Research report (Anno)

Aspermont Ltd.

Continued Growth
-
2023 a consolidation year
-
2024e back to double digit growth

Target Price: 0.07 AUD / 0.04 EUR
(previously: 0.10 AUD / 0.07 EUR)

Rating: BUY

Date and time of completion of this research: 11.03.2024 15:00
Date and time of first distribution: 12.03.2024 12:00
Target price valid until: max. 31.12.2025

GBC AG Investment Research

Aspermont Ltd. 5a, 7, 11

Rating: BUY
Target price: 0.07 AUD / 0.04 EUR
(previously: 0.10 AUD / 0.07 EUR)

Current price: 0.007
27/02/2024 / ASX / 17:00
Currency: AUD

Key Data:

ASX: ASP
ISIN: AU000000ASP3
Number of shares: 2.420³
Market cap: 12.03³
³ in m / in m AUD /

Primary listing: ASX
Secondary listing: Frankfurt

Accounting standard:
IFRS

FY end: 30/09/2023

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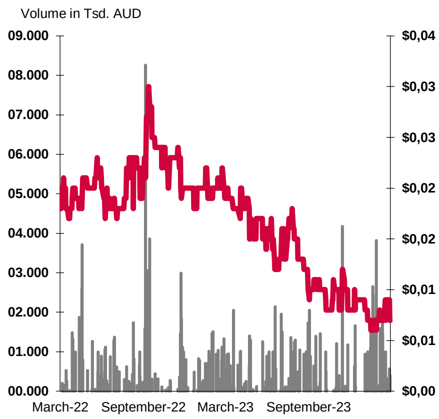
* List of possible conflicts of interest on page 13

Company Profile

Sector: B2B Media
Focus: Mining, Energy, Agriculture, Technology

Corporate Headquarters in Perth, Australia

Management: Alex Kent (Managing Director), Ajit Patel (COO), Nishil Khimasia (CFO), Matt Smith (CCO), Leah Thorne (Group People Director)



Aspermont Limited is the global leader of business-to-business (B2B) media for the resources industry. The company offers subscription-based content services in the mining, energy, agriculture, and technology sectors. Customers from all over the world use Aspermont's services. In addition, Aspermont Limited is a global leader in business-to-business marketing.

Aspermont has continuously increased its revenues over the last 29 quarters. The company will be releasing their new Skywave IT infrastructure as well as Esperanto and Archives products in 2024. The company currently has over AUD 4.0 million in cash and is debt-free.

Aspermont Limited reported their FY2023 results.

GuV in Mio. AUD	FY 2022	FY 2023	FY 2024e	FY 2025e
Sales	18.70	19.20	21.55	25.86
EBITDA	2.30	0.50	1,00	3.25
Net income	(0.4)	(1.70)	0.06	2.14
Gross margin	64.0%	57.00%	63.07%	66.28%
Operating cashflow	1.42	(0.6)	1.00	3.25

Key figures per share				
EPS	0.018	0.07	0.01	0.01
Dividend	0.00	0.00	0.00	0.00

Financial calendar	
05/2024	H12024
11/2024	FY2024 preliminary report
12/2024	FY2024 annual report

**last research by GBC:
Date: Publication / Target price in AUD / Rating
07/12/2023: RS / 0.10 / BUY
07/12/2022: RS / 0.11 / BUY
13/12/2021: RS / 0.09 / BUY
** the above-mentioned research studies can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D86150 Augsburg

Executive Summary

- **Single digit growth.** The company continues its growth with a 3% increase in revenue, in line with management guidance for FY2023.
- **Blue Horseshoe investment write off.** The decision to write off the Blue Horseshoe investment was made due to its lack of short-term profitability. However, the company retains the intellectual property and remains open to revisiting the venture should industry conditions improve.
- **Capital efficiency.** The company has improved its capital efficiency by divesting or upgrading low-margin products and events in favor of solutions that promise higher growth and profitability.
- **Normalized EBITDA remains healthy,** from $2.8m to $1.7m while the normalized NPAT grew from $0.6m to $0.8m, indicating brighter future ahead.
- **New playgrounds.** The Company has branded their marketing services branch into a new entity called Nexus. The Company has created two sold out live events in the past months. The company has signed an agreement with Rick Rule, a highly prominent in the mining sector investment realm.
- **Management and Key operators hiring.** The company hired a new Chief Marketing officer, Group head of content and group head of research, bringing onboard industry wide leading executives.
- **Focus on long term strategy.** FY2024 priority is to return to double digit growth.
- **Adjusted Price Target**: Based on our Discounted Cash Flow (DCF) analysis, we have adjusted our share price target to 0.07 AUD / 0.04 EUR (previously: 0.10 AUD / 0.07 EUR), reflecting our current valuation assessment.

