

Bigtincan Holdings (BTH)

Placement and SPP - \$70m War chest – Strong business drivers

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Summary

Bigtincan Holdings Limited (BTH) was founded in Sydney in 2011 and has become a recognised global leader with its “Bigtincan Hub” sales enablement software. The platform uses machine learning and artificial intelligence (AI) to provide sales collateral, training and coaching to sales and customer service reps in the field to increase their selling effectiveness. It enables reps to securely access all types of content (files, documents, PDFs, PowerPoint presentations, e-mail, video etc.) from a single data source and to automate work processes and documentation across any mobile device or fixed network.

BTH has ~15 offices across the USA, Europe & Middle East, Australia and Asia with its global sales and marketing headquarters in Boston, and corporate head office in Sydney.

It has long-standing strategic alliances with Apple, Salesforce.com, AT&T and a total of 28 partners / resellers.

BTH has over 200,000 users across 400+ deployments in over 52 countries and 17 languages. Recent new customer wins include DXC Technology, Sephora, Anheuser Busch and Nike.

Placement and SPP at 67 cents

- \$40.0m capital raising announced (\$35.0m placement and \$5.0m SPP) at \$0.67 per share, an 11.8% discount to the previous close of \$0.76. SPP \$5,000 max per holder.
- With existing net cash of \$31.5m at 31 March, cash reserves will increase to ~A\$70.0m. Quite a tidy war chest.
- Purpose of placement: M&A opportunities \$17.5m; Accelerate organic growth \$10.5m; Working capital to support recent contract wins and transaction costs \$7m.

Changes in Assumptions & Estimates

- We assume that \$17.5m of the available cash is deployed for the whole of FY21 on acquisitions, with \$7.3m of incremental sales (2.4x historical acquisition multiple). We assume a 0% Ebitda margin in year 1 and 10% in year 2 once integrated.
- Shares on issue up 19% to 369m.
- EPS changes: FY20 -1%; FY21 -20% (dilution); FY22 +10% (acquisitions become profitable).
- Composite valuation: \$0.95 (was \$0.83) +14%.
- We raise our 12-mth price target to \$0.95 (was \$0.83) which implies a 31% 12-mth total shareholder return (TSR).
- We will revise our acquisition(s) allowance as actual deals are announced.

Recommendation – Reiterate Buy

We now forecast revenue growth of 75% (40% organic) for FY20 (no change), 53% for FY21 (30% organic) and 25% for FY22 (all organic).

Our DCF valuation is \$0.82 (was \$0.74). Our Salesforce.com Comps valuation is \$1.08 (was \$0.92). Our 12-mth blended price target increases to \$0.95 (was \$0.83).

BTH is enjoying powerful tailwinds in its business, driven by the switch to Cloud, mobile working and SaaS whilst users and customers are demanding better information faster. BTH is a standout growth stock. We reiterate our BUY recommendation.

Recommendation

Buy (High Risk)
PT \$0.95

Risk Rating	High
12-mth Target Price (AUD)	\$0.95 (was \$0.83)
Share Price (AUD)	\$0.73
12-mth Price Range	\$0.27 - \$1.08
Forecast 12-mth Capital Growth	30.1%
Forecast 12-mth Dividend Yield	0.0%
12-mth Total Shareholder Return	30.1%
Market cap (\$m)(post issue & SPP)	269.2
Net debt (net cash) (\$m)(Jun 20e)	(68.5)
Enterprise Value (\$m)	200.7
Gearing (Net Debt/ Equity)	N/a – Net Cash
Shares on Issue (m)	368.8
Options on Issue (m)	16.7
Sector	Information Technology
Average Daily Value Traded (\$)	\$708,000
ASX 300 Weight	n/a

Financial Forecasts & Valuation Metrics

Years ending June \$m	18(A)	19(A)	20(e)	21(e)	22(e)
Sales revenue	13.1	19.9	34.7	53.1	66.4
Sales growth	42%	51%	75%	53%	25%
EBITDA	-6.9	-3.6	-2.7	-0.7	7.4
NPAT (reported)	-6.6	-4.1	-5.5	-3.1	4.7
NPAT (adjusted)	-6.6	-4.1	-4.7	-3.1	4.7
EPS (adjusted)	-3.7	-1.8	-1.6	-0.8	1.2
EPS growth	-60%	-52%	-13%	-47%	large
DPS	0.0	0.0	0.0	0.0	0.0
P/E	-19.5	-40.8	-46.8	-89.1	59.6
EV / Ebitda	-20.7	-69.7	-78.4	-347.4	31.1
EV / Sales	10.9	12.6	6.1	4.4	3.4

Source: Phillip Capital estimates

BTH SHARE PRICE PERFORMANCE



Changes to Assumptions & Forecasts

- We assume that \$17.5m of the available cash is deployed for the whole of FY21 on acquisitions, with \$7.3m of incremental sales (2.4x historical acquisition multiple). We assume a 0% Ebitda margin in year 1 and 10% in year 2 once integrated.
- Shares on issue up 19% to 369m (includes SPP shares yet to be issued, not underwritten).
- EPS changes: FY20 -1%; FY21 -20% (dilution); FY22 +10% (we assume the acquisitions become profitable in year 2).
- We will revise our acquisition(s) allowance as actual deals are announced.

Changes in Estimates Years ending June \$m	FY19	FY20e			FY21e			FY22e		
		Old	New	Change	Old	New	Change	Old	New	Change
Avg FX rate assumed: AUD/USD	0.715	0.657	0.657	0.0%	0.650	0.650	0.0%	0.650	0.650	0.0%
Sales revenue	19.9	34.7	34.7	0.0%	45.8	53.1	15.9%	57.2	66.4	15.9%
Sales growth	51%	75%	75%		32%	52.9%		25%	25%	
Cost of sales	-2.4	-5.0	-5.0	0.0%	-6.4	-7.4	15.9%	-7.7	-9.0	15.9%
Gross profit	17.5	29.7	29.7	0.0%	39.4	45.6	15.9%	49.5	57.4	15.9%
Gross profit margin %	87.8%	85.5%	85.5%	0.0%	86.0%	86.0%	0.0%	86.5%	86.5%	0.0%
Other revenue (Govt grants etc)	1.9	1.4	1.4	0.0%	0.0	0.0		0.0	0.0	
Operating costs	-23.0	-33.8	-33.8	0.0%	-40.1	-46.3	15.7%	-43.3	-50.0	15.7%
EBITDA	-3.6	-2.7	-2.7	0.0%	-0.7	-0.7	0.0%	6.3	7.4	17.8%
Ebitda margin	-18.0%	-7.8%	-7.8%	0.0%	-1.5%	-1.3%	0.2%	10.9%	11.1%	0.2%
Depn & Amortisation	-0.5	-2.0	-2.0	0.0%	-2.4	-2.4	0.0%	-2.6	-2.6	0.0%
EBIT	-4.1	-4.7	-4.7	0.0%	-3.1	-3.1	0.0%	3.6	4.7	30.8%
Ebit margin	-20%	-13.6%	-13.6%	0.0%	-6.7%	-5.8%	0.9%	6.3%	7.1%	0.8%
NPAT (reported)	-4.1	-5.5	-5.5	0.0%	-3.1	-3.1	0.0%	3.6	4.7	30.8%
NPAT (normalised)	-4.1	-4.7	-4.7	0.0%	-3.1	-3.1	0.0%	3.6	4.7	30.8%
EPS (normalised)	-1.8	-1.6	-1.6	-1.4%	-1.0	-0.8	-20.4%	1.1	1.2	10.5%
DPS	0.0	0.0	0.0	n/a	0.0	0.0	n/a	0.0	0.0	n/a
Balance Sheet:										
Net cash (debt)	25.1	30.1	68.5	127.5%	26.8	46.4	73.1%	33.6	53.0	57.8%
Shares on issue (year-end)	261.9	314.3	374.0	19.0%	315.6	375.3	18.9%	318.6	378.3	18.7%
Composite valuation					\$ 0.83	\$ 0.95	13.6%			

Source: Phillip Capital estimates

Comment on forecasts & Valuation

We consider BTH's revenue growth and customer growth progression to be more important than minor changes in Ebitda or NPAT at this early stage in BTH's rapid growth path. BTH is building a US-based global business in a strong growth segment. It is benefitting from multiple growth trends – Increasing mobility of workers (including working from home), increased adoption of cloud computing, increased use of artificial intelligence (AI) to improve efficiencies, increased document automation.

