot** is a hands free capture of asset defects in the field using mobile devices by recording defect images and automatically linking defects into an existing inspection.

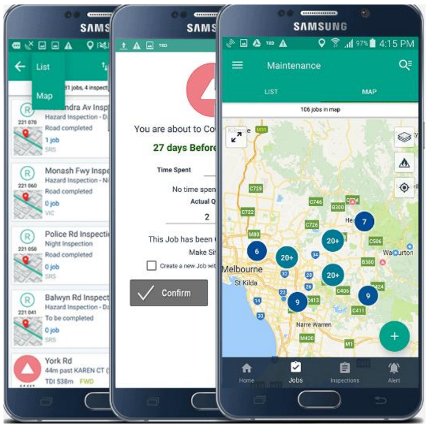
The following exhibits demonstrate how Asset Vision's platform is presented across web and mobile devices

**Exhibit 2: Web Application**




Source: Company data

**Exhibit 3: Mobile Application**




Source: Company data

The business has adopted all the relevant policies and procedures to ensure that it aligns with international protocols for quality, integrity and safe handling of information including:

- An Information Security Management System (IMS) and related Information Security Processes/Procedures that align to the requirements of ISO/IEC 27001:2013;

- An Integrated Quality, Environmental and Occupational Health & Safety Management System, which uses ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018;
- The platform complies with the Australian Government Information Security Manual (Feb 2021) "Guidelines for Database Systems Security Controls";
- Asset Vision also applies the privacy principles set out in the Australian Privacy Act 1988 (Cth), which guide how it collects and manages personal information.

### Asset Vision's History

Asset Vision was founded by Damian Smith (Chief Product Officer for FFT and Asset Vision) and Lincoln Portbury in 2011 on the back of more than a decade of real world accumulated knowledge in designing and building road asset maintenance management systems for asset owners and contractors. In 2013, Asset Vision was awarded a seven-year contract (5 years + 2 year extension) with Vic Roads (the Victorian State Government's road authority). Asset Vision created its Android version of its platform after securing this contract.

This sparked an uptick in new contracts with both Municipal Councils and large contractors such as Fulton Hogan and Downer EDI (ASX:DOW) to support their road management contracts. From 2013 to 2016, Asset Vision's platform was adopted Downer EDI, Fulton Hogan and a growing number of councils.

In 2017, Asset Vision undertook a significant overhaul of the platform, creating a fully configurable, hierarchical Asset Register, updated User Interface and additional features set to open up new markets and opportunities including data analytics capability. Until this point, the platform was predominantly being used for road management and maintenance. The upgrade was designed to enable Asset Register to be extended to property managers, open spaces, rail, utilities, and ports and maritime.

Since the upgrade, Asset Vision has signed a 5-year (3+2) contract with Transport for NSW and has negotiated a further 5-year extension with Vic Roads. The platform is now being utilised by the two largest State road authorities in Australia, several municipal councils, major Australian civil construction companies and, in May 2020, was contracted by ASX-listed Atlas Artera (ASX:ALX) to manage the Asset Register, Inspections and Maintenance of all infrastructure assets on the 14-mile Dulles Greenway toll road in Virginia USA. The Dulles Greenway connects Washington Dulles International Airport with Leesburg Virginia.

### Client base

Asset Vision counts Australia's two largest State road authorities as its clients as well as the contractors that service these authorities and the municipal councils that manage projects in their local areas. The company is seeking to create an ecosystem for asset management with a growing number of sub-contractors also using the platform. The company has by no means exhausted the road asset management opportunity in Australia or offshore and has made only small inroads into other adjacent asset management opportunities. We set out in the following exhibit the company's current clients.

**Exhibit 4: Asset Vision's clients**


Source: Company data

## Business model

Asset Vision operates as a SaaS company. SaaS stands for software-as-service and it defined as a software licensing and distribution model whereby software is centrally hosted and delivered to licenced users on a subscription basis over the internet. Users log onto Asset Vision's platform via a web browser or mobile app and interact with the Asset Vision platform via the cloud. Asset Vision's platform is hosted in the cloud via a secure Tier IV Australian data centre.

Asset Vision's revenues are derived from enterprise licence contracts, typically of 3-5 years duration. The contracts have two components: software licence fees which are charged on a per user per month basis and professional services revenues which are generated on new client implementations and enhancement requests. Clients pay licence fees according to the number of licences with discounts provided for scale.

## The Global Enterprise Asset Management Software market

Asset Vision operates in the global Enterprise Asset Management (EAM) Software market, which includes intelligent asset management. EAM is the process of managing the lifecycle of physical assets to:

- Maximise and maintain their use;
- Maximise their economic return;
- Safeguard health, safety and environment;
- Improve the quality and efficiency of business operations and
- Minimise risks and costs by ensuring the most efficient manner in which to deliver maintenance and surveillance.

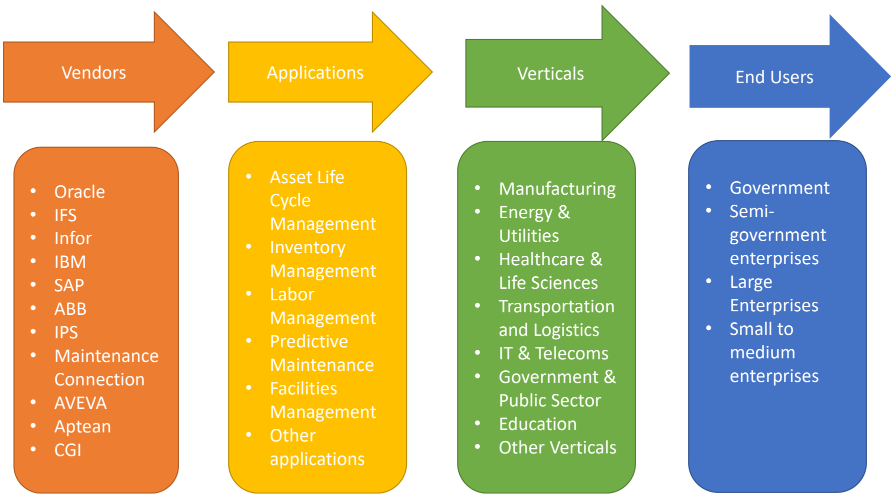
Research group Prescient & Strategic Intelligence estimated that the Global Enterprise Asset Management market stood at US$5.5b in 2019, and that it is expected to reach US$25.9b by 2030, a CAGR of 17% from 2020-2030[1]. Prescient & Strategic Intelligence expects the Asia Pacific region to exhibit the fastest growth in this period, driven by the manufacturing, telecoms, banking and transport sectors. Prescient & Strategic Intelligence cites IBM as the global market leader ahead of Oracle, SAP SE, ABB Ltd, Industrial and Financial Systems (IFS) AB, Ramco Systems and Infor.

1 https://www.psmarketresearch.com/market-analysis/enterprise-asset-management-market

Separately another industry forecaster, MarketsandMarkets is forecasting that the global EAM Software market will reach US$5.5b by 2026, up from US$3.3b in 2020, a compound annual growth rate of 8.7%.

Major growth factors cited by ResearchandMarkets.com are the rising popularity of SaaS-based EAM solutions, the growing requirement for gaining a 360-degree view of assets, an increase in mobility usage by end users and the increased usage of internet of things (IoT) platforms and devices to manage enterprise assets[2]. COVID-19 lockdowns have also hastened the uptake, with enterprises opting for cloud-based EAM systems to manage assets remotely.

**Exhibit 5: Enterprise Asset Management Value Chain**




Source: MarketsandMarkets.com, RaaS analysis

Frost & Sullivan estimates that the global workplace management solutions market (which includes asset management, human services management, workplace management and onboarding, access control and learning management) was worth approximately US$15.6b in 2018[3] and that it will grow at a CAGR of 6.7% to reach US$20.2b in 2022. Frost and Sullivan estimates that the asset management component was US$2.85b in 2018, rising to US$3.75b in 2022 while workplace management and onboarding would reach US$4.36b by 2022 from US$3.81b in 2018. North America represents the largest market, estimated by Frost and Sullivan at US$6.7b in 2018 while Asia Pacific was estimated at US$0.6b in the same year.