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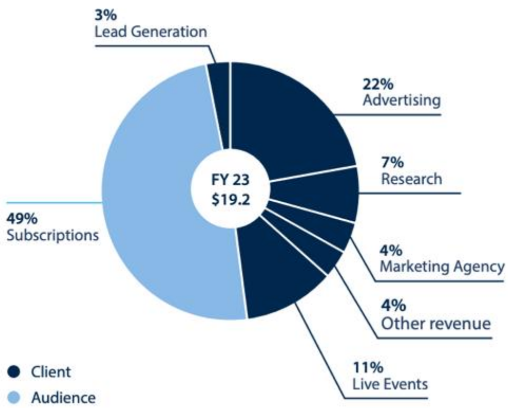
ASPERMONT LTD. FY2023 RESULTS

On December 22nd, 2023, Aspermont Limited released their FY2023 financials. Despite continued headwinds in the advertising industry, Aspermont's revenues grew by 3%, and the company recorded its 29th consecutive quarter of subscription revenue growth. The events and conferences division performed well in 2023, and the company is expected to consolidate this division by focusing on its high-margin events.

However, the company did not achieve the expected double-digit revenue growth target, but it did consolidate its revenue streams and focus on commercializing its new platform, Skywave. This platform enables the development of internal efficiency and intelligence tools and products for its XaaS business customers. Aspermont is confidently making the transition to a data and intelligence company.

FY2013 results have already been discussed by management as they announced lower earnings for the fiscal year and tighter margins. The company made the difficult decision to invest in long-term new technology rather than short-term bottom line. Their revenues reached $19.2 million and their cash position is $4.0 million. Without pointing only to external elements, the source of limited growth can be explained by global markets, inflationary pressures and commodity sectors leading to reduced customer spending on marketing.

FY2023 revenue mix



Source: Aspermont Ltd.

XaaS business model

Income verticals

Subscriptions represent a high-margin and highly resilient revenue stream for the company. These are typically long-term contracts or agreements with customers who pay a recurring fee for access to the company's products or services. The constant year-on-year subscription revenue increase, in both in absolute terms and proportionally, is a good omen for the future of the company.

Digital advertising revenue is another recurring stream for the company, albeit with slightly lower margins compared to subscriptions. While digital advertising offers recurring income opportunities, its market resilience is relatively lower compared to subscriptions, implying a degree of vulnerability to changes in market conditions. We believe digital advertising can grow even more and will remain the second pillar of revenue in importance.

Revenue generated from **marketing agency** services represents a medium margin recurring stream for the company. The market resilience of marketing agency revenue is categorized as medium, indicating a moderate level of stability and susceptibility to market dynamics. The company just launched their new integrated marketing agency Nexus.

Revenue from **events** contributes to the company's recurring income, with margins falling in the medium range. Events revenue is characterized by medium market resilience, suggesting a moderate level of stability in response to market changes. The company has already eliminated low-margin events and replaced them with new high-margin events in Australia during FY2023.

Print advertising revenue represents a recurring income stream for the company, albeit with lower margins compared to other segments. Print advertising revenue is classified as having low market resilience, indicating a higher susceptibility to market fluctuations and industry trends. A full divestment from this sector could occur within the next few fiscal periods. All revenues for print represent less than 5% of overall company revenues.