Valuation and recommendation

- Our revised DCF (discounted cash flow) valuation is \$0.82 (was \$0.74) +11%.
- Our Comps valuation (we use Salesforce.com's EV/ Sales multiples adjusted from a January to a June year-end basis, = 6.9x June 2021) is \$1.08 per share (was \$0.92) +17%. We note companies like Atlassian (see next page, ~18x FY21 revenue) have much higher EV/ Sales multiples than Salesforce.com.
- Our composite valuation (50% DCF, 50% Salesforce EV/ Sales comps valuation) is now \$0.95 (was \$0.83) +14%. We set our 12-month price target at this value.

BTH: Phillip Capital Valuation			
	\$m	Per Share	Weighting
DCF valuation	316.2	\$ 0.82	50%
Salesforce (CRM) 6.9x EV/ Sales multiple (June 2021 basis)	414.6	\$ 1.08	50%
Composite valuation	365.4	\$ 0.95	100%
Shares on issue (Fully diluted)	385.5		

Source: Refinitiv consensus multiples for Salesforce

Recommendation

We re-iterate our BUY recommendation with a revised 12-month price target of \$0.95 (was \$0.83) which implies a 12-month TSR of 31% from the current \$0.73.

At the current market cap of A\$269m (including the placement shares and the SPP)(EV \$200m), BTH still looks attractive to us for an established, effectively US-based SaaS business with Fortune 500 clients and significant global expansion potential. Further, 90% of BTH's revenues are currently generated in US dollars.

BTH's product suite has been designed for use by sales and customer support workers with any device – desktop or mobile, but BTH's competitive advantage is in the mobile space - including iPads and tablets and smart-phones. The corona virus is seeing a huge increase in the number of workers being forced to work from home or from temporary alternative premises, so we think this should drive even more customer adoption or conversion.

Share Purchase Plan

Currently the SPP pricing (67c V 73c current market price) is favourable and we have a Buy recommendation on the company.

It is disappointing to retail shareholders that there is a limit of only \$5,000 per shareholder, rather than the usual \$15k and more recently \$30k. And scale-backs on the \$5k maximum are still possible – and are indeed likely. But this is a relatively small issue.

Positive Factors / Reasons to Buy (from our 20/12/19 initiation report)

- 1. Cloud & the mobile business device revolution – 16.1% 5-year CAGR** - As cloud computing becomes the preferred global delivery method for IT systems, mobile content management in the cloud also becomes a serious priority according to Aragon Research. Gartner forecasts the worldwide public cloud market to grow by 17.5% to US \$214 billion in 2019, and a 5-year compound annual growth rate of 16.1% pa to US \$331 billion in 2022.

Table 1. Worldwide Public Cloud Service Revenue Forecast (Billions of U.S. Dollars)

	2018	2019	2020	2021	2022
Cloud Business Process Services (BPaaS)	45.8	49.3	53.1	57.0	61.1
Cloud Application Infrastructure Services (PaaS)	15.6	19.0	23.0	27.5	31.8
Cloud Application Services (SaaS)	80.0	94.8	110.5	126.7	143.7
Cloud Management and Security Services	10.5	12.2	14.1	16.0	17.9
Cloud System Infrastructure Services (IaaS)	30.5	38.9	49.1	61.9	76.6
Total Market	182.4	214.3	249.8	289.1	331.2

BPaaS = business process as a service; IaaS = infrastructure as a service; PaaS = platform as a service; SaaS = software as a service
 Note: Totals may not add up due to rounding.

Source: Gartner (April 2019)

- 2. Software as a Service (SaaS) – 15.8% 5-year CAGR** - BTH primarily operates in the software as a service subset of the above table, where Gartner is forecasting similarly strong compound annual growth of 15.8% pa to US\$ 143 billion in 2022.
- 3. Sales enablement software is a US \$5.0 billion market opportunity by 2021** according to Aragon Research (refer the orange circle below). And Gartner says that by 2021 15% of all sales technology spending will be applied to Sales Enablement technology up from 7.2% in 2017.



Source: BTH presentation 8/8/19

- 4. BTH has firmly established itself as one of the industry leaders** in the Sales Enablement software market, and has been recognised by leading

technology industry researchers like Gartner and Aragon Research. BTH has won numerous awards for its software and has a high customer retention rate of 87% in FY19. Finally we note the quality and the breadth of new customer wins in 2019 as evidence that the company is executing well. (See next point).

5. **Strong organic growth** – BTH has achieved a 27.6% pa compound average growth rate in revenue over the last 5 years, and achieved 33% organic growth in FY19. BTH has issued guidance for 30-40% organic growth for FY20.
6. **US Market penetration still low** – Despite an historical focus on the North American market and an impressive list of new customer wins, BTH still only has 33 Fortune 500 companies as customers (6.6% penetration). And many of those customers have only been penetrated in one or two departments. For example, Bigtincan is used by Toyota's Hino truck division globally, but not by the rest of the company as yet.
7. **Non US penetration even lower** – In FY19 BTH's geographic revenue split was USA 83%, Australia 6% and Rest of World 11%. BTH recently agreed its first reseller agreement for Japan with NTT DoCoMo. We see no reason why the Non-US business cannot get to the same size as the US business is currently. On FY19 numbers that would add at least \$13m or 66% to sales in time.

BTH - FY19 Geographic revenue review				FY19 v 18	3-year	% of
Years ended June \$m	FY17	FY18	FY19	Change	CAGR	Total
Australia	1.0	0.8	1.3	60%	15.0%	6%
United States	7.9	11.8	16.5	40%	44.7%	83%
Rest of World	0.4	0.6	2.1	273%	134.9%	11%
Total Worldwide	9.2	13.1	19.9	51%	46.8%	100%
Change %	31.6%	42.4%	51.3%			

Source: BTH accounts; NB Geographic split figures for FY15 & FY16 not available

8. **Recent contract wins point to strong sales momentum in the business**, and provide added confidence in management's guidance for 30-40% organic growth. We highlight December's announcement of a new \$2.8m contract over 3.5 years with Sephora (2,600 stores in 34 countries); September's \$2.8m over 3 years contract with Nike; and Wyndham Destinations \$1.1m over 3 years contract. (And January's announcement of a \$6.2m contract over 2 years with global IT services company DXC Technology Services LLC).
9. **Acquisitions accelerate growth** – BTH has made 5 modest-sized acquisitions since its March 2016 IPO (plus one tiny one – Contondo) with revenue ranging from \$0.4m to \$3.0m (Xinn being the largest to date). The criteria for acquisitions is that they either advance BTH's product /technology/ IP suite, or they add market position (customers, segment expertise, or geographical presence). Acquisition multiples have ranged between 1.1x Sales and 3.7x Sales with an average around 2.5x. We understand that most of the acquired businesses are close to break-even or in small loss. None have major losses. BTH expects strong revenue synergies, not so much cost synergies although there will be some. The only cost cutting envisaged is duplicated central functions like accounting and HR. BTH has stressed to us that BTH is not a "roll-up" strategy. All targets are carefully selected and assessed for their sustainable benefits. Further small bolt-on acquisitions are considered likely.
10. **Adequately funded to achieve profitability** – BTH had net cash of \$27m at end-December 2019, we forecast \$23m at June 2020, and we expect the company to become profitable in FY22 (Ebitda of \$7.1m, NPAT of \$4.4m). BTH has not given any guidance about when it expects to become profitable. BTH management are heavily focussed on achieving growth in their nascent industry, without burning too much cash, rather than trying to become profitable as soon as possible. Growth will be prioritised over profit to maximise the long-term value creation. So profitability could come later than we are forecasting.