Getting an accurate addressable market in Australia is challenging. It is clearly a subset of Asia which Frost & Sullivan estimated was US$0.6b in 2018. We have attempted to backsolve the Australian market from revenues generated by other players. One of the market leaders in delivering EAM solutions to local governments is Technology One (ASX:TNE). Technology One delivers an Enterprise Resource Planning (ERP) platform which encompasses corporate performance management, enterprise asset management, human resources and payroll and supply chain management, which is broader than the space that Asset Vision plays in. That said, Technology One services around 50% of Australia's 540 councils around Australia and in FY20 generated $270m in revenues of which $135m were SaaS recurring revenues. If we assume that enterprise asset management is one-fifth of this solution, the annual opportunity among local councils in Australia is in the order of A$110m. Add to this State Road and Rail Authorities, other asset heavy government entities such as Education and Health, utilities and building managers and the total Australian EAM market could be upwards of A$500m.

2 https://www.businesswire.com/news/home/20210312005243/en/Global-Enterprise-Asset-Management-Market-2020-to-2026---Data-Driven-Asset-Management-Presents-Opportunities---ResearchAndMarkets.com/

3 Damstra Corporation Prospectus, Industry Overview, pages 30-34

## State of the Assets – Australia

Since 2012, the Australian Local Government Association (ALGA) has compiled a self-assessment survey of local government infrastructure performance and management practices[4]. The last survey was undertaken in 2018 and there is now one currently underway. Around 75% or 408 local governments across Australia participated in the 2018 survey which identified that the need for investment in infrastructure exceeds A$30b and is likely to continue to grow to meet productivity and safety requirements. The survey found that the replacement cost of these assets is estimated to be A$426b with roads by far the biggest category at A$136b to replace. It also found that asset and risk management plans are an essential for local governments to achieve their productivity and risk targets, but unlike New Zealand, Australian local governments are not mandatorily required to have an asset management plan in place. As the following exhibit from the survey report demonstrates, each asset class has varying degrees of asset management plans in place.

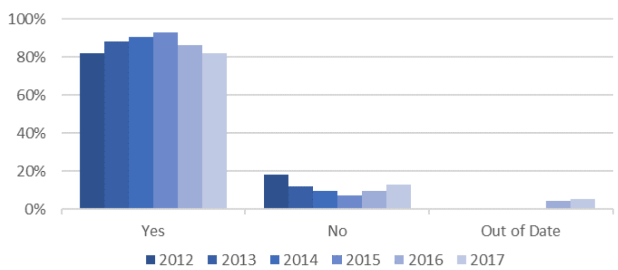
**Exhibit 6: Asset Management Plans in place by asset class**

| Asset Class | Yes | No | Out of Date | Not Applicable | Response |
|---|---|---|---|---|---|
| Roads | 82% | 13% | 5% | - | 80% |
| Building & Facilities | 70% | 23% | 8% | - | 66% |
| Parks & Recreation | 61% | 34% | 5% | - | 64% |
| Stormwater | 64% | 31% | 4% | 1% | 64% |
| Water & Wastewater | 31% | 53% | 2% | 14% | 59% |
| Airports & Aerodromes | 15% | 66% | 2% | 17% | 58% |

Source: 2018 National State of the Assets report, Australian Local Government Association

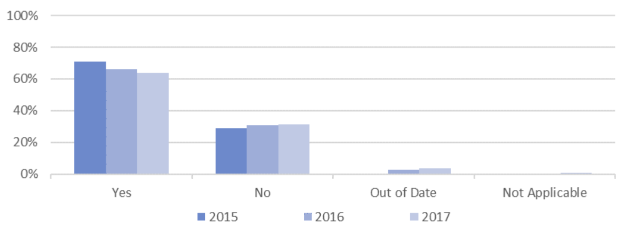
As the two exhibits following show, despite a slight increase in 2015, the proportion of Road Asset Management Plans in place is the same as it was in 2012 at 82%. So 18% of local governments do not have an asset management plan in place for roads, or they are out of date. The proportion of Parks and Recreation Asset Management Plans in place has declined from 72% in 2015 to 61% in 2017 and 39% state they do not have a Parks and Recreation asset management plan in place or they are out of date. This represents a significant opportunity for companies like Asset Vision to provide the systems to track and manage these assets.

**Exhibit 7: Asset Management Plans in place for roads**




Source: 2018 National State of the Assets report, Australian Local Government Association

**Exhibit 8: Asset Management Plans in place for parks and recreation**




Source: 2018 National State of the Assets report, Australian Local Government Association

## Competitive landscape

Asset Vision sits across both asset and field service management solutions and as a consequence is competing with both global players such as Oracle, Salesforce, IBM and SAP and listed and unlisted local players. The market appears to be highly fragmented with online marketplace vendor Capterra listing more than 100 enterprise asset management software solutions. Some of these solutions are from Asset Panda, Maintenance Connection, Smartsheet and Upkeep. Then there are local players such as Damstra (ASX:DTC), Cosol (ASX:COS), and TechnologyOne (ASX:TNE) in asset management and/or field service management solutions.

4 National State of the Assets, 2018, Australian Local Government Association

There has been some consolidation in the sector over the past two years with companies such as Salesforce and Oracle respectively acquiring Click (US$1.35b) and Aconex ($1.6b). Oracle paid 9.7x revenue for Aconex. Other recent acquisitions include Assetic by Dude Solutions, Asset Edge by Civica and RAMM Software by Think Project. Asset Edge was a privately owned Melbourne based asset management solutions provider to local councils. Asset Vision recently replaced Asset Edge at Transport for NSW. Ventia Services Group has started using Asset Vision, having previously been a user of Pitney Bowes' Confirm EAM platform.

## Peer Comparison

We see Damstra Holdings (ASX:DTC), Technology One (ASX:TNE), Cosol (ASX:COS) and SenSen Networks (ASX:SNS) as the closest Australian listed peers to Asset Vision. We discuss these below.

### Damstra

Damstra is an Australian-based provider of integrated workplace management solutions including asset management solutions covering multiple industry segments. The company has its origins in the mining contracting sector where it created a field service management solution. Damstra sells integrated hardware and software as a service (SaaS) solutions in industries where compliance and safety across workforce and assets is paramount. In June 2020, Damstra acquired Smart Asset Software, which has developed a suite of enterprise asset management solutions across web browser and mobile applications. These solutions integrate with Microsoft Office to plan maintenance schedules for field services. Smart Asset's clients include the ACT Emergency Services Agency, TasPorts, Forico Future Fibre (Tasmania's largest private forestry management company) and Antartica New Zealand.

We have set out in the following exhibit, Damstra's historical earnings profile to provide some insight into the leverage that a SaaS company in this space. Damstra listed on the ASX in October 2019. Note that while the gross profit margin has declined from the levels achieved in FY17 and FY18 (due mainly to acquisitions) the EBITDA margin has improved over the past three years.

**Exhibit 9: Damstra Holdings historical earnings (in A$m unless otherwise stated)**

| Year ending June 30 | FY17 | FY18 | FY19 | FY20* |
|---|---|---|---|---|
| Licence fees | 5.8 | 7.9 | 11.8 | 15.2 |
| Hardware | 1.2 | 1.4 | 2.0 | 4.4 |
| Other | 1.3 | 1.2 | 1.5 | 1.0 |
| **Total Revenue** | **8.3** | **10.5** | **15.3** | **20.6** |
| Gross Profit | 6.4 | 7.4 | 8.9 | 14.1 |
| GP margin | 77% | 70% | 58% | 68% |
| **EBITDA** | **3.0** | **2.4** | **1.8** | **6.8** |
| EBITDA margin | 36% | 23% | 12% | 33% |

Source: Damstra prospectus, annual reports *Pro forma result

### Cosol

Brisbane-based Cosol is a global enterprise asset management software solution focused on energy & utilities, mining & minerals processing, defence, oil, gas & petrochemical and public infrastructure. The company also has operations in Denver, Colorado. Cosol services its 68 corporate and government clients using both proprietary technology and EAM-industry recognised solution providers such as Ellipse ABB, SAP, IFS, Microsoft and IBM. Its clients include Energy Queensland, Transgrid, Queensland Urban Utilities, the Australian Government Departments of Defence and Finance, Glencore, Anglo American, Newcrest Mining, Ok Tedi Mining, Oz Minerals and St Barbara. The company listed in January 2020, and has subsequently delivered better than forecast group EBIT of $3.93m (versus prospectus of $3.72). Again the exhibit below shows the operating leverage that this sort of business has as revenues grow.