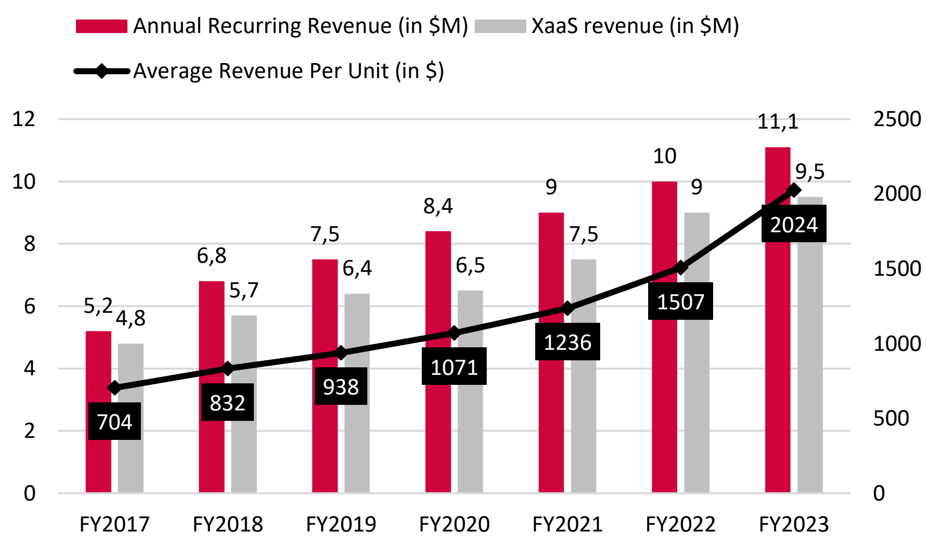
Key KPIs

	FY2019	FY2020	FY2021	FY2022	FY2023
Annual recurring Revenue (in $M)	7.5	8.4	9.0	10.0	11.4
Net retention rate	95%	101%	100%	102%	96%
Retention rate	84%	84%	83%	85%	85%
Average revenue per unit (in $)	938	1,071	1,236	1,582	2,027
Digital users (in M)	2.6	3.7	3.6	3.6	3.6

Sources: Aspermont Ltd., GBC AG

XaaS revenue has seen consistent growth over the past five years, with a steady increase from $7.5 million in FY2019 to $11.4 million in FY2023. This demonstrates the company's ability to expand its subscription-based revenue streams successfully, indicating a strong demand for its digital services. The net retention rate, which measures the percentage of revenue retained from existing customers after accounting for churn and upgrades, has shown some fluctuations but has generally remained above 95% in recent years.

Main KPIs growth



Sources: Aspermont Ltd., GBC AG

However, there was a slight decrease in FY2023 to 96%, indicating a need for the company to focus on customer retention strategies to maintain long-term revenue growth. The average revenue per unit has experienced significant growth, more than doubling from $938 in FY2019 to $2,027 in FY2023. This suggests that the company has been successful in upselling and cross-selling additional services to its existing customer base, driving higher revenue per user. Noteworthy, the company is heading back in right direction as shown by Q1-24 announcement which shows net retention rate going back to 99%

Finally, the number of digital users has remained relatively stable over the past few years, indicating that while the company has been able to maintain its user base, there may be opportunities for further growth through customer acquisition efforts.

While the company has demonstrated strong growth in XaaS revenue and average revenue per unit, there are areas such as net retention rate that require attention to ensure sustained growth and profitability. By focusing on enhancing customer retention strategies and continuing to innovate its digital services, the company can capitalize on its existing user base and drive further revenue growth in the future.

Blue Horseshoe write-off

In August 2021, Aspermont co-founded Blue Horseshoe Ventures, with ambitions to revolutionize investment accessibility. Blue Horseshoe's irrevocable financial issures resulted in the termination of the operational JV. Consequently, Blue Horseshoe's investment in the venture was completely written off, with this outcome formally announced on December 12th, 2023. Blue Horseshoe, was a collaborative effort between Aspermont and partners Spark Plus and International Pacific Capital (IPC), aimed at democratizing capital-raising in the ASX market. The idea was to leverage Aspermont corporate and investors audience. The idea, which was promising on paper, did not come to fruition as expected. It is important to note that Aspermont still owns 100% of the IP and could revive this project with different partners in the future.

Aspermont's involvement was up to $770,000, made up of $670,000 exposure in working capital loans, and an additional commitment of up to $100,000 for the administration process, with an additional $400,000 non-cash, services only, investment in 2022.