Risks / Negative Factors

1. **The sales enablement software space is highly competitive** and companies such as BTH must continue to invest and to innovate to maintain their competitive position. There appears to be quite a few smaller players who might achieve new success and take market share from BTH.
2. **Customer losses** - BTH has strong customer retention of around 87% for FY19. This seems a very strong figure, but it does also mean that about 13% of customers are leaving each year – for whatever reason.
3. **BTH is still loss making** and is also cash flow negative. So BTH is currently not self-funding, and is dependent on the equity market to fund its growth and continuing losses once the \$27m cash is consumed.
4. **Acquisitions still to be integrated** – BTH has made 5 bolt-on acquisitions in the last 18 months (plus one tiny one), and we understand that gradual integration of these businesses is planned, and a few already underway. There is a risk that the integration or change of control could result in an increase in staff or customer turnover, and the technology integration may not go well.
5. **BTH is now running a global business from two main control points** – Boston and Sydney. There is a risk that BTH may expand too quickly,
6. **Intangible assets** - BTH's assets are largely cash, debtors, intangible assets and people.
7. **Competitors unlisted** – Most of BFC's direct competitors are unlisted private companies, so it is difficult to get financial data on them to compare. However BFC's competitors have the advantage of being able to read all of BTH's ASX announcements and profit results.
8. **Sensitive Data** – Obviously BTH is a custodian of large quantities of commercially sensitive data stored and distributed on behalf of its customers. The risk of a serious data breach or hacking is a constant risk for such a business. BTH must be constantly vigilant to avoid such an occurrence.

Share Price Catalysts

1. Quarterly cash flow and operations reports demonstrating continued growth in customers, deployments and revenues. Maintaining or improving the customer retention rate (March report due by end April).
2. Full year results in August.
3. Resolution of earn-outs – increases clarity, and shows how acquisitions are performing at least in the short-term.
4. Major new customer wins, especially in targeted verticals such as Financials.
5. Progress with integrations of recent acquisitions, particularly the technology integration.
6. New acquisitions. We expect BTH to remain acquisitive, but highly selective.
7. New country launches (e.g. BTH's investment in Japan recently stepped up a gear with the appointment of NTT DoCoMo as BTH's local sales partner).
8. Becoming NPAT positive (we expect in FY22), but it could be a year or so later depending on the level of growth investment BTH decides to make.
9. Becoming cash flow positive (we now expect in FY20). Again, this could be a year or so later depending on the level of growth investment BTH decides to make.

Appendix 1: Company Description – A leader in Sales Enablement Software

Bigtincan Holdings Limited (BTH) is a leader in Artificial Intelligence (“A-I”) driven, cloud-based “sales enablement automation software” which allows sales and service organisations and their employees to more effectively engage with their customers and prospects with all critical information available at their finger-tips on any mobile device, and encourages team-wide adoption.

BTH operates in the USA, Europe, the Middle East and Africa (EMEA) and Asia Pacific/Japan. Its operational headquarters are in Sydney, with the global sales and marketing headquartered in Boston. 15 offices in total.

BTH’s product is used in over 52 countries and 17 languages.

In basic terms, the platform comprises Bigtincan Hub and Bigtincan Forms.

- Bigtincan Hub is an integrated single-platform for sales and service organizations. Bigtincan Hub is powered by a machine learning and artificial intelligence (AI) system. It enables users to securely access and interact with all types of content (files, documents, PDFs, PowerPoint presentations, e-mail, video, RSS feeds, forms, rich media, web content and more). Users can share knowledge and expertise across teams, and automate processes across and mobile device or network. It works on all major mobile device operating systems (iPhone (iOS), Android, Windows, and Blackberry), desktops (Windows and Apple Mac desktop), Apple iWatchOS and works inside Salesforce.com.
- Bigtincan Forms enables organizations to reduce or in some cases eliminate manual paper-based forms, automate data capture and implement process improvements without requiring an infrastructure platform or stand-alone forms application.
- There are also e-learning, new employee on-boarding and sales coaching modules available, plus a host of other features.

Technology Partners and Resellers

BTH has had important strategic alliances with Apple, Salesforce.com and Cisco for several years, and reseller agreements with AT&T, Verizon, Optus, SingTel, NTT DoCoMo and other (27 in total) which have helped it to achieve strong growth and leadership in 8 key vertical segments:

BTH: Vertical Strategy	
Life Sciences	Manufacturing
Retail	Telecommunications
Financial	Government
Technology	Energy

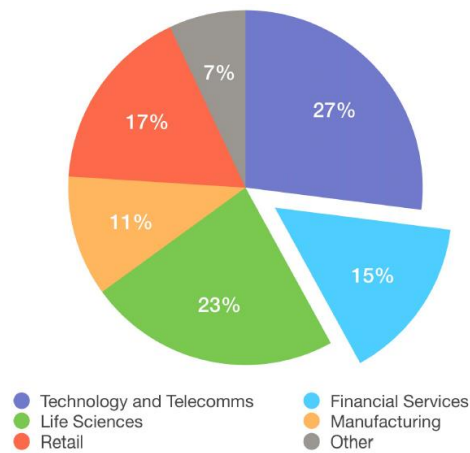
Source: Company

Customers

BTH has over 400 paying enterprise customer deployments with more than 200,000 licences (seats) globally in 50 countries. This implies an average of 500 seats per deployment.

Major customers include: T-mobile (23,000 users), American Express, Anheuser Busch Inbev, Campbell's Soup, Cardinal Health, Fuji Trucks (truck division of Toyota; 6,000 users), Nike, Sephora (LVMH), Sony PlayStation and Wyndham Resorts (new customer - planned 3,500 users).

Customer retention is strong at 87% in FY19. We show a more detailed list of customer, and also re-seller partners on the next page. The list is not exhaustive.



~% of ARR at 30 June 2019 with addition of acquisitions completed post end FY19

Why is Sales Enable Software needed?

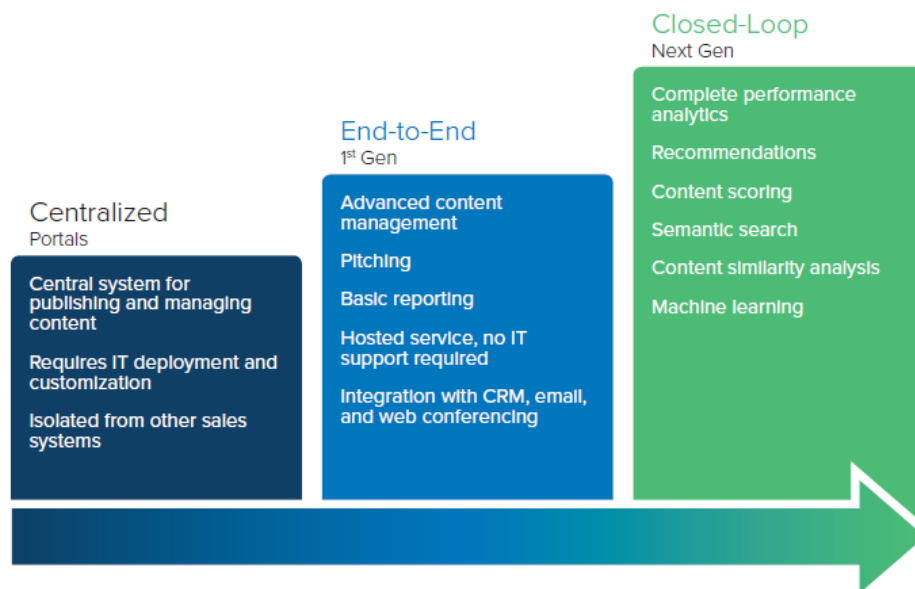
The following chart from one of BTH’s competitors (Highpoint) shows the evolution of Sales Enablement software.