**Exhibit 10: Cosol's revenue and EBIT performance FY18-FY20 (in A$m)**

| Year ending June 30 | FY18 | FY19 | FY20 |
|---|---|---|---|
| Revenue | 7.4 | 13.5 | 22.2 |
| EBIT | 0.7 | 2.8 | 3.9 |
| EBIT margin | 10% | 20% | 18% |

Source: Cosol Annual Reports/Prospectus, RaaS analysis

### TechnologyOne

Brisbane-based TechnologyOne is a global Enterprise Resource Planning (ERP) software platform which encompasses asset management as part of its overall offering. TechnologyOne has been listed on the ASX since 1999 and has locations across Australia, the UK, New Zealand, South Pacific and Asia. It services around 540 customers, with many of these in local government, State Governments, health and community services, educational institutions and corporations. A big driver of the company's success has been its growing SaaS business, which has doubled every five years. SaaS ARR grew 32% in FY20 to $134.6m and the company has a stated aim to grow this to $200m by FY26. As the following exhibit demonstrates, TechnologyOne's Gross profit margin has consistently been in the high 80% and EBITDA has been growing consistently over the past three financial years, despite the relative maturity of the business.

**Exhibit 11: TechnologyOne historical earnings (in A$m unless otherwise stated)**

| Year ending September 30 | FY17 | FY18 | FY19 | FY20 |
|---|---|---|---|---|
| SaaS and Consulting Revenue | 231.2 | 221.1 | 241.8 | 269.8 |
| Other Revenue | 42.1 | 33.4 | 44.4 | 29.2 |
| **Total Revenue** | **273.3** | **254.5** | **286.2** | **299.0** |
| Gross Profit | 237.2 | 216.6 | 246.0 | 259.7 |
| **GP % Margin** | **87%** | **85%** | **86%** | **87%** |
| EBITDA | 61.1 | 31.0 | 81.1 | 101.8 |
| **EBITDA %** | **22%** | **12%** | **28%** | **34%** |

Source: Company Reports, Refinitiv Eikon, RaaS Analysis

### SenSen Networks

Melbourne-based SenSen Networks delivers AI-powered asset monitoring, productivity and safety solutions to governments and corporates. The multi-patented SenDISA platform gathers data from multiple live camera feeds as well as data from disparate sensors such as GPS, Lidar and other IoT devices in real time and then analyses the data to find patterns and trends. The company is focused on two market segments: roads and parking with customers in city councils, toll companies and parking management operators; and buildings and spaces with customers in casinos, airports, retail stores and shopping centres. Its client base spans councils such as Brisbane City and Logan City councils in Queensland, Hills Shire and City of Port Stephens in New South Wales; corporates such as Crown Casino in Melbourne and airport operators such as Changi in Singapore.

## Peer Comps

We have examined a range of Australian listed SaaS companies delivering asset management/field services solutions to get a sense of the EV/Revenue multiples, revenue growth rates and EBITDA margins these companies deliver. In additions to the EAM companies discussed above, we have included SaaS companies Class and Elmo as they deliver elements of asset management and /or field service solutions in their platforms. These companies are further along in their lifecycle than Asset Vision and with maturity are delivering EBITDA margins ranging from 25-41%. Some observations: Damstra also provides hardware as part of its solution, which has a lower margin than the traditional SaaS business; Cosol is earlier stage and less mature than the other peers and therefore its EBITDA margin is reflective of an earlier stage company.

**Exhibit 11: Asset Vision peer comparison**

| Company | Code | Market cap (A$m) | Enterprise Value (A$m) | EV/Revenue (x) | EV/Revenue fwd (x) | Revenue CAGR 4 years | EBITDA margin (last yr) |
|---|---|---|---|---|---|---|---|
| Class Ltd | CL1.AX | 209 | 204 | 4.6 | 3.8 | 10.8% | 41.2% |
| Cosol Ltd | COS.AX | 94 | 88 | 7.2 | na | 31.0% | 25.1% |
| Damstra Holdings Ltd | DTC.AX | 215 | 211 | 10.2 | 7.0 | 20.5% | 33.0% |
| ELMO Software Ltd | ELO.AX | 463 | 342 | 6.8 | 0.1 | 31.8% | na |
| SenSen Networks | SNS.AX | 98 | 97 | 25.7 | na | 157.6% | na |
| TechnologyOne Ltd | TNE.AX | 3,057 | 2,961 | 9.9 | 9.3 | 2.4% | 34.1% |
| **Median** | | **210** | **205** | **8.6** | **5.4** | **25.75%** | **33.6%** |

Source: Refinitiv Eikon Prices at 9th April 2021

## The opportunity

Asset Vision's clients currently are predominantly Australian government authority owners and their contractors overseeing road assets. It is a fragmented market in terms of EAM software suppliers and the opportunity for Asset Vision is to pick up more local government clients and contractors from recently acquired competitors such as Asset Edge (which has more than 130 local councils on its books paying around $40k a year in licence fees). There is also an opportunity for Asset Vision to secure additional State government contracts in other Australian states and territories. For example, Queensland's road asset maintenance contract which includes road network stewardship, road maintenance and construction, and road and pavement design, was awarded to Fulton Hogan and RoadTek (a division of the Queensland Department of Transport & Main Roads) in April 2019. This contract is a 5year +1 +1 +1 arrangement. Fulton Hogan is already a client of Asset Vision and this may be of assistance in the future.

Roads, however, this is just one asset class owned by government authorities. The company has ambitions to expand into Parks and Open Spaces, Rail, Utilities, and Buildings asset management and will seek to do this by leveraging its current government and contractor relationships.

## RaaS's earnings forecasts for Asset Vision

We set out our earnings forecasts for Asset Vision in the following exhibit. Key assumptions in our modelling include:

- We have estimated a potential SaaS contract pipeline of $0.13m in FY21, $0.48m in FY22 and $1.2m in FY23, $2.03m in FY24 and $2.69m in FY25 with a 30% win rate on this pipeline;
- The professional services pipeline (which is tied to the SaaS customers) is estimated to be $0.12m in FY21, $0.42m in FY22, $1.05m in FY23, $1.77m in FY24 and $2.35m in FY25 with a 30% win rate on this pipeline;
- We assume an 8% churn rate, although to date Asset Vision's customers have been sticky;
- COGS is mostly IT hosting and development which we estimate at 3% of sales;
- Employee costs are forecast to grow at a CAGR of 16% from FY21-FY30, with a significant uplift in employees in FY21;
- Operating costs are forecast to grow at a CAGR of 9% from FY21-FY30.

**Exhibit 13: RaaS earnings estimates for Asset Vision**

| | FY20a | FY21f* | FY22f | FY23f | FY24f | FY25f |
|---|---|---|---|---|---|---|
| Contracted revenue | 1.349 | 1.404 | 1.488 | 1.856 | 2.663 | 3.981 |
| Professional services income | 0.243 | 0.245 | 0.377 | 0.771 | 1.545 | 2.760 |
| Other income | 0.017 | 0.008 | 0.018 | 0.020 | 0.022 | 0.024 |
| **Total Revenue** | **1.609** | **1.657** | **1.883** | **2.647** | **4.230** | **6.765** |
| Gross profit | 1.565 | 1.609 | 1.829 | 2.571 | 4.108 | 6.570 |
| GP margin | 97.3% | 97.1% | 97.1% | 97.1% | 97.1% | 97.1% |
| Employee costs | 0.964 | 1.366 | 1.851 | 2.091 | 2.530 | 3.061 |
| Other operating costs | 0.173 | 0.186 | 0.205 | 0.226 | 0.250 | 0.275 |
| **EBITDA** | **0.429** | **0.057** | **(0.227)** | **0.254** | **1.328** | **3.234** |
| EBITDA Margin | 26.6% | 3.4% | (12.1%) | 9.6% | 31.4% | 47.8% |

Source: RaaS estimates *Pro Forma forecast assuming ownership for full year

## Farmbuy.com

Future First Technologies acquired the rural and lifestyle property portal in April 2020 as part of the $4.5m Respring acquisition.  Farmbuy.com was created to be a dedicated, specialist portal for buying and selling rural property. This was expanded to lifestyle properties as a result of agent demand.

