

DIGITAL WINE VENTURES (DW8)

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ACQUISITION OF KADDY – LET THE DRINKS FLOW

We say

Price

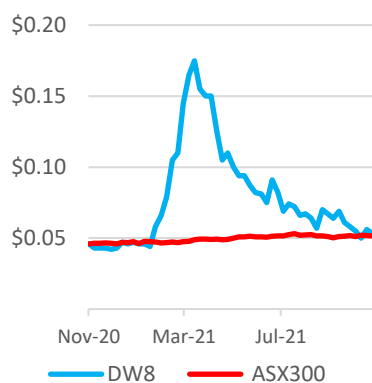
Target

BUY

0.051 0.09

With the catalysing acquisition of Parton, DW8 brought the specialist wine logistics fulfillment capability in-house and delivered DW8 the ability to generate logistics and transactional revenues. The subsequent acquisition of the Kaddy B2B marketplace adds a highly synergistic technology platform, new suppliers and products and over 1,500 buyers. The merged business is highly differentiated and increasingly difficult to replicate. **Maintain BUY, Reduce TP from \$0.10 to \$0.09.**

SHARE PRICE VS ASX300



FINANCIAL DATA \$M

	FY21A	FY22E
Revenue	2.8	25.0
NPAT (Reported)	-6.9	-3.4
EPS (Normalised ¢)	-0.5	-0.1
EPS Growth	-134%	69%
PE Ratio	-11.2	-36.3
Dividend Yield	0.0%	0.0%

PERFORMANCE

ROIC	-202%	-10%
Gearing (ND/ND+E)	0%	0%
ROE	-149%	-11%

COMPANY DATA

Enterprise value	\$98m
Market cap	\$109m
Issued capital	2,142.0m
Free float	94%
12-month price range	\$0.04 - \$0.21
GICS sector	Application Software

EXPECTED RETURN

Capital growth	76%
Dividend yield	0.0%
Total expected return	76%

KADDY ACQUISITION

The acquisition of Kaddy for \$34.25m is subject to shareholder approval and comprises a cash component of \$6.75m and a scrip component of 484.85m DW8 shares for \$0.05672 each. In 2 years, Kaddy has grown its Gross Merchandise Value (GMV) to \$4m per quarter. Earn-out thresholds target \$100m TTM GMV over the next two years.

CREATES MARKET LEADER MAINTAIN BUY, TP \$0.09

DW8's acquisition of Kaddy is transformational and has accelerated the development of DW8's vision to create an integrated technology based online marketplace servicing Australia's \$17bn wholesale liquor market. With very little overlap between DW8's and Kaddy's customer databases, the acquisition of Kaddy is a major step change in scale and provides an increasingly defensible competitive moat.

We make no changes to our revenue and EBITDA assumptions which already contemplate the development of a direct to trade marketplace. Kaddy delivers complementary technology, products, suppliers and buyers materially de-risking DW8, so we reduce the beta in our DCF based target price from 1.5 to 1.2 – partially offsetting the impact on our valuation of a higher share-count.

KADDY ACQUISITION

On 15th October, DW8 announced its agreement to acquire 100% of Kaddy for consideration of \$34.25m (subject to shareholder approval), for a combination of \$6.75m in cash and \$27.5m in scrip.