The Evolution of Sales Enablement Solutions

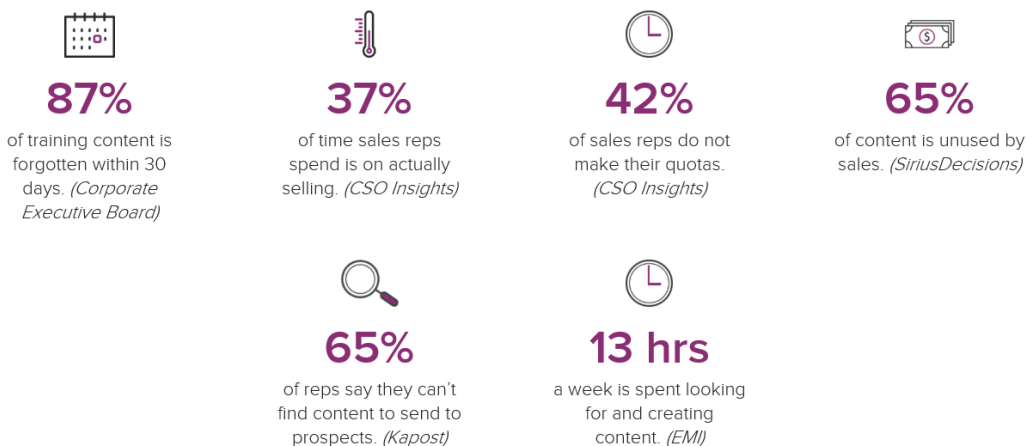
Starting in the late 90’s, the sales conversation moved from physical to digital, and content moved online. The marketing closet became a thing of the past as companies put their content onto web sites and portals. Different teams often created their own sites, and soon the content was scattered across many places.

The problem with these ad hoc solutions is that they dramatically reduce the effectiveness of the sales team. Sellers don’t have time for scavenger hunts across many different systems every time they need something, so they gather a small set of content on their hard disks. A rep uses the files at hand as much as possible, even if they are out of date or ineffective at engaging customers. Sellers waste time hastily recreating content that already exists, because it is too much trouble to find the “official” version. Marketing also has virtually no visibility into what is really happening. The different content systems are isolated from one another and from every other part of the sales process.

To solve these problems, vendors began developing solutions for giving reps access to the content they need.



Source: Highpoint – The Definitive Guide to Sales Enablement Solutions



Source: Bigtincan website

Pricing

BTH has three levels of pricing, as well as pricing for specialised product for certain market segments such as Life Sciences shown below.

Prices are RRP in US\$.

Bigtincan Hub™ Standard	Bigtincan Hub™ Enterprise	Bigtincan Hub™ Ultimate	Bigtincan Hub™ Life Sciences
\$29.50 Per User/Month	\$39.50 Per User/Month	\$49.50 Per User/Month	\$62.50 Per User/Month
Automated Push Content Publishing Annotation My Content Workspace Workgroup Sharing Email Sharing Social Sharing Document Editing and Creation Mobile & Web Online Meetings Single Sign-On Video & Message Chat Customizable User Interface *Salesforce Integration Unlimited Storage Standard Support	Automated Push Content Publishing Annotation My Content Workspace Workgroup Sharing Email Sharing Social Sharing Document Creation & Editing Mobile & Web Online Meetings Single Sign-On Video & Message Chat Customizable User Interface Content Aggregation (40+ Repositories) Business Form Creation Outlook Integration Lead Creation & Routing Hybrid Cloud API Developer Access *Salesforce.com Integration *Interactive Content Designer Unlimited Storage Standard Support *Gold Support/Dedicated Contacts	Automated Push Content Publishing Annotation My Content Workspace Workgroup Sharing Email Sharing Social Sharing Document Creation & Editing Mobile & Web Online Meetings Single Sign-On Video & Message Chat Customizable User Interface Controlled Authoring Content Aggregation (40+ Repositories) Business Form Creation Outlook Integration Lead Creation & Routing Bigtincan Learning Presentation Builder/Assembler Advanced Customizable Reporting & Dashboards Hybrid Cloud API Developer Access *Salesforce.com Integration *Interactive Content Designer Unlimited Storage Standard Support *Gold Support/Dedicated Contacts	All Bigtincan Hub™ Ultimate Features *Veeva Vault Integration <div style="text-align: center; margin-top: 10px;"> Sign Up </div>
<div style="background-color: #e65c4d; color: white; padding: 5px 15px; border-radius: 5px; margin: 0 auto;">Sign Up</div>	<div style="background-color: #e65c4d; color: white; padding: 5px 15px; border-radius: 5px; margin: 0 auto;">Sign Up</div>	<div style="background-color: #e65c4d; color: white; padding: 5px 15px; border-radius: 5px; margin: 0 auto;">Sign Up</div>	

Source: BTH Market Eye presentation, 7/11/18

Appendix 2 – BTH has over 400 Customer deployments

We updated our summary of BTH client wins following the March quarterly report. BTH has a growing list of high quality customers, many of which are Fortune 500 or SP 500 companies.

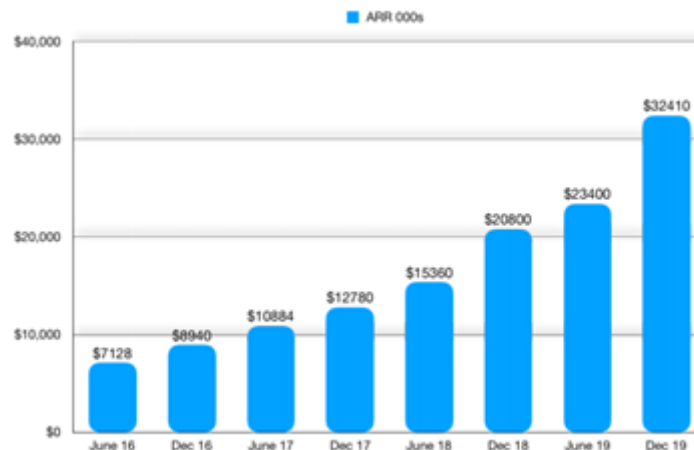
BTH highlights that it now serves the following:

- 4 of the world's leading retail brands (we presume this includes Nike, Sephora and others)
- 5 of the world's leading Life Science companies (we presume includes: Merck, Cardinal Health and others)
- 6 world leading Telcos (we presume includes: AT&T, Telefonica, T-Mobile, BT Openreach, and distribution deals with Singtel Optus, Verizon, NTT DoCoMo)
- 7 world leading financial services companies (we presume includes: Prudential Insurance, Deloitte, American Express, Guardian Life, MasterCard, Fidelity, Black Rock, others).