### History

Farmbuy.com was founded in October 2009 by Philip Sondhu, a farmer and tech innovator, and is a dedicated rural property real-estate web portal. The site delivered a number of rural specific features including the ability to search by weather district and land size and farm income/production calculations to help work out the production and income capability of the property. The portal was designed to complement and enhance agents' rural property marketing, deliver a qualified audience to agents, vendors and advertises keen to access people seeking to buy rural properties. In 2016, Mr Sondhu sold the site to Bauer Media Group which owns some complementary trader publications including Farms & Farm Machinery. Respring Pty Ltd acquired farmbuy.com from Bauer Media in 2018.

### Business model

Farmbuy.com generates revenue from listing fees from agents and advertising. It currently has more than 380 agencies (with around 1,270 agents) actively listing rural and lifestyle properties, and there are around 3,000 listings on the site at any given time with a listing value of around $1b. With an estimated 1,400 real estate agencies selling rural and lifestyle properties, farmbuy's current penetration rate is around 30%. Agencies pay a monthly subscription fee to list their properties, we estimate the average fee per month is $200 per agency. Agencies also have the option of paying extra to upgrade the placement of a particular property listing, and we estimate an average upgrade cost of $150 per listing. The company also generates revenue from advertising, charging a cost per thousand impressions (CPM) of $20 per ad. Currently user sessions are around 200k per month and page views are at 600k per month, suggesting at least 3 pageviews per session. Farmbuy.com also can generate revenue from financial partnerships with lending institutions.

### Competitive landscape

Farmbuy.com competes against the broader real estate portals, commercialrealestate.com.au, domain.com.au and realestate.com.au for listing fees. Domain carries the most rural and lifestyle properties at around 17,000 currently, while realestate.com.au has around 8,500 listings and commercialrealestate.com.au just over 4,700 listings. We observed a fair bit of crossover amongst these listings and it looks like Domain's listings capture residential houses as well. Rural listings on realestate.com.au are simply included in its broader buy category. The opportunity for farmbuy use its categorisation of farm type and size to capture a greater share of agencies and listings.

**Exhibit 14: Rural Property Listings by portal**

| Property portal | Number of rural property listings |
|---|---:|
| commercialrealestate.com.au | 4,700 |
| domain.com.au | 17,000 |
| farmbuy.com | 3,000 |
| realestate.com.au | 8,500 |

Source: RaaS analysis, listings as at 19 March 2021

### Broader Opportunity

Farmbuy has ambitions to develop adjacent verticals relevant to farm purchases. These verticals have the potential to deepen farmbuy's relationship with the rural property purchaser, which ultimately should attract more agencies, more listings and more, and potentially returning, buyers. These verticals include livestock sales, agricultural machinery, agricultural supplies and clearance sales. Ultimately, farmbuy plans to become an end to end rural marketplace, something which does not exist in Australia today. We have not captured this in our current forecasts, but to give a sense of the scale of the opportunity:

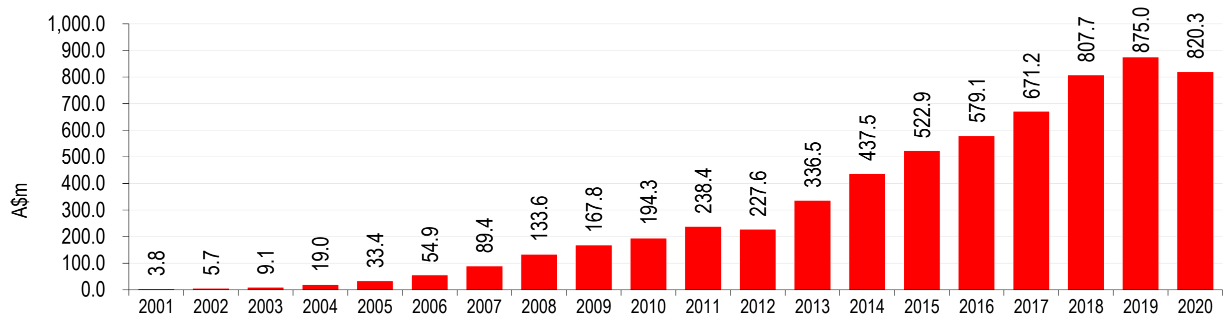
- Around $55m was generated in cattle and lamb livestock auction sales in FY20 with just under 15% (and growing) generated online from non-commission related selling fees. This was from 4.5m animals. A $5 online listing fee equates to a $2.2m a year revenue opportunity;
- Australia's new agricultural machinery market was US$1.27b in 2018 and is forecast to grow at 5.8% a year to 2023[5] and there are more than 100,000 second-hand machines listed for sale each year with an average listing costs of $50 which equates to at least a $5m revenue opportunity;
- Australia has more than 1,500 farm clearing sales a year with an average value of $200,000 and an average buyers' premium of 7.5%, this is an estimated total market opportunity of $22.5m.

It should be noted that there are a number of players already competing for farm clearing sales and machinery and farm equipment sales so it may be logical for farmbuy.com to acquire one or more existing operators to create its end to end rural marketplace.

## REA-Group's historical operating performance can be a guide

We have examined REA Group's historical revenue and EBITDA performance to get a sense of the leverage an online marketplace can derive over time as it gains share of market and adds new functionality and products.  REA is an online marketplace business which has matured over the past 20 years. The company was still loss making in the early 2000s but from 2012 its revenues outperformed our forecasts (set in 2010) by 50% or more. Moreover, the business demonstrates the leverage that an online marketplace can deliver.

**Exhibit 15: Revenue performance of REA Group from 2001-2020**

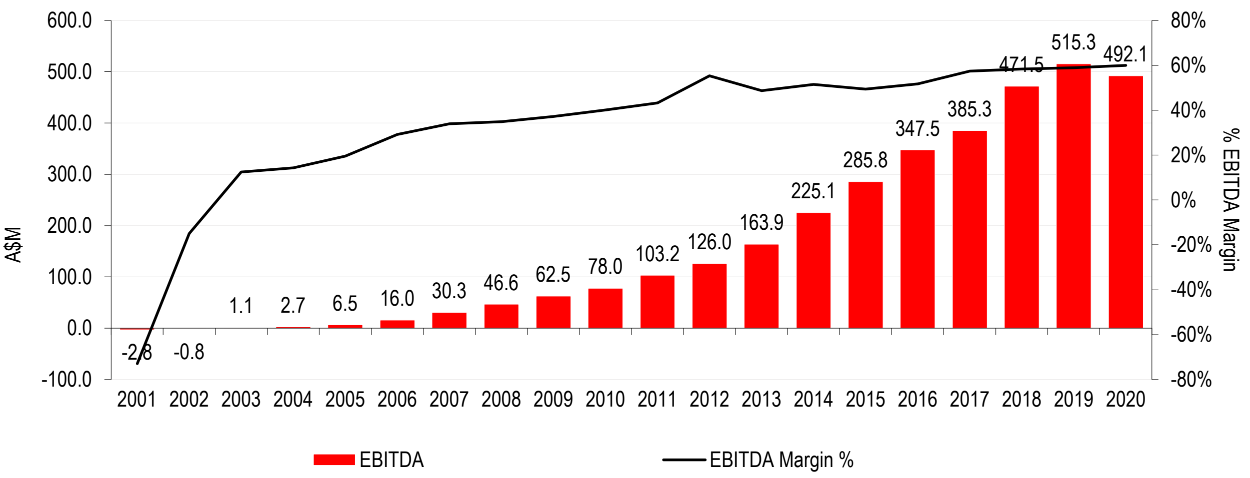



Source: REA Group annual reports, RaaS analysis

This leverage is evident in the consistent EBITDA margins, ~50%, delivered by the business from early in its lifecycle. Our margin forecasts for farmbuy.com are similar to this, averaging 43% over 10 years and reaching 60% by 2030.

5 ResearchandMarkets, Australia Agriculture Tractors Market Size, Trends, Competitive Analysis and Forecasts (2019-2024)

**Exhibit 16: REA Group's EBITDA and EBITDA Margins from 2001-2020**




Source: REA Group, RaaS estimates

Interestingly, REA Group added financial services to its offering in September 2017. This business, Smartline, which is now 100% owned by the company, delivered revenue of $25.7m in FY20 and EBITDA of $10.05m. This business generated an EBITDA margin of 39.1% respectively in FY18 and FY19 and 35.6% in FY19.