Despite this setback, Aspermont continues to see revenue growth in other ventures. One of the year’s great successes was the successful launch of Future of Mining (FOM), while Mining News Select (MNS) events in Perth generated $1.2 million in revenue, marking Aspermont's largest event launch to date.

FINANCIALS

FY2023 guidance

The company had five main points for their guidance 2023:

1. Revenue growth
2. Expansion of the senior leadership team
3. Reduction in operating margins
4. Reduction in EDITBA and operating cashflow
5. Net cash balance to remain above $4m
6. First generation launches new platforms

The FY2023 results were in line with management guidance.

Shareholders were advised of anticipated reduced earnings and operating margins for the fiscal year, attributable to a deliberate shift towards a substantial inward investment program. Despite the challenging operating environment, the company reported positive EBITDA and maintained cash balances exceeding their defined $4 million black-swan coverage levels, a testament to their resilience and prudent financial management.

Throughout the year, Aspermont strategically expanded its senior management team by introducing several key positions including Chief Marketing Officer, Group Head Content, Group Head Events, Group Head Research, and Group Head Data. These appointments are integral to the company's efforts to bolster knowledge capital and enhance operational capacity, positioning them or sustainable growth and innovation.

Furthermore, the successful deployment of the first phase of their Skywave platform in Q3 marks a significant milestone. Skywave, designed to develop internal productivity and intelligence tools for their XaaS business, is expected to yield substantial positive impacts throughout FY24.

As Aspermont transitions towards becoming a data-and-intelligence-focused enterprise, Skywave will play a pivotal role in releasing external audience and client products, further driving growth and market differentiation.

Altogether Aspermont achieved positive advances, although falling short of double-digit revenue growth target. Notably, overall revenue performance remained robust despite significant challenges within the advertising sector. The subscription segment continued its impressive streak of 29 consecutive growth quarters, while their events-and-content agency also demonstrated notable advancements.

Historical development of the company

FY2023 financial results

Revenue (in AUD $m)	FY2023	FY2022	YoY Growth %
Revenues	19.2	18.7	+2.67
Cost of sales	(8.1)	(6.7)	+20.89
Gross revenues	11.1	12.0	-7.50
Gross margin (%)	57.0	64.0	-10.93
Cash on hand	4.0	6.7	-40.29
EBITDA	0.5	2.3	-21.73
Net profit after tax	(1.7)	(0.4)	-425.00

Sources: Aspermont Ltd., GBC AG

Despite navigating through challenging market conditions, the company showcased notable achievements across various financial indicators.

One of the standout highlights was the substantial growth in subscriptions revenue, which surged by 9% year-on-year to reach $9.5 million. This uptick underscores Aspermont's effective strategies in attracting and retaining subscribers, a critical revenue source in the digital media landscape. Moreover, the company's total revenue also witnessed a commendable growth trajectory, increasing by 3% year-on-year to $19.2 million, reflecting successful revenue diversification efforts.

From a financial perspective, Aspermont reported its EBITDA for 2023 at $0.5 million, compared to the adjusted EBITDA of $1.7 million for 2022. These figures underline the company's capability to maintain positive operating cash flow and profitability, despite facing challenging market conditions. However, the net profit after tax (NPAT) figures, with a reported loss of $-1.7 million for 2023 and an adjusted profit of $0.8 million for 2022, underscore the effects of exceptional expenses and investments made during these periods.

Closing the fiscal year with a cash balance of $4.0 million and no long-term debt, Aspermont exhibits robust financial health and liquidity. Overall, Aspermont's performance in FY23 underscores its resilience, strategic focus on recurring revenue streams, and prudent financial management practices, positioning it as an attractive investment opportunity in the dynamic B2B media landscape.

Pillars of growth

Earnings per sector (in $M)

	FY2023	FY2022	Change
Client revenue	9.760	10.051	-2.88%
Audience revenue	9.488	8.678	+9.34%
Total revenue	19.248	18.729	+2.77%

Sources: Aspermont Ltd., GBC AG

The company attributes the increase in revenues to a combination of new customer acquisitions and increased spending from existing customers. The company plans to continue expanding its product offerings and increasing its investment in R&D to stay competitive in the SaaS market.