BTH: Customers & Distribution Partners		
Customers (& tickers if listed)	Customer's Sector	Distribution partners
At IPO (March 2017): AT&T (NYSE: T)(from 2014) GUESS Inc (GES) Merck & Co (MRK) Zoetis Inc (ZTS) Palo Alto Networks Inc (PANW) Telefonica SA (TEF)	Telecommunications Apparel Pharmaceuticals Pharmaceuticals for pets & livestock Technology / cyber security Telecommunications	At IPO: Apple (strategic technology partner, since 2015) Salesforce.com (strategic technology partner; World's No.1 CRM platform) AT&T (since June 2014) Singtel Optus (carrier partner)
Announced post IPO, 2017: T-Mobile (TMUS)(see ASX announcement 8/8/17) Automatic Data Processing (ADP)(expanded) Becton Dickinson & Co (NYSE: BDXA) Abiomed Inc (ABMD) Cryolife Inc (CRY)	Telecomms (see 8/1/19 detail below) Payroll & HR software & services Healthcare - medical device & reagents coy Healthcare - medical device coy Healthcare - cryogenics coy	Verizon Comms Inc (VZ) - 3 year re-seller agt for US (ASX 7/12/17) Expanded partnerships with Apple & Cisco Expanded partnership with Salesforce.com, achieving "Gold" status CDW (CDW) - (US\$17bn rev, hardware & software coy, 9,800 staff) Zones (Tier 1 hardware & software solutions coy in US & 80 countries) New partners - Germany, Scandinavia & Italy New partners - Japan
Announced 2018: Extreme Networks (EXTR) Syngenta AG (SYNN) Omada Health Thyssen Krupp (TKA)(existing customer expanded) Hologic (HOLX)(existing customer 5+ yrs expanded) Hino Trucks (existing customer expanded) Cardinal Health (CAH)(customer example) Eaton Corp plc (ETN) EMC Corp (DELL) Prudential Insurance plc (PUK) Deloitte Cushman & Wakefield plc (CWK)	Network equipment European agro-chemical & seed coy Digital healthcare company based in San Francisco Industrial engineering & steel. Healthcare (breast & skeletal health)(2,000+ reps) Truck division of Toyota (250 dealers, 6,000 users) Healthcare & logistics (thousands of salespeople) World's largest power management coy, in 175 countries Technology (Dell acquired EMC in 2016) Insurance Accounting & Consulting Real estate management	Connection.com (Global IT solutions coy in 174 countries) Cancom.com (Global IT solutions coy) BPM Works (Sales enablement coy - digital playbooks) Jamf (mobile device mgt for Apple devices, 4,000 customers)
Announced 2019: T-Mobile (TMUS)(see ASX announcement 8/1/19) American Express (AXP) CA Technologies (Broadcom AVGO)(nee Computer Associa McKesson Corp (MCK) Guardian Life Acushnet (Titleist)(GOLF) Anheuser Busch Inbev (BUD) Pacific Life Microsoft (MSFT) Major League Baseball Campbell's Soup (CPB) Eaton Corp (see ASX announcement 6/2/20) Openreach (BT Group plc BT)(see ASX 17/4/20) Mohawk Industries / Dal-Tile (MHK) Scot (Singapore Airlines)(C6L) Pentair plc (PNR) A.O. Smith Corp (AOS) Brookdale Senior Living (BKD)(see ASX 11/7/19) Anheuser Busch Inbev (BUD)(expansion)(see ASX 18/7/19) Sony Playstation (expansion for unique AR application) Nike Inc (NKE)(see ASX announcement 9/9/19) Wyndham Destinations (WYND) ABB Ltd (ABB)(Swiss / Swedish coy) Stratasys Ltd (SSYS) BMT Group Cogeco Connection Phoenix Contact Sephora (LVMH)(refer AX announcement 2/12/19)	Telecomms (~23,000 iPads in 5,500 locations)(additional \$7.2m making \$11.5m 3 yrs) Technology Pharmaceuticals distribution Insurance Leisure products Multinational drinks & brewing coy Insurance Technology Sports / Leisure Food Electricity (\$2.7m over 3 years) Telecomms (\$615k, 1 year, + options to extend) Largest Ceramic tile manufacturer in the US Airlines / Transportation Water treatment coy Manufacturer of water heaters and boilers Operates > 1,000 Retirement communities (existing cust expanded)(\$1.5m over 2 yrs) Multinational drinks & brewing coy (TCV: \$0.7m pa) Computer games / Entertainment Footwear , apparel, equipment & accessories (\$2.8m over 3yrs) Hotels & Timeshare operator (RCI)(> 3,500 users) Robotics, power heavy electrical equipment Manufacturer of 3D printers Marine engineering, IT & consulting 2nd largest cable operator in Quebec & Ontario Industrial automation coy in Germany Personal care & beauty, 2,600 stores in 34 countries (\$2.8m over 3.5 yrs)	Stratix Corporation, Atlanta Pivot Networks, Dallas NTT Docomo Inc (TO: 9437), Japan (carrier partner) Compucom Software (COMPUSOFT) Adobe Inc (ADBE) Cisco Systems (CSCO) - Solution Partner
Announced 2020: Mastercard (NYSE: MA) Brown Brothers Wines American Orthodontics Corp Waters Corporation (NYSE: WAT) Invatae Corporation (NYSE: NVTA) WL Gore & Associates Inc (Goretex) Disys (Digital Intelligence Systems LLC) DXC Technology Services (refer ASX ann. 31/1/20) Mass Mutual (Massachusetts Mutual Life)(Fortune 500 #84) Emergent Biosolutions (NYSE: EBS) WhiteHat Security (now part of NTT) Secure Inc	Finance / banking / payments Food & beverages Healthcare Analytical instrument and software company Healthcare - genetics Industrial fabrics IT services IT services (\$6.2m over 2 years, plus option) Finance / insurance / funds management Healthcare - drug development and manufacturing, 19 locations, 1,800 staff IT services IT services	

Source: Company announcements, quarterlies and Annual Reports. NB This list is not meant to be exhaustive. Separate ASX releases (implying material announcements or contract values) highlighted in yellow

- **Geographic** - 90% of revenue was from the USA, 6% from Australia and 4% from the Rest of the World. BTH is very much a US dollar earner. It also has significant potential to expand outside the US.
- **New customer wins** – BTH sell enterprise grade software that is used by large organisations with thousands of users (eg. Sephora operates 2,600 stores in 34 countries with an expanding base of over 460 stores in the Americas alone). The new customer win list is impressive – Nike, Sephora (announced Dec), DXC Technology Services (announced Jan 2020) and a host of other customers. It also seems to be expanding in terms of size (E.g. T-Mobile \$11.5m over 3 years so ~\$3.8m pa, DXC Technologies \$6.2m over 2 years so ~ \$3.1m pa, Sephora \$2.8m over 3.5 years so ~ \$0.8m pa). Please refer to Appendix 1 for an expanded customer list (based on BTH's ASX announcements).
- **ARR (annual recurring revenue) \$32.4m (Vs \$20.8m pcp) +\$11.6m or 55%** over the last 12 months. \$7.2m of this increase was organic growth (35%) and \$4.4m was from acquisitions.



- **Acquisitions have strengthened BTH's position in key verticals** – e.g. The Xinn acquisition provided BTH with a strong base position in the Financials sector (Customers included Fidelity, Prudential, John Hancock, Pacific Life, Guardian Life and Black Rock). (Massachusetts Mutual added in March quarter shows the potential).
- **Evidence of cross selling opportunities** - BTH also highlighted that the Wolters Kluwer contract included the newly acquired cloud-based document automation technology from the Xinn acquisition, and was Xinn's first contract outside the Financial sector. This augurs well for BTH's plans to take the Xinn technology to other sectors and existing BTH customers, as well as new ones.

Appendix 3 - Company History

BTH was founded in Sydney in 2011 by David Keane and Geoff Cohen (now deceased) and opened a sales office in Boston in 2013 and other locations as the business grew. The business expanded rapidly and by 2014 it had over 100 customers, by 2015 200 customers and over 300 customers at the March 2017 IPO (now 400+).

Capital History

BTH was a prospectus listing in March 2017 after raising \$12m at \$0.26 per share for an initial market capitalisation of \$45.9m at the offer price. We understand there was a pre-IPO raising of \$6.0m.

BTH was very capital constrained pre-IPO, and growth appears to be accelerating, not slowing down.

Further capital raisings were made as follows for acquisitions and working capital, as BTH is still loss-making.