Rival Domain Group launched Domain Loan Finder in FY19. Reporting under Consumer Solutions, revenue from this division increased 83% in FY20 to $5.6m due to the strong growth in Domain Loan Finder from both refinancing and new home loans, and the EBITDA loss reduced to $3.6m from $8.6m the year before.

## Online search/marketplace companies

We have examined four Australian online marketplaces as guides for farmbuy's operating metrics. We include carsales and icarAsia as both are focused on automobile sales, and REA and Domain.

**Carsales.com Ltd** is Australia's dominant online auto (automotive, motorcycle and marine) classifieds business with operations across the Asia Pacific and interests in online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico. It generates revenue from online display and classifieds (listings) advertising in Australia and internationally as well as from data and research services. Data, Research and Services-Australia, International Segments, Latin America (LATAM) and Asia.

**Domain Holdings Australia Limited** (Domain) is a real estate technology and services business focused on the Australian property market. Domain offers residential and commercial property marketing services via its listing portals on desktop and mobile, and via social media and print magazines. In addition to operating residential and commercial real estate portals, Domain provides data and technology services to real estate agencies through customer relationship management (CRM) services, property data and research subscriptions, and property inspection management tools. The print segment includes real estate newspaper and magazine publishing.

**iCarAsia**, is an Australian listed but ASEAN focused network of automotive classifieds portals with operations in Malaysia, Indonesia and Thailand. The company allows both motor vehicle dealers and private individuals to list cars for sale. The company's online properties currently reach more than 4.8m car buyers and sellers a month.

**REA-Group Ltd** is a leading global digital business specialising in property. The company owns the leading residential property portal in Australia, realestate.com.au, and commercial property portal, realcommercial.com.au, as well as the leading share property site, flatmates.com.au. The company also owns property portals in Malaysia, iproperty.com.my, in Hong Kong, squarefoot.com.hk, in China, myfun.com, and in Thailand, thinkofliving.com. The company has also expanded into transactional services, with the ownership of Smartline Home Loans, a mortgage broking franchise group, and Hometrack Australia, a provider of property data services. REA also owns holdings in several property websites in other markets.

As the following exhibit shows, this peer group is currently trading on a median forward EV/Rev of 10.9x, forward EV/EBITDA of 28.1x and forward PER of 62.6, high multiples considering the established position of these companies and the relatively modest revenue growth they have delivered over the past five years.

**Exhibit 17: Online search/marketplace portals**

| Company Name | Code | Market Cap (A$m) | EV (A$m) | EV/Rev last (x) | EV/Rev Fwd (x) | EV/ EBITDA last (x) | EV/ EBITDA Fwd (x) | PER Last (x) | PER Fwd (x) | 5 Year Rev growth | 5 year EBITDA margin |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Carsales.Com | CAR.AX | 4,629 | 5,054 | 12.8 | 11.8 | 23.9 | 20.6 | 33.5 | 32.5 | 3% | 52% |
| Domain Hlgs | DHG.AX | 2,721 | 2,876 | 10.8 | 10.1 | 33.7 | 29.9 | 126.5 | 91.0 | 18% | 31% |
| Icar Asia | ICQ.AX | 135 | 136 | 9.7 | 6.2 | na | na | na | na | 16% | na |
| REA-Group | REA.AX | 20,179 | 20,284 | 23.0 | 22.8 | 41.3 | 37.5 | 75.2 | 62.6 | 9% | 55% |
| **Median** | | **3,675** | **3,965** | **11.8** | **10.9** | **33.7** | **29.9** | **75.2** | **62.6** | **12%** | **52%** |

Source: Refinitiv Eikon, RaaS analysis, prices at 9 April 2021. "Last" refers to the last reported, Fwd refers to consensus forward estimates *based on 4 years

## RaaS' earnings estimates for farmbuy.com

Our earnings estimates for farmbuy.com are set out in the following exhibit. Key parameters that we have applied include:

- Penetration rate of agencies to grow from 20% to 65% (910 agencies) by FY25;
- Listings to increase to 16,000 by FY25 from 3,000 currently;
- Ad inventory utilisation rate of 80%;
- $11 CPM, 30% payable to advertising agency, 3 ads per page;
- User sessions increase from 200k per month to 310k per month by FY25;
- Pageviews per user remain at 3 per session;
- Agencies subscriptions per month grow at 10% a year;
- Percentage of listings upgrading grow from 2% to 18% by FY23;
- Farmbuy generates partnership revenue of $2,000 per lead

Our forecasts for the next three financial years are set out below.

**Exhibit 18: Earnings estimates for farmbuy.com**

| | FY21f | FY22f | FY23f | FY24f | FY25f |
|---|---|---|---|---|---|
| Advertising revenue | 0.05 | 0.15 | 0.17 | 0.18 | 0.20 |
| Listings revenue | 0.01 | 0.31 | 0.71 | 0.97 | 1.27 |
| Upgrade revenue | 0.02 | 0.28 | 0.73 | 1.42 | 2.44 |
| Partnership revenue | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 |
| **Total Sales Revenue** | **0.09** | **0.76** | **1.63** | **2.60** | **3.93** |
| Gross profit | 0.06 | 0.53 | 1.14 | 1.82 | 2.75 |
| GP margin | 70% | 70% | 70% | 70% | 70% |
| Employee costs | 0.56 | 1.18 | 1.25 | 1.32 | 1.40 |
| Marketing costs | 0.05 | 0.12 | 0.13 | 0.14 | 0.15 |
| Other operating costs | 0.11 | 0.23 | 0.24 | 0.25 | 0.27 |
| **EBITDA** | **(0.66)** | **(0.98)** | **(0.47)** | **0.11** | **0.93** |
| EBITDA margin | | | | 4% | 24% |

Source: RaaS estimates

RaaS
Research as a Service

## 1derful

Future First Technologies has invested $2.75m in two convertible note series raised by fintech start up 1derful. We incorporate these notes at face value in our valuation.

1derful is a fintech aiming to deliver radical change to consumer banking by bringing everything financial into one single, controllable, on-demand ledger. With open-banking at its core, 1derful is leveraging the emerging "as a service" infrastructure to build a lean, scalable, global banking system. Founded by Luke Bunbury and Katarina Novakovic, 1derful has brought together some of the most experienced finance and digital venture executives to create this new platform and we are of the view that it is worth setting out their experience.

Luke Bunbury's career has spanned banking (Citibank, St George and Challenger Bank) and tech startups (PlayUp, MyEmergencyDoctor and Volt Bank). Katarina Novakovic is an experienced lawyer, advising several digital fintech startups and banking institutions, in a career that has spanned roles at Deloitte, DLA Piper and PwC. 1derful's finance lead Craig Williams was one of Australia's leading equity analysts with Citigroup and before that Merrill Lynch specialising in the Banking and Financial Services sectors while product & partnerships lead Zoran Novakovic brings domestic and global financial banking experience from a multi-decade career in financial services at both Citigroup and Morgan Stanley.

Tech and engineering lead Jeeva Suresh has worked with more than 20 ventures in their formative years including Google, Canva, Qwir, and Linesoft. Credit and financial risk lead Tim Dickson brings several years' experience in senior roles at Experian, EY, Teradata and Westpac while product/marketing lead George Tomeski has founded and led two multi-national ad agencies as well as several technology ventures.

## Group earnings forecasts

At this point, our forecasts only include the fully consolidated businesses, Asset Vision and farmbuy.com, and our assumptions for corporate costs. We estimate these to be currently just under $2m a year and have assumed that they will increase by 6% a year. The following exhibit sets out our forecasts for the full group. We have included FY25 forecasts to demonstrate that it is our expectation that the group as a whole will be profitable that year.

**Exhibit 19: Breakdown of RaaS assumptions and forecasts (in A$m unless otherwise stated)**

| Year ending June 30 | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|
| Revenue | 1.19 | 2.65 | 4.27 | 6.83 | 10.70 |
| Gross Profit | 1.14 | 2.36 | 3.71 | 5.93 | 9.32 |
| Other income | 0.78 | - | - | - | - |
| EBITDA | (3.24) | (3.25) | (2.38) | (0.86) | 1.73 |
| EBIT | (3.98) | (3.67) | (2.76) | (1.21) | 1.41 |
| NPAT Adj | (4.66) | (3.66) | (2.43) | (0.89) | 0.95 |
| NPAT Reported | (10.22) | (3.66) | (2.43) | (0.89) | 0.95 |
| EPS Adj | (1.70) | (0.91) | (0.61) | (0.28) | 0.21 |

Source: RaaS estimates

## SWOT analysis

In our view the strengths and opportunities for Future First Technologies outweigh the weaknesses and threats.