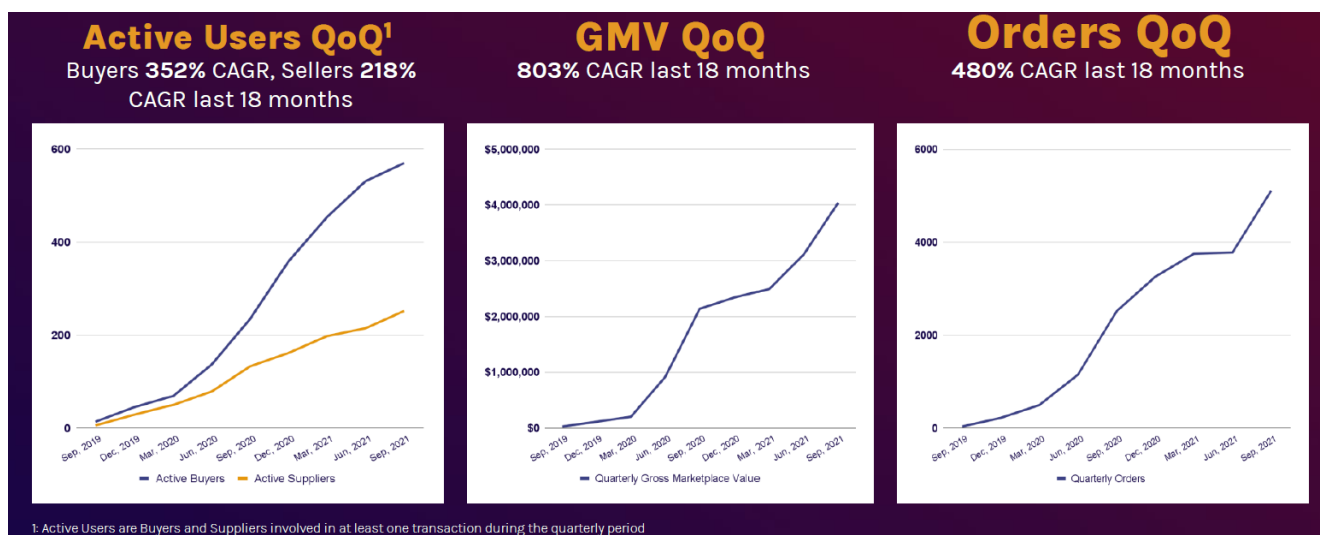
Launched in September 2019, Kaddy is the leading B2B beverage marketplace in Australia with:

- Over 400 suppliers, being producers, distributors and importers mainly in craft beers, spirits, cider and seltzer;
- Over 9,000 products;
- Over 1,500 registered buyers, mostly off-premise NSW and Vic venues such as bottle shops and liquor retailers.

Furthermore,

- The Kaddy platform handles orders, delivery and payments and currently has an annualised Gross Merchandise Value (GMV) of c.\$18m based on the September 2021 run-rate. This was from a ZERO base just two years ago.
- Suppliers manage Kaddy's external fulfillment model and are thus exposed to any potential service constraints imposed by peaking demand conditions.

KADDY GROWTH METRICS



Source: Company Presentation

COMPLEMENTARITY WITH WINEDEPOT

The over-riding attraction of this acquisition to DW8 is the complementarity and fit between Kaddy and the WINEDEPOT platform. Kaddy delivers a leading advanced B2B technology platform to the group at a time when covid had paused the rollout of its own B2B direct to market platform product.

There is little to no overlap between Kaddy and WINEDEPOT in the sense of their respective supplier groups, products and buyer groups. Each group brings critical pieces of the puzzle together to create a unique business proposition which is becoming increasingly difficult to replicate:

1. WINEDEPOT's 600+ suppliers are mainly wine focussed whereas Kaddy's 400+ suppliers are mainly craft beer, spirits, cider and seltzers;
2. Kaddy 9,000+ new products complement WINEDEPOT's 1,000+ existing products;
3. Kaddy brings 1,500+ mainly off-premise registered buyers to WINEDEPOT's 350+ mainly on-premise buyers.
4. WINEDEPOT brings an end-to-end national logistics solution to the merged group, providing Kaddy with an in-house logistics solution and service guarantee.
5. The Kaddy platform handles transactions and eases the administrative burden by centralising ordering, invoicing and processing of payments.

MERGED OPERATIONS



Source: Company Presentation

CHANGES TO FORECASTS

Our updated forecasts take into account:

- A \$14.4m capital raise and agreement to acquire leading B2B marketplace Kaddy for consideration of \$34.25m which includes a cash component of \$6.75 as discussed above.
- The Kaddy B2B marketplace acquisition is consistent with DW8's original ambitions to create a B2B marketplace.
- A \$3.6m one-off expense in relation to the Parton acquisition being satisfaction of various outstanding trade creditors and tax liabilities.
- The temporary repayment of an outstanding invoice-discounting facility, estimated by BOEQ to be \$3m. We have assumed that the underlying assets have been taken on balance sheet, "pending restructuring of Parton's borrowings".
- Kaddy assets have been assumed to be largely Intangible, comprising software IP, customer lists