Additionally, Aspermont is also looking to improve its cost management to keep margins at high levels even in their investment phase. A slight decrease in margin is a natural outcome of investments in growth. The company's management is confident that the investments will bring more revenues and will bring back the margins to their previous level

Earnings by region (in $M)

	FY2023	FY2022	Change (%)
APAC	12.319	11.068	+11.30
EMEA	2.391	3.052	-21.65
Americas	4.095	4.538	-9.76
Other	0.393	0.710	-44.64
Total revenues	19.248	18.729	+2.77

Sources: Aspermont Ltd., GBC AG

The main market for the company’s products remains the APAC geographic region. The company posted a strong increase of 11.3%, responsible for the overall growth of 2.77%. We would have preferred seeing a growth in the Americas and EMEA as content had started being translated in Portuguese. We believe the company will revert to a growth pattern for these two geographic regions next year as the commodity sector improves.

FY2023 compared to FY2022 financial results (in $M)

	FY2023	FY2022	Change (in %)
Total revenue	19.2	18.73	3%
Gross margins (in %)	57%	64%	-7%
Reported EBITDA	0.5	2.3	-80%
Cashflow from operations	(0.6)	1.4	-142%
Net profit after tax	(1.7)	(0.4)	-298%

Sources: Aspermont Ltd., GBC AG

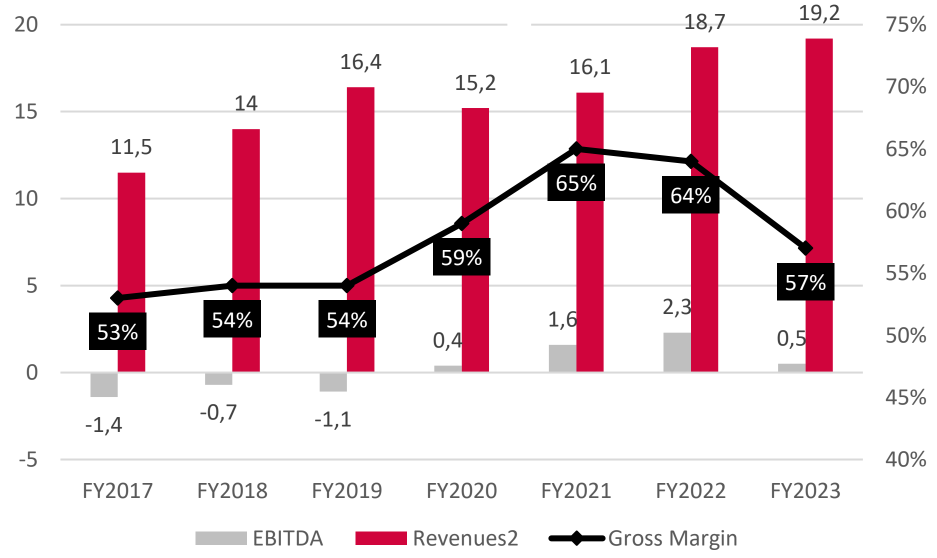
The company's total revenue for FY2023 reached $19.2 million, reflecting a 3% increase from $18.73 million in FY2022. While this growth is positive, it falls short of the 20% projection due to the poor overall performance of the mining sector.

Despite these challenges and their investment program, the company has managed to maintain a relatively high gross margin of 57% in FY2023, compared to 64% in FY2022, representing a decrease of 7%.

Additionally, reported EBITDA saw a significant decline, dropping from $2.3 million in FY2022 to $0.5 million in FY2023, marking an 80% decrease. The company NPAT loss can be attributed to a one-off 780,000 loss on their fintech Blue Horseshoe investment and other exceptional charges.

Cash flow from operations also experienced a notable downturn, declining from $1.4 million in FY2022 to $-0.6 million in FY2023, reflecting a decrease of 142%. Furthermore, the company's net profit after tax deteriorated substantially, with FY2023 reporting a loss of $-1.7 million compared to a loss of $-0.4 million in FY2022, representing a significant decline of 298%. Despite these challenges, the company remains resilient and adaptable, positioning itself for future growth opportunities.