**Exhibit 20: SWOT Analysis**

| Strengths | Opportunities |
|---|---|
| Board and management team are experienced at building and successfully selling businesses | Opportunity to expand the ownership of 1derful either through additional convertible notes or acquisition |
| Core businesses, Asset Vision and farmbuy.com, are both highly scalable businesses with predominantly fixed cost base | Opportunity to leverage farmbuy.com's audience into new verticals including other rural transactions (livestock, farm machinery, clearing sales) |
| Clean balance sheet, no debt | Opportunity to expand Asset Vision's platform into other jurisdictions |
| Demonstrated focus on delivering shareholder returns (share buyback) | Asset Vision's platform can be adapted to new industries ie open spaces, rail, utilities, building management |
| Asset Vision's customers, once secured, are sticky | Balance capacity to acquire other SaaS opportunities |
| GP margins for both Asset Vision and farmbuy.com are 90%+ | |
| New management team and board, no legacy issues | |
| Acquisitions have retained and re-engaged the founders | |
| **Weaknesses** | **Threats** |
| Acquisitions invariably result in deferred consideration liabilities | REA Group and Domain could increase their focus on rural/lifestyle properties |
| Long lead times for contracts from Asset Vision's target market | Asset Vision's biggest competitors are global players such as Oracle and Salesforce and larger ASX-listed companies such as Damstra and Cosol |
| Possibility that the market will apply a holding company discount | |

Source: RaaS Analysis

## Sensitivities

We highlight several sensitivities to Future First Technologies' business:

- **Execution risk:** Our forecasts and valuation are predicated on the management team's ability to build to two very different SaaS businesses.
- **Acquisition risk:** Investors are dependent on management and the board's ability to identify and acquire businesses without overpaying for the businesses.
- **Key person risk:** We see the senior management team as crucial to the success outcome of the company's strategy. Loss of the CEO, CFO, COO and CPO would impact on Future First's ability to execute the business plan.

# Board and management

## Directors

**Renata Sguario , Non-Executive Chairman**, became a director in September 2019 and chair in November 2019. Ms Sguario is an experienced senior executive with almost three decades specialising in customer centred, technology-led, business transformation at leading companies in Australia and offshore. She has held operational leadership roles at British Airways, Telstra, EDS Australia, NAB, and Latitude Financial Services where she has been responsible for delivering large scale business and IT change, process optimisation, productivity lifts while navigating strategic and operational risks in highly regulated environments. Ms Sguario holds a Bachelor of Computer Science and Information Management from the University of Melbourne and holds a Level 1 & 2 certificate from the Institute of Executive Coaching. She is also the founder and CEO of MaxMe, a company she founded in June 2019 to solve the skills gap between students and young people starting their career.

**Nicole Ferro, Non-Executive Director** was appointed director in January 2020. Ms Ferro brings a wealth of experience across the telecommunications, technology, supply chain logistics and transport industries having held change leadership roles at Toll Group, Telstra, and Aconex, She has a Master of Business (Management Practice, Change Management & Organisation Development) from Victoria University.

**Nicholas Chan, Non-Executive Director,** became a director in August 2020. Mr Chan is currently Non-Executive Chairman of ASX-listed BetMakers Technology Group (ASX:BET), a global SaaS wagering platform. He has more than 30 years' experience in senior leadership and operational roles in media across Australia and New Zealand including Group Chief Operating Officer for Seven West Media (ASX:SWM) where he also previously served as CEO of Pacific Magazines. At Seven, he was a director of the Yahoo7! Joint venture, and a director of its healthengine.com.au start up. Mr Chan was CEO of ASX-listed Text Media Group which was acquired by Fairfax Media in 2006. He began his media career at ACP Publishing (owned by Publishing and Broadcasting) where he rose to become Group  Publisher and Group Chief Operating Officer. He holds a Bachelor of Business (Commerce) from University of NSW.

**Keith Falconer, Managing Director and Chief Executive Officer**, was appointed Group CEO in November 2020. Mr Falconer was a director of Respring Pty Ltd which FFT acquired in April 2020.  He brings more than 30 years' experience in print and digital media, in particular special interest, B2B and classifieds markets and has a proven track record of developing digital assets for a successful sale. Mr Falconer was previously CEO of Bauer Trader Media and before that Trader Classified Media which Bauer Media acquired. He oversaw the sale of the PBL Motoring and Classifieds products to Carsales.com.au and Bauer RV and travel assets to Adventure Group Holdings.

## Management

**Keith Falconer, Chief Executive Officer**, (see above).

**Vesna Jelesic, Chief Financial Officer/Company Secretary,** joined FFT (then PS&C) in 2016 as General Manager – Finance and Administration and was appointed Chief Financial Officer in April 2020. Ms Jelesic has an extensive background in all facets of finance and administration having held senior positions at Bank Australia, NAB, ANZ, and KPMG. She is a Certified Practising Accountant and holds a Bachelor of Commerce with majors in Accounting, Finance and Commercial Law from Deakin University.

**Lucas Murtagh, Head of Operations,** was appointed to his position in November 2020; he is also the Head of Operations for both Asset Vision (since November 2020) and farmbuy.com (since March 2018). Mr Murtagh is a co-founder of Respring, now wholly owned by FFT. He brings more than 15 years' experience in digital transformation across large enterprises including Sensis, ANZ, Telstra, NAB, AXA and Ventia. Mr Murtagh was the founding partner of MethodGroup, an IT professional services firm, which was listed as a BRW Fast Starter in 2013 and subsequently acquired by RXP Services Ltd (ASX:RXP) in September of that year.  Prior to this Mr Murtagh was responsible for both strategic planning and delivery of transformation initiatives at Trader Media from 2005 to 2008.

**Paul Fielding, Head of Mergers & Acquisitions** took on his role in November 2020. He previously was the General Manager of Operations at RXP Services a position he held for seven years, CEO of Ingena Group for almost five years and Regional Manager of CPT Global for three years. Within these roles Mr Fielding was responsible for the creation and implementation of the overall business plan as well as driving strategy for these businesses.

**Damien Smith, Chief Product Officer, Future First Technologies**, was appointed to his role in November 2020 after the acquisition of Asset Vision, the company he founded. Mr Smith brings more than two decades of managing and operating enterprise-focused SaaS companies. He established SyncIT Development in early 2002 and this company became the precursor to Asset Vision which was founded in 2013.

**Robyn Murphy, Chief Information Officer, Future First Technologies**, joined the company in November 2020 and is also CIO for Asset Vision. Ms Murphy holds a Masters in Business (Sports) and brings almost 20 years' experience as an ICT strategy leader in enterprise and government across a number of sectors. She has held senior consulting positions at KPMG, Sonic Healthcare, Telstra, Pacific National, and through MethodGroup and RXP Services, was lead consultant on a range of projects spanning utilities, banking and healthcare. Ms Murphy also had a long stint at VicRoads where she was Director of ICT Strategy and acted in the role of CIO. Most recently she was a Director at data cloud company purplefish.com.au.

**Chris Wignall, Head of Sales and Distribution**, joined the company in November 2020. He is a highly skilled sales leader with over 20 years' experience in sales, account management and digital solutions. He has a proven track record of building strong relationships with multinational clients, generating new sources of profitable revenue with an enviable track record of exceeding KPIs across the Software and Digital Consulting industries. Chris joined FFT from RXP Services Ltd (ASX:RXP) where he was responsible for growing digital revenue across multiple industries and is responsible for driving revenue in the Asset Vision business both locally and internationally.

**Royce Zygarlicki, Head of Sales, farmbuy.com,** commenced his role in February 2021 and brings more than 20 years' experience in agency and direct sales, having previously held senior positions at Network Ten where he was General Sales Manager and Newscorp Australia, where he was General Manager, Agency Sales – Melbourne and WA. Mr Zygarlicki also previously held the position of Managing Director at Wavemaker.

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## DCF Valuation

We have used the discounted cashflow methodology to value Future First Technologies arriving at a base case valuation of $69.2m or $0.17/share on the current share count. Our terminal value accounts for $0.14/share in the valuation. The valuation captures a CAGR in revenues of 46% from FY21-FY30.