- June 2018 - \$15m institutional placement at \$0.35 per share, to fund Zunos acquisition. SPP in August 2018 raised \$0.9m also at \$0.35.
- April 2019 - \$15.6m 1 for 6 rights issue at \$0.42.
- September 2019 - \$20m institutional placement at \$0.54 per share, to fund Xinnovation (Xinn) acquisition, working capital and further global expansion.

BTH has made a number of specialised technology acquisitions to further develop its Sales AI technology suite, and to accelerate its global expansion into key market sectors or verticals. We review these in more detail in Appendix 1.

BTH: Acquisitions Date Announced / Completed	Company	Acquisition Price		Annualised Revenue		Revenue Multiple	Locations	Staff
		A\$m	US\$	A\$m	US\$			
22-11-17	Contondo Inc.	0.0		0.0			Haifa, Israel	<10
18-06-18	Zunos acquisition announced							
31-07-18	Zunos Inc - up-front	3.25	2.21	3.0	2.0	1.1x	San Francisco, Denver, Sydney, Brisbane	n/a
	Zunos - FY19 earnout	?	?			1.5x FY19 Rev less initial Considn		
	Zunos - FY20 earnout	?	?			1.0x FY20 revenue		
	Estimated combined multiple	?	?			-2.5x revenue		
25-09-18	FatStax acquisition announced							
22-11-18	FatStax LLC - Completed - upfront	2.6	1.8	1.6	1.1	1.6x	Indianapolis, Detroit, & San Diego	n/a
15-05-19	FatStax LLC - 6-mth earnout (max ac)	2.0	1.4			n/a		
	FatStax - maximum was achieved	4.6	3.2	1.7	1.2	-2.7x revenue		
25-07-19	Veelo Inc - upfront cash	2.6	1.8	1.1	0.8	2.3x	Portland, Oregon	15
05-09-19	Asdeq Labs acquisition announced							
05-09-19	Asdeq Labs - upfront cash	0.49	0.3	0.4	0.3	1.2x	Hobart	9
04-12-19	Asdeq Labs - 3-mth earnout	?		?		1.0x		
	Asdeq Labs - combined	?		?				
30-09-19	Xinnovation acquisition announced							
30-09-19	Xinn - upfront cash	6.6	4.5					
	Xinn - upfront scrip	3.7	2.5					
29-09-20	Xinn - deferred for up to 12-mths	0.7	0.5					
	Xinn - Total	11.0	7.5	3.0	2.0	3.7x	Boston and Atlanta	21
	NB: Xinn incentive bonus n/a							
	Total	22.1	15.0	9.3	6.3	2.4x		

Source: Company announcements. Figures in bold are as stated in the announcement; AUD equivalents converted at 0.68 AUD/USD FX rate.

Appendix 4: Competitors

Global industry research firm Gartner provides a list of 14 vendors in their Market Guide for Sales Engagement report, which is available to download from the BTH website. They note that it is not an exhaustive list.

Company / website (in alphabetic order)	Product, Service or Solution name	Digital Content Management	Sales Training	Sales Coaching
1 www.accent-technologies.com	Accent Connect, Accent CRM Supercharger, Accent Accelerate	✓		
2 www.allego.com	Allego		✓	✓
3 www.apparound.com	Apparound	✓		
4 www.bigtincan.com	BigTinCan Hub	✓	✓	✓
5 www.brainshark.com	Brainshark Pro, Brainshark Premier		✓	✓
6 www.clearslide.com	ClearSlide	✓		
7 www.highspot.com	Highspot	✓	✓	
8 www.lessonly.com	Lessonly		✓	✓
9 www.mediafly.com	Mediafly	✓		
10 www.mindtickle.com	MindTickle		✓	✓
11 www.pitcher.com	Pitcher	✓		
12 www.sap.com	Litmos for Customer Experience Edition		✓	✓
13 www.seismic.com	Seismic	✓		
14 www.showpad.com	Showpad Sales Enablement Platform	✓	✓	✓

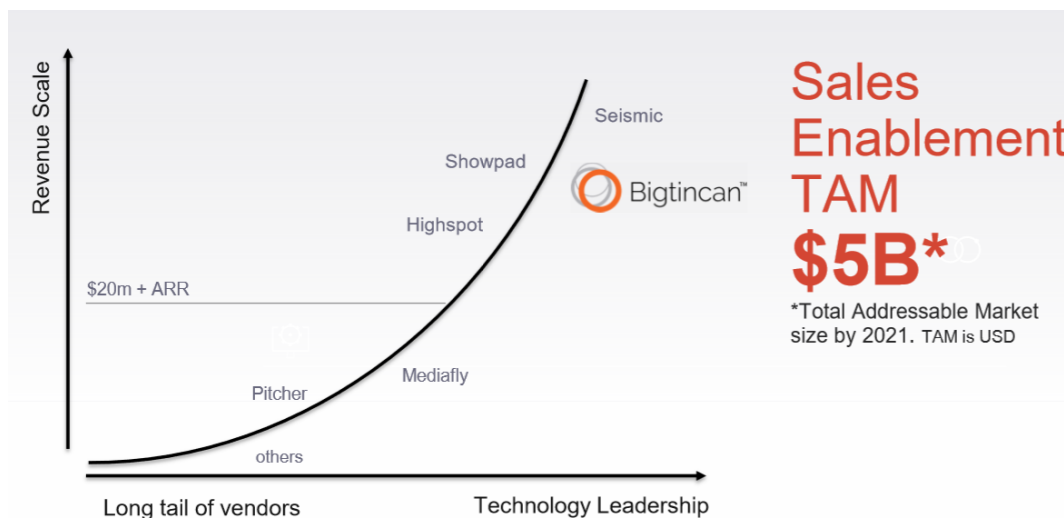
Source: Gartner - Market Guide for Sales Engagement Platforms, 13/8/19 (can download from BTH website)

We note that according to the Gartner table, only two vendors cover the three areas Gartner has segregated the vendors into – BTH and Showpad.

BTH provided the following chart in its FY19 Results presentation dated 29 August 2019 (NB It is stylised and so not to scale). All the competitors are unlisted private companies. We believe that Seismic is the largest player in the Sales Enablement software field with revenue of ~US\$80-100m, it having acquired another major player called SAVO in 2018.

SAVO itself had acquired KnowledgeTree in 2017, so there appears to be some industry consolidation going on by the major players, including by BTH.

We review the named competitors and some of their recent acquisitions below.



*Source: The Growth of Content Management, Cloud Office Suites, and Sales Engagement and the Total Sales Technology Market for 2015 to 2021. Aragon Research.
* All brands and trademarks are the property of their respective owners.
* Not to scale.



Source: BTH results presentation, page 23

Appendix 5 – BTH Acquisitions since listing

Contondo Inc. (announced 18/6/18)

Innovative sales enablement automation tools that focus on the discovery and classification of available sales and service content while enhancing performance measurement. All Contondo software engineers were retained and integrated into BTH's global product development team.

- Employees: < 10.
- Founded 2011, Haifa, Israel.

Source: https://finder.startupnationcentral.org/company_page/contondo

Consideration not material, and not visible in the FY18 accounts (could be part of the A\$333k additions to intangibles – refer Note 14 Intangibles in FY18 Annual Report).

Zunos Technologies Pty Ltd / Zunos Inc. (announced 18/6/18)

Zunos was described as a leader in mobile, micro-learning and gamification training. 95% of Zunos revenues are from North America. Customer examples given were American Airlines which has 2,500+ users of Zunos training, Sony PlayStation and Telstra. Expands BTH's presence in the US west coast and mid-west regions, and adds channel partners including Telstra in Australia. Adds core IP to BTH platform in learning and gamification. Headquartered in San Francisco with sales office in Denver Colorado and development teams in Sydney and Brisbane.

- Annualised recurring revenue > A\$3m.
- Founded in 2012 and is based in San Francisco, California. Founders: Stefan Teulon (CEO), Scott Beck (CRO).
- Employees: 10-50.