Historical key financials



Sources: Aspermont Ltd., GBC AG

Overall, Aspermont Ltd.'s results for FY2023 show strong revenues with continued growth and a lower EBITDA performance. The company costs have also increased, reducing the gross margin from 64% to 57%. Exceptional charges and write-off have hit the balance sheet considerably, which should not be repeated next year.

Forecasts and Valuation

FY2024e guidance

Aspermont has identified five main objectives for FY2024:

1. Revenue growth
2. Improved revenue quality
3. Profitability
4. Financial resilience
5. Innovation

The company must renew itself with double-digit growth while increasing the gross margin to over 62% in FY2024. This will be a crucial year for Aspermont’s future.

With a strategic emphasis on enhancing revenue quality to drive higher margins and increased profitability, Aspermont aims to maintain overall growth in FY24. The company's focus on developing data and intelligence capabilities is integral to this vision, as it seeks to move up the value chain in its content products. Investment in the Skywave platform and expansion of the data-and-intelligence team are expected to yield tangible results, including continued double-digit growth in average revenue per user (ARPU) and subscriptions revenues.

Despite economic uncertainties, Aspermont remains committed to prudent financial management, with reinvesting in the business from free cash flow being a top priority. The company aims to maintain robust net liquidity and cash reserves to navigate unforeseen challenges and maintain flexibility in capital markets. Aspermont's debt-free status, generation of free cash flow, and robust balance sheet underscore its financial strength, instilling confidence in retail investors.

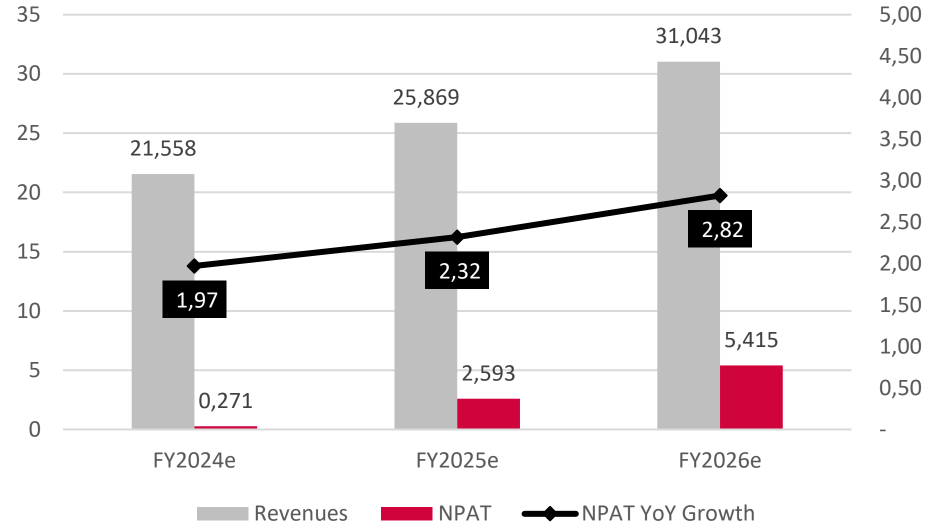
Furthermore, Aspermont's intention to transition from ASX and FRA listings to NASDAQ demonstrates its strategic ambition to access a broader investor base and enhance shareholder value. By leveraging the US market for better peer-group comparison, Aspermont aims to maximize its presence and deliver strong, long-term returns for all shareholders and stakeholders.

Overall, Aspermont's strategic initiatives for FY24e, coupled with its financial prudence and transition plans, position the company for sustainable growth.

Future earnings

Based on the company's guidance, we have adjusted our estimates for FY2024e and subsequent years. The company is focused on increasing margins and profitability. They will also focus on cash preservation and increase ARPU growth and subscriptions revenues. This should result in a slightly increased margin, comparable operation costs and a positive EBITDA and NPAT. The company needs to continue investing in their IT solutions for data and intelligence and divesting from low-margin revenues. We hope the company will be able to post results for FY2024e with margins over 62%. We are expecting the cashflow from operations to reach over $1m.