**Exhibit 21: DCF valuation**

| DCF valuation | Parameters |
|---|---|
| Discount Rate / WACC | 13.4% |
| Beta | 1.8 |
| Equity Risk Premium | 6.5% |
| Risk Free Rate | 2.0% |
| Terminal growth rate | 2.2% |
| | |
| Sum of PV (A$M) | 10.5 |
| PV of terminal Value (A$m) | 46.7 |
| PV of Enterprise | 57.1 |
| Net cash at 31 December 2020 | (9.3) |
| Convertible note in 1derful | 2.8 |
| Net Value - Shareholder | 69.2 |
| No of shares on issue | 400.4 |
| **NPV in A$** | **$0.17** |

Source: RaaS Analysis

## Scenario analyses

We have explored a number of scenarios in our modelling, all of them subject to performance by Future First as is our base case valuation. These scenarios are set out below:

A Downside case ($0.02/share):

- Asset Vision converts only 20% of its professional services pipeline and 20% of its licencing pipeline; the growth rate in the contract pipeline averages 24% to FY25; annual churn rate (the number of contracts not renewing) is 10%; COGS are higher at 3.6%;
- Farmbuy.com's penetration rate of rural agents is 35% in FY25, return visitors are lower at 1.1x user growth is lower at an average of 2%; inventory utilisation is 50%; on average only 10% of listings upgrade; COGS are higher at 32%

An Upside case ($0.45/share):

- Asset Vision converts 40% of its pipeline of professional services and licences into clients, the growth rate in the value of these contracts averages 48% to FY25, annual churn rate is 6%; COGS are 2.5%, employee and operating costs grow at an average of 12% a year to accommodate the higher revenue growth;
- Farmbuy's penetration rate of rural agents is 72% in FY25, return visitors are higher at 1.3x, inventory utilisation is 90%; on average 28% of listings upgrade, COGs are lower at 28%.

**Exhibit 22: Base case valuation, revenue and EBITDA forecasts versus downside/upside projections**

| | Base | A Downside Case | An Upside Case |
|---|---|---|---|
| DCF valuation/share | $0.17 | $0.02 | $0.45 |
| DCF valuation A$M | 69.2 | 8.4 | 180.5 |
| IRR% | 32% | Na | 64% |

Source: RaaS estimates

## Look to SaaS companies for peer group

Future First Technologies' revenues are now predominantly SaaS-generated and therefore, its comparable peer group is SaaS companies. We have set out a number of Australian-listed SaaS companies in exhibit 23. These companies are at varying points in their lifecycles, hence, the broad range of EV/Revenue and EV/EBITDA multiples (where the company is profitable). Because of this variability we have included some larger companies such as engineering design software group Altium and AI and machine learning company Appen to give a sense of the multiples, margins and growth rates that these sorts of businesses can generate. More mature SaaS companies such as Class and Infomedia are delivering consistent EBITDA margins respectively of 45% and 39%, although revenue and EBITDA growth is lower than some of the earlier stage peers, hence their lower EV multiples. These businesses however deliver substantially higher EBITDA margins that the people exertion business that FFT has transitioned away from.

**Exhibit 23: Australian SaaS peers**

| Company | Code | Market Cap ($m) | Enterprise value ($m) | EV/ Revenue (x) | EV/ EBITDA ($m) | 5 year EBITDA margin | 3 year revenue CAGR | 3 year EBITDA CAGR |
|---|---|---|---|---|---|---|---|---|
| Altium | ALU.AX | 3,583 | 3,503 | 18.4 | 48.5 | 35% | 15.2% | 20.0% |
| Appen | APX.AX | 2,032 | 1,978 | 3.3 | 20.1 | 16% | 40.1% | 41.0% |
| Betmakers Technology Group^ | BET.AX | 880 | 849 | 98.9 | nm | na | 24.4% | na |
| Bigtincan Holdings | BTH.AX | 423 | 354 | 11.4 | nm | na | 34.6% | 9.1% |
| Class | CL1.AX | 209 | 204 | 4.6 | 11.2 | 45% | 14.1% | 12.1% |
| Damstra Holdings | DTC.AX | 215 | 211 | 10.2 | 171.0 | 8% | 20.5% | na |
| Frontier Digital Ventures* | FDV.AX | 486 | 427 | 20.5 | -99.1 | na | 58.2% | na |
| Icar Asia | ICQ.AX | 135 | 136 | 9.7 | nm | na | 16.1% | na |
| Infomedia | IFM.AX | 616 | 518 | 5.5 | 11.5 | 39% | 6.8% | 15.1% |
| Pointerra ^ | 3DP.AX | 390 | 388 | 315.4 | nm | na | 115.9% | 24.5% |
| rhipe | RHP.AX | 296 | 238 | 4.3 | 19.0 | 19% | 16.2% | na |
| **Median** | | **423** | **388** | **10.2** | **19.0** | **27.2%** | **20.5%** | **17.5%** |

Source: Refinitiv Eikon, RaaS analysis *adjusted for 100% of investee company revenues ^RaaS client

If we look at US SaaS companies, the multiples being paid there are substantially higher. The Software Equity Group's 3Q 2020 Snapshot estimated the SaaS sector was trading on an 11.2x EV/Sales multiple, which was 31% higher than the sector's three-year average of the 8.5x. The US SaaS universe is substantially deeper than Australia's and the majority of the companies (54%) still lossmaking. Fewer than 8% of US SaaS companies are delivering EBITDA margins of 30% and above. Gross profit margins however are consistently above 71% which is where we see the target for Australian SaaS companies, FFT included.

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## Exhibit 24: Financial Summary

| Future First Technologies (FFT) | | | | | |
|---|---|---|---|---|---|
| **Profit and Loss (A$m)** | | | | | |
| **Y/E 30 June** | **FY20A** | **FY21F** | **FY22F** | **FY23F** | **FY24F** |
| Sales revenue | 51.1 | 1.2 | 2.6 | 4.3 | 6.8 |
| Total Revenue | 54.5 | 2.0 | 2.6 | 4.3 | 6.8 |
| Gross Profit | 51.1 | 1.1 | 2.4 | 3.7 | 5.9 |
| EBITDA | 5.2 | (3.2) | (3.2) | (2.3) | (0.8) |
| Depn | (0.1) | (0.0) | (0.0) | (0.0) | (0.0) |
| Amort | (0.4) | (0.7) | (0.4) | (0.4) | (0.3) |
| EBIT | 4.6 | (4.0) | (3.6) | (2.7) | (1.2) |
| Interest | (1.1) | (0.2) | 0.0 | (0.0) | (0.1) |
| Tax | 0.4 | (0.5) | 0.0 | 0.4 | 0.4 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Equity accounted assoc | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NPAT pre significant items | 3.8 | (4.6) | (3.6) | (2.4) | (0.8) |
| Significant items | (0.8) | (5.6) | 0.0 | 0.0 | 0.0 |
| **NPAT (reported)** | **3.0** | **(10.2)** | **(3.6)** | **(2.4)** | **(0.8)** |
| **Cash flow (A$m)** | | | | | |
| **Y/E 30 June** | **FY20A** | **FY21F** | **FY22F** | **FY23F** | **FY24F** |
| EBITDA | 5.2 | (3.2) | (3.2) | (2.3) | (0.8) |
| Interest | (1.1) | (0.2) | 0.0 | (0.0) | (0.1) |
| Tax | 0.6 | (0.1) | 0.0 | 0.0 | 0.0 |
| Working capital changes | (5.5) | 0.7 | (0.2) | (0.2) | (0.4) |
| Operating cash flow | (0.9) | (2.8) | (3.4) | (2.6) | (1.3) |
| Mtce capex | (0.1) | (0.0) | (0.1) | (0.1) | (0.1) |
| Free cash flow | (1.0) | (2.9) | (3.5) | (2.7) | (1.3) |
| Growth capex | (0.1) | (0.0) | (0.0) | (0.0) | (0.0) |
| Acquisitions/Disposals | 6.8 | 19.4 | 0.0 | 0.0 | 0.0 |
| Other | (0.1) | (4.4) | 0.0 | 0.0 | 0.0 |
| Cash flow pre financing | 5.6 | 12.2 | (3.5) | (2.7) | (1.4) |
| Equity | 2.5 | (6.3) | 0.0 | 0.0 | 2.7 |
| Debt | (10.3) | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends paid | (0.5) | (0.1) | 0.0 | 0.0 | 0.0 |
| Net cash flow for year | (2.6) | 5.7 | (3.5) | (2.7) | 1.3 |
| **Balance sheet (A$m)** | | | | | |
| **Y/E 30 June** | **FY20A** | **FY21F** | **FY22F** | **FY23F** | **FY24F** |
| Cash | 1.5 | 7.2 | 3.7 | 1.0 | 2.4 |
| Accounts receivable | 7.1 | 0.2 | 0.4 | 0.7 | 1.1 |
| Inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other current assets | 2.5 | 0.1 | 0.1 | 0.1 | 0.1 |
| *Total current assets* | *11.1* | *7.5* | *4.3* | *1.9* | *3.7* |
| PPE | 0.2 | 0.2 | 0.3 | 0.3 | 0.4 |
| Intangibles inc Goodwill | 31.5 | 9.9 | 9.9 | 9.9 | 9.9 |
| Investments | 0.0 | 1.3 | 1.3 | 1.3 | 1.3 |
| Deferred tax asset | 0.0 | 0.0 | 0.0 | 0.4 | 0.8 |
| Other assets | 2.6 | 5.0 | 4.6 | 4.2 | 3.9 |
| *Total non current assets* | *34.3* | *16.4* | *16.0* | *16.1* | *16.2* |
| **Total Assets** | 45.4 | 23.9 | 20.3 | 18.0 | 19.9 |
| Accounts payable | 2.3 | 0.0 | 0.0 | 0.1 | 0.1 |
| Short term debt | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Tax payable | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other current liabilities | 4.8 | 4.1 | 4.1 | 4.1 | 4.1 |
| *Total current liabilities* | *7.60* | *4.67* | *4.71* | *4.76* | *4.81* |
| Long term debt | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Other non current liabs | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| *Total long term liabilities* | *0.69* | *0.71* | *0.71* | *0.71* | *0.71* |
| **Total Liabilities** | 8.3 | 5.4 | 5.4 | 5.5 | 5.5 |
| **Net Assets** | **37.1** | **18.5** | **14.9** | **12.5** | **14.4** |
| | | | | | |
| Share capital | 90.4 | 85.0 | 85.0 | 85.0 | 87.7 |
| Accumulated profits/losses | (54.8) | (68.0) | (71.6) | (74.0) | (74.9) |
| Reserves | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total Shareholder funds** | **37.1** | **18.5** | **14.9** | **12.5** | **14.4** |