Source: <https://www.crunchbase.com/organization/zunos#section-overview>

Zunos was acquired for A\$3.25m cash plus a two-year earn-out capped at A\$11m (50% cash, and 50% scrip at future 30 day VWAP). Financed by a \$15m placement at \$0.35 per share and an SPP which raised \$0.9m.

Revenue in year 1 does not seem to have reached the A\$3m target, due to one large project. We have forecast revenue growth of 10% on the FY19 pro-forma revenue figure given in the FY19 Annual Report, to A\$1.9m as shown below. There is upside potential if Zunos revenues do achieve that \$3.0m target. We prefer to be conservative. The acquisition multiple depends on the earn-out, but looks reasonable at around 2.7 – 2.9x sales.

Zunos - announced 18/6/18, completed 31/7/18	Announced 18-06-18 \$m	FY19A 11 mths \$m	Proforma 12 mths \$m	PhillipCapital Estimates FY20e	Change FY20 v FY19
ARR when acquisition announced (A\$m)	1.1				
Forecast revenue multiple	~2.5x				
Actual results & proforma:					
Revenue		1.551	1.692	1.861	10.0%
Costs		-2.532	-2.762	-3.038	10.0%
Pre-tax profit (loss)		-0.981	-1.070	-1.177	10.0%
Pre-tax profit margin %		-63.2%	-63.2%	-63.2%	
Acquisition Cost:					
Cash			3.250	3.250	
Present Value of estimated earn-out for FY19 & FY20			1.619	1.861	
Total per FY19 Annual Report			4.869	5.111	
Revenue multiple			2.9x	2.7x	

Source: Company announcement 18/6/18, FY19 Annual Report note 22; and PhillipCapital estimates

FatStax LLC (announced 25/9/2018)

A leading provider of SaaS sales enablement software to the manufacturing and life sciences industries in the USA. FatStax's sales tools transform spreadsheets, paper catalogs and website content into modern digital catalogs, updating relevant product data instantly and giving sales staff the ability to answer deep customer questions at the product level anywhere and anytime. Ideal for customers with thousands of products.

- Founded in 2010 by Mark Walker and Dr. Rusty Bishop.
- Headquartered in Indianapolis, Indiana with offices in Detroit, Michigan in the mid-west and San Diego, California.
- US \$1.1m annualised recurring revenue (ARR).
- Customers include: American Standard, Boon Edam (revolving doors), Reebok CCM, Pentair (water treatment company), Millipore Sigma (Life sciences business of Merck Germany) and Praxair (largest industrial gases company in USA).
- Consideration US\$1.8m plus up to US\$1.4m contingent 6-month earn-out (2.7x ARR before synergies, assuming earn-out target revenue is met).
- On 15/5/19 BTH announced that FatStax had exceeded the top end of the earn-out sales target and that the maximum US\$1.4m earn-out payment had been made.

We forecast 20% revenue growth for FatStax for FY20 as it seems to be performing very strongly.

FatStax LLC - announced 25/9/18, completed 21/11/18	Announced 25-09-18 \$m	FY19A 7 mths \$m	Proforma 12 mths \$m	PhillipCapital Estimates FY20e	Change FY20 v FY19
ARR when acquisition announced (US \$m)	3.0				
ARR when acquisition announced (A\$m)	4.1				
Forecast revenue multiple	-2.7x				
Actual results & proforma:					
Revenue		0.839	1.438	1.726	20.0%
Costs		-0.800	-1.371	-1.508	10.0%
Pre-tax profit (loss)		0.039	0.067	0.218	224.6%
Pre-tax profit margin %		4.6%	4.7%	12.6%	
Acquisition Cost:					
Cash			2.468	2.468	
Deferred consideration (6 mth earn-out)			1.935	1.935	
Total per FY19 Annual Report			4.403	4.403	
Revenue multiple			3.1x	2.6x	

Source: Company announcement 25/9/18, FY19 Annual Report note 22; and PhillipCapital estimates

Veelo Inc. (announced 25 July 2019)

A pioneer in Sales Enablement based in Portland Oregon established in 2013. Expands BTH's presence and offering in the Technology vertical (70% of sales to this sector), and footprint in the Pacific North-west region. Veelo's award winning platform increases sales performance by guiding sellers on what to know, say and do. It automatically presents relevant sales content based on role, team, program and more. Veelo Vault contains ready-made sales enablement templates built to be concise, interactive and memorable, and work on any device. Veelo also owns the trademark "Guided Selling" which is an important concept and market driver for BTH's target customers.

- Acquired for US\$1.8m cash (A\$2.6m).
- A\$1.1m in sustainable ARR. Sales multiple 2.3x ARR before synergies.
- 15 employees and contractors.
- Founders: Chanin Ballance and Jeff Schwaber.
- Customers include: Google, Qorvo Inc., WePay (Chase Bank).

Source: BTH announcements; LinkedIn

Asdeq Labs (announced 5 September 2019)

Established in 2001 in Hobart, Tasmania. Secure and automatic delivery of documents and data collection on field employee's mobile devices. Its proprietary Asdeq Forms is a fully mobile, cloud-based solution that removes paper-based processes to collect data in the field and sync it directly to existing back end business systems, making field workers more productive on site and reducing error rates.

- Acquired for \$0.49m cash plus 1.0x certain additional pipeline customer sales for the 3 months to September 30.
- Annualised recurring revenue (ARR): A\$0.4m.
- 9 staff.

Xinnovation Inc. (XINN)(announced 30 September 2019)

XINN is a Boston based SaaS company. It is described as a leader in sales enablement for financial services organisations. It has developed a next generation, cloud-based document automation and workflow platform. It has ARR (annual recurring revenue) of A3.0m (US\$2.04m) across 15 customers including 8 of the top 15 investment managers in the world with over A\$10 trillion in AUM (assets under management). Named customers were - Prudential, Mass Mutual, John Hancock and State Street Global Advisors. Plus a pipeline of new customer opportunities.

The financial services vertical is one of the biggest vertical markets for enterprise software globally. XINN offers new green-field market opportunities for BTH's growth in North America, EMEA and Asia/ Pacific.

- Founded in Boston in 2002. Founders: Paul Stansbury and Mohammed Hasan.
- Headquartered in Boston with offices also in Atlanta.
- It has 12 employees and 9 contractors.
- Acquired for US\$7.5m (US \$4.5m cash and US\$2.5m in shares at 30 day VWAP = \$7.0m up-front) and US\$0.5m deferred for 12 months subject to any set-off adjustments.
- In addition 2 key executives of XINN will be eligible for an incentive bonus capped at US\$4.5m calculated as 3.0x ARR at 31/12/19 less US\$7.5m), payable in shares at the same issue price. Escrow and forfeiture /claw back provisions apply for 12-months to 62.5% of the first tranche (being the shares issued to 2 key executives). In respect of the incentive bonus shares, 50% have 12-month escrow and forfeiture conditions and 50% have 24-month conditions.
- Revenue multiple 3.0-3.7x ARR before synergies.
- XINN takes BTH's ARR to A\$27.8m (being FY19 ARR of \$23.4m plus Veelo ~\$1.0m, Asdeq ~\$0.4m and XINN ~\$3.0m).
- Acquisition financed by an A\$20m institutional placement at \$0.54 per share.