Estimates key financials for FY2024e to FY2026e (in M AUD)



Sources: Aspermont Ltd., GBC AG

We believe the company NPAT will increase to 0.271 AUD for FY2024e, having the company post profits once again. These good results will translate into FY2025e and FY2026e. We anticipate revenue increases of 12%, 20%, and 20%, respectively. We believe the company will renew with higher margins in the range of 62% to 65%. This will lead to Aspermont increasing significantly the NPAT on a YoY basis, reaching over $2.82M for the FY2026e.

We believe the company's divestments from many low-margin or negative-margin products will allow them to reallocate human resources into higher-margin products and increase growth rate from 3% in FY2023 to 12% in FY2024e. Live events will also be playing a key role in their future profitability. We also believe the commodity sector will bounce back from the current slump and Aspermont should see favorable macro events boosting their growth strategy and numbers.

With a cash reserve of $4.0M and the management having announced their plan to be listed on the NASDAQ, we are expecting a rise in equity in late 2024 or 2025.

Overall, while Aspermont demonstrated resilience in certain revenue segments, the decline in gross profit, EBITDA, and net liquidity highlights the challenges faced by the company in FY2023. Moving forward, strategic initiatives focused on revenue diversification, cost management, and financial prudence will be crucial for driving sustained growth and profitability.

Aspermont remains committed to a sustainable double-digit growth in revenues. The management have gone through a tough year while protecting their cash position and making the hard choice of divesting from low/negative-margin products and ventures. The FY2023 results demonstrate how committed the team is to execute their long-term strategy and focusing on their core business. We continue to believe the company is on track to unlock value for their shareholders in the near future.

Our target price is now 0.07 AUD / 0.04 EUR (previously: 0.10 AUD / 0.07 EUR) with a BUY rating.

VALUATION

Model assumptions

Aspermont Limited was valued by us using a three-stage DCF model. Starting with the concrete estimates for the years 2024 to 2026 in phase 1, the forecast is made from 2027 to 2031 in the second phase by applying value drivers. We expect annual revenue growth of 30%. We have assumed a target EBITDA margin of 35%. We have considered a tax rate of 15.0% in phase 2. In the third phase, a residual value is also determined after the end of the forecast horizon using the perpetual annuity. In the terminal value, we assume a growth rate of 1.0%.

Cost of capital

The weighted average cost of capital (WACC) of Aspermont Limited is calculated from the cost of equity and the cost of debt. To determine the cost of equity, the fair market premium, the company-specific beta and the risk-free interest rate must be calculated.

The risk-free interest rate is derived from current yield curves for risk-free bonds in accordance with the recommendations of the Fachausschuss für Unternehmensbewertungen und Betriebswirtschaft (FAUB) of the IDW. This is based on the zero bond interest rates published by the Deutsche Bundesbank using the Svensson method. **The currently used value of the risk-free interest rate is 2.0.**

We use the historical market premium of 5.5% as a reasonable expectation of a market premium. This is supported by historical analyses of equity market returns. The market premium reflects the percentage by which the equity market is expected to yield better than low-risk government bonds.

According to the GBC estimation method, a beta of 2.57 is currently determined.

Using the assumptions made, we calculate a cost of equity of 16.14% (beta multiplied by risk premium plus risk-free interest rate). Since we assume a sustainable weighting of 90% for the cost of equity, the weighted average cost of capital (WACC) is 15.45%.

Valuation result

Based on our DCF valuation model, we have reviewed our target price to AUD 0.07. Using an exchange rate of 0.606 (as of 25-02-2024, 9:40am), and a target price 0.04 EUR.

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VALUATION

Aspermont Ltd. - Discounted Cashflow (DCF) model scenario

Value driver of the DCF - model after estimate phase:

consistency - Phase	
Revenue growth	30,0%
EBITDA margin	35,1%
Depreciation to fixed assets	1,0%
Working Capital to revenue	-37,2%

final - Phase	
Eternal growth rate	1,0%
Eternal EBITA margin	35,0%
Effective tax rate in final phase	15,0%

Three phases DCF - Modell:

Phase	estimate			consistency					final
in mAUD	FY 24e	FY 25e	FY 26e	FY 27e	FY 28e	FY 29e	FY 30e	FY 30e	Terminal value
Revenue	21,56	25,87	31,04	40,36	52,46	68,20	88,66	115,26	
Revenue change	17,5%	20,0%	20,0%	30,0%	30,0%	30,0%	30,0%	30,0%	1,0%
Revenue to fixed assets	39,59	43,19	45,87	52,77	60,71	69,84	80,34	92,43	
EBITDA	1,00	3,26	6,17	14,14	18,39	23,90	31,08	40,40	
EBITDA margin	4,6%	12,6%	19,9%	35,1%	35,1%	35,1%	35,1%	35,1%	
EBITA	1,00	3,26	6,17	14,14	18,38	23,90	31,07	40,39	
EBITA margin	4,6%	12,6%	19,9%	35,0%	35,0%	35,0%	35,0%	35,0%	35,0%
Taxes on EBITA	-1,26	0,43	-0,93	-2,12	-2,76	-3,58	-4,66	-6,06	
Taxes to EBITA	125,8%	-13,2%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%	15,0%
EBI (NOPLAT)	-0,26	3,69	5,25	12,02	15,62	20,31	26,41	34,33	
Return on capital	3,1%	-43,2%	-57,3%	-110,5%	-109,6%	-108,8%	-108,2%	-107,6%	-83,2%
Working Capital (WC)	-9,09	-9,76	-11,56	-15,02	-19,53	-25,39	-33,01	-42,91	
WC to Revenue	-42,2%	-37,7%	-37,2%	-37,2%	-37,2%	-37,2%	-37,2%	-37,2%	
Investment in WC	0,21	0,67	1,80	3,47	4,51	5,86	7,62	9,90	
Operating fixed assets (OAV)	0,54	0,60	0,68	0,76	0,86	0,98	1,10	1,25	
Depreciation on OAV	0,00	0,00	0,00	-0,01	-0,01	-0,01	-0,01	-0,01	
Depreciation to OAV	0,0%	0,0%	0,0%	1,0%	1,0%	1,0%	1,0%	1,0%	
Investment in OAV	-0,05	-0,05	-0,08	-0,09	-0,11	-0,12	-0,14	-0,15	
Capital employment	-8,54	-9,16	-10,88	-14,26	-18,67	-24,41	-31,90	-41,66	
EBITDA	1,00	3,26	6,17	14,14	18,39	23,90	31,08	40,40	
Taxes on EBITA	-1,26	0,43	-0,93	-2,12	-2,76	-3,58	-4,66	-6,06	
Total investment	0,16	0,61	1,72	3,37	4,40	5,74	7,48	9,75	
Investment in OAV	-0,05	-0,05	-0,08	-0,09	-0,11	-0,12	-0,14	-0,15	
Investment in WC	0,21	0,67	1,80	3,47	4,51	5,86	7,62	9,90	
Investment in Goodwill	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	
Free cashflows	-0,10	4,30	6,97	15,40	20,03	26,06	33,90	44,09	242,89

Value operating business (due date)	162,25	183,02
Net present value explicit free cashflows	73,39	80,43
Net present value of terminal value	88,86	102,59
Net debt	-4,19	-7,12
Value of equity	166,44	190,14
Minority interests	0,00	0,00
Value of share capital	166,44	190,14
Outstanding shares in m	2438,00	2438,00
Fair value per share in AUD	**0,07**	0,08
Fair value per share in EUR	**0,04**	0,04

Cost of capital:

Risk free rate	2,0%
Market risk premium	5,5%
Beta	2,57
Cost of equity	16,1%
Target weight	90,0%
Cost of debt	10,0%
Taxshield	10,0%
Taxshield	8,2%
WACC	**15,4%**

Return on Capital	WACC 5,4%	10,4%	15,4%	20,4%	25,4%
-85,2%	0,26	0,11	0,07	0,05	0,04
-84,2%	0,26	0,11	0,07	0,05	0,04
-83,2%	0,26	0,11	**0,07**	0,05	0,04
-82,2%	0,25	0,11	0,07	0,05	0,04
-81,2%	0,25	0,11	0,07	0,05	0,04

ANNEX

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HOLD	The expected return, based on the derived target price, incl. dividend payments within the rel 10% and < + 10%.
SELL	The expected return, based on the calculated target price, incl. dividend payments within the <= - 10%.

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