| Share price (9 April 2021) | | | | | A$ | 0.07 |
|---|---|---|---|---|---|---|
| **Interim (A$m)** | **H121F** | **H221F** | **H122F** | **H222F** | **H123F** | **H223F** |
| Revenue | 1.0 | 0.9 | 1.1 | 1.5 | 1.9 | 2.4 |
| EBITDA | (1.5) | (1.7) | (1.7) | (1.5) | (1.3) | (1.0) |
| EBIT | (4.9) | (2.0) | (1.9) | (1.7) | (1.5) | (1.2) |
| NPAT (normalised) | (5.6) | (1.9) | (1.9) | (1.7) | (1.5) | (0.9) |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| NPAT (reported) | (11.2) | (1.9) | (1.9) | (1.7) | (1.5) | (0.9) |
| EPS (normalised) | (2.4) | (0.5) | (0.5) | (0.4) | (0.4) | (0.2) |
| EPS (reported) | (2.4) | (0.5) | (0.5) | (0.4) | (0.4) | (0.2) |
| Dividend (cps) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Imputation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating cash flow | (0.7) | (2.1) | (1.8) | (1.6) | (1.4) | (1.2) |
| Free Cash flow | (0.7) | (2.1) | (1.9) | (1.6) | (1.5) | (1.2) |
| **Divisions** | **H121F** | **H221F** | **H122F** | **H222F** | **H123F** | **H223F** |
| **Asset Vision** | | | | | | |
| Revenue | 0.2 | 0.9 | 0.9 | 1.0 | 1.2 | 1.5 |
| Gross Profit | na | 0.8 | 0.9 | 1.0 | 1.1 | 1.4 |
| EBITDA | (0.0) | (0.1) | (0.1) | (0.1) | 0.0 | 0.2 |
| | | | | | | |
| **farmbuy** | | | | | | |
| Revenue | 0.0 | 0.1 | 0.2 | 0.5 | 0.7 | 0.9 |
| Gross Profit | na | 0.1 | 0.2 | 0.4 | 0.5 | 0.6 |
| EBITDA | (0.5) | (0.7) | (0.6) | (0.4) | (0.3) | (0.2) |
| | | | | | | |
| Corporate costs | (0.7) | (1.0) | (1.0) | (1.0) | (1.0) | (1.1) |
| **Group EBITDA** | **(1.2)** | **(1.7)** | **(1.7)** | **(1.5)** | **(1.3)** | **(1.0)** |
| | | | | | | |
| Note that Asset Vision was only included from 2 November 2020 | | | | | | |

| Margins, Leverage, Returns | | FY20A | FY21F | FY22F | FY23F | FY24F |
|---|---|---|---|---|---|---|
| EBITDA | | 9.5% | (162.7%) | (120.8%) | (54.5%) | (11.8%) |
| EBIT | | 8.5% | (200.3%) | (136.6%) | (63.4%) | (16.9%) |
| NPAT pre significant items | | 7.0% | (234.6%) | (136.4%) | (55.7%) | (12.4%) |
| Net Debt (Cash) | | 0.5 | 6.3 | 2.8 | 0.2 | 1.6 |
| Net debt/EBITDA (x) | (x) | 0.101 | n/a | n/a | n/a | n/a |
| ND/ND+Equity (%) | (%) | (1.4%) | (51.8%) | (23.6%) | (1.3%) | (12.1%) |
| EBIT interest cover (x) | (x) | 0.2 | n/a | n/a | n/a | n/a |
| ROA | | nm | (11.4%) | (16.4%) | (14.2%) | (6.1%) |
| ROE | | nm | (36.7%) | (21.6%) | (17.4%) | (6.3%) |
| ROIC | | nm | (34.8%) | (24.3%) | (45.1%) | (17.2%) |
| **NTA (per share)** | | 0.01 | 0.02 | 0.01 | 0.01 | 0.01 |
| **Working capital** | | 4.8 | 0.2 | 0.4 | 0.6 | 1.0 |
| **WC/Sales (%)** | | **8.9%** | **9.6%** | **14.8%** | **14.4%** | **14.4%** |
| **Revenue growth** | | nm | (96.4%) | 34.0% | 61.5% | 59.7% |
| **EBIT growth pa** | | nm | n/a | n/a | n/a | n/a |
| **Pricing** | | **FY20A** | **FY21F** | **FY22F** | **FY23F** | **FY24F** |
| No of shares (y/e) | (m) | 501 | 400 | 400 | 443 | 443 |
| Weighted Av Dil Shares | (m) | 340 | 400 | 400 | 400 | 443 |
| | | | | | | |
| EPS Reported | cps | 0.76 | (2.88) | (0.90) | (0.59) | (0.27) |
| EPS Normalised/Diluted | cps | 0.61 | (1.69) | (0.90) | (0.59) | (0.27) |
| EPS growth (norm/dil) | | n/a | n/a | n/a | n/a | n/a |
| DPS | cps | - | - | - | - | - |
| DPS Growth | | n/a | n/a | n/a | n/a | n/a |
| Dividend yield | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Dividend imputation | | 0 | 0 | 0 | 0 | 0 |
| PE (x) | | 9.0 | - | - | - | - |
| PE market | | 18.4 | 18.4 | 18.4 | 18.4 | 18.4 |
| Premium/(discount) | | (51.3%) | (100.0%) | (100.0%) | (100.0%) | (100.0%) |
| EV/EBITDA | | 6.5 | (6.5) | (7.6) | 0.0 | 0.0 |
| FCF/Share | cps | (0.2) | (0.7) | (0.8) | (0.6) | (0.3) |
| Price/FCF share | | (44.9) | (9.9) | (8.1) | (11.8) | (24.8) |
| Free Cash flow Yield | | (2.2%) | (10.1%) | (12.3%) | (8.5%) | (4.0%) |

Source: RaaS Advisory

# 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: 26th November 2018**

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- our services
- how we transact with you
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In writing to: Australian Financial Complaints Authority, GPO Box 3, Melbourne, VIC, 3001.

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