Source: BTH announcements; venturefizz.com

Big Tin Can Holdings (BTH)

\$ 0.730

Profit & Loss

Year end June \$m	FY19	FY20e	FY21e	FY22e
Op. Revenue	19.9	34.7	53.1	66.4
Revenue growth %	51.3%	74.6%	52.9%	25.0%
Cost of Goods Sold	(2.4)	(5.0)	(7.4)	(9.0)
Gross Profit	17.5	29.7	45.6	57.4
Gross Profit Margin	87.8%	85.5%	86.0%	86.5%
Other Income	1.9	1.4	0.0	0.0
Cash Operating Expenses	(23.0)	(33.8)	(46.3)	(50.0)
EBITDA	-3.6	-2.7	-0.7	7.4
Ebitda Margin	-18.0%	-7.8%	-1.3%	11.1%
Depreciation & Amort	(0.5)	(2.0)	(2.4)	(2.6)
EBIT	-4.1	-4.7	-3.1	4.7
Ebit Margin	-20.5%	-13.6%	-5.8%	7.1%
Net Interest Income (Expense)	0.1	0.1	0.1	0.1
Share of Assoc NPAT	0.0	0.0	0.0	0.0
Pre-tax profit	(4.0)	(4.6)	(3.0)	4.8
Income Tax Credit (Expense)	(0.1)	(0.1)	(0.1)	(0.1)
Tax Rate	2.2%	2.2%	3.4%	-2.1%
Minorities (share of loss)	0.0	0.0	0.0	0.0
Abnormals	0.0	-0.8	0.0	0.0
NPAT (reported)	-4.1	-5.5	-3.1	4.7
Adjustments (Abnormals)	0.0	0.0	0.0	0.0
NPAT (normalised)	-4.1	-4.7	-3.1	4.7

Balance Sheet

Cash	25.1	68.5	46.4	53.0
Receivables	5.1	8.9	13.6	17.0
Inventories	0.0	0.0	0.0	0.0
Other	2.5	2.5	2.5	2.5
Total current assets	32.7	79.9	62.5	72.5
PP&E	0.2	0.2	0.2	0.2
Investments	0.0	0.0	0.0	0.0
Intangibles	12.9	35.1	56.9	59.7
Deferred tax assets	0.0	0.0	0.0	0.0
Other	0.3	0.3	0.3	0.3
Total non-current assets	13.4	35.6	57.5	60.3
Total Assets	46.2	115.6	120.0	132.8
Payables	-1.6	-2.7	-4.2	-5.2
Interest bearing liabilities - Current	0.0	0.0	0.0	0.0
Deferred revenue - current	-9.1	-15.0	-18.0	-21.5
Provisions	-0.5	-0.5	-0.5	-0.5
Other	-3.1	-3.1	-3.1	0.5
Total Current Liabilities	-14.2	-21.2	-25.7	-26.7
Interest-bearing liabilities - Non-curren	0.0	0.0	0.0	0.0
Deferred revenue - non-current	-0.5	-2.9	-2.9	-2.9
Provisions	-0.1	-0.1	-0.1	-0.1
Other	-2.8	-4.1	-6.4	-11.8
Total Non-current Liabilities	-3.4	-7.0	-9.3	-14.7
Total Liabilities	-17.6	-28.3	-35.0	-41.5
Total Shareholders' Equity	28.6	87.3	85.0	91.3

Interims

Year end June	1H19	2H19	1H20	2H20e
Sales	9.4	10.5	14.3	20.4
Sales Growth (%)	56.2%	47.1%	51.2%	95.6%
EBITDA profit (loss)	-1.8	-1.8	-2.2	-0.5
EBITDA Margin	-18.8%	-17.3%	-15.6%	-2.4%
EBIT	-1.8	-2.3	-3.2	-1.5
Equity Share of Assocs NPAT	0.0	0.0	0.0	0.0
NPAT (Reported)	-2.0	-2.1	-4.0	-1.5
NPAT (Adjusted)	-1.7	-2.3	-3.2	-1.5
EPS (adjusted)(cents)	-0.8	-1.0	-1.1	-0.4
EPS Growth	-55.8%	-48.9%	42.7%	-57.1%
DPS (cents)	0.0	0.0	0.0	0.0

Source: Phillip Capital estimates

Per share & Ratio data

Year end June	FY19	FY20e	FY21e	FY22e
Shares on Issue - Wavge (f/d)	228.2	301.9	375.3	385.5
Shares on Issue - at year-end	261.9	374.0	375.3	378.3
Reported EPS (cents)	(1.8)	(1.8)	(0.8)	1.2
Growth	-52.2%	1.7%	-55.0%	-249.6%
P/E ratio (x)	-40.8x	-40.1x	-89.1x	59.6x
EPS (normalised)(cents)	(1.8)	(1.6)	(0.8)	1.2
Growth	-52.2%	-12.9%	-47.5%	-249.6%
P/E ratio (x)	-40.8x	-46.8x	-89.1x	59.6x
DPS (cents)	0.0	0.0	0.0	0.0
Franking	0%	0%	0%	0%
Yield	0.0%	0.0%	0.0%	0.0%
OCF per share (cents)	-2.9	0.7	-0.3	1.9
Price/OCF (x)	-25.4x	105.5x	-285.1x	39.2x
Enterprise Value \$m	250.2	212.4	234.2	228.8
EV/ Sales	12.6x	6.1x	4.4x	3.4x
EV/EBITDA	-69.7x	-78.4x	-347.4x	31.1x
EV/EBIT	-61.4x	-45.1x	-76.2x	48.4x
Liquidity & Leverage				
Net Cash (Debt) \$m	25.1	68.5	46.4	53.0
Net Debt / Equity %	n/a	n/a	n/a	n/a
Net Debt / EBITDA	n/a	n/a	68.9x	n/a
ROA (EBIT / T.Assets) %	-8.8%	-4.1%	-2.6%	3.6%
ROE (NPAT / T.Equity) %	-14.3%	-5.4%	-3.6%	5.2%
Interest Cover (EBIT)	n/a	n/a	n/a	n/a
Dividend Payout % (of adj EPS)	n/a	n/a	n/a	n/a

Cash Flow

EBITDA	-3.6	-2.7	-0.7	7.4
Chge in Working Capital	-1.4	5.6	-0.3	-0.3
Interest Received (Paid)	0.2	0.1	0.1	0.1
Income taxes paid	0.0	-0.1	-0.1	0.0
Other	-1.8	-0.8	0.0	0.0
Operating cash flows	-6.6	2.1	-1.0	7.2
Capex	-0.2	-0.3	-0.1	-0.2
Acquisitions	-5.6	-12.0	-19.0	0.0
Investments	0.0	0.0	0.0	0.0
Other (Capitalised R&D)	-1.8	-3.2	-2.0	-2.0
Net investing cash flows	-7.6	-15.5	-21.1	-2.2
Equity raised (bought back)	15.5	57.2	0.0	1.6
Dividends paid	0.0	0.0	0.0	0.0
Change in Debt	0.0	0.0	0.0	0.0
Other	0.0	-0.4	0.0	0.0
Financing cash flow	15.5	56.8	0.0	1.6
Change in Cash	1.3	43.4	-22.1	6.6

Revenue by Geography

Australia	1.3	1.7	2.1	2.7
United States	16.5	21.9	28.1	35.1
Rest of World	2.1	2.8	3.5	4.4
Acqns (Veelo, Asdeq, XINN)	0.0	4.7	5.3	8.6
Total Revenue	19.9	31.0	46.4	60.0
Revenue Growth	51.3%	74.6%	52.9%	25.0%

Major Shareholders

	Shares (m)	% of coy
Regal Funds Management Pty Ltd	49.088	13.3%
Australian Ethical Investment Limited	29.786	8.1%
Keane (Lai Sun)(spouse of David Keane, CEO)	24.340	6.6%
Southern Cross Venture Partners Pty Ltd (related to John Jensen/Cohen Holdings Pty Ltd)	14.930	4.0%
Fidelity Management & Research Company	4.360	1.2%
Wasatch Global Investors Inc	3.050	0.8%
Ginga Pty Ltd	2.840	0.8%
Aotearoa Investment Company Pty Ltd	2.500	0.7%
Turco (Anthony)	1.600	0.4%

Source: ASX announcements, Refinitiv

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>20%	10% – 20%	0% – 10%	0% to -10%	>-10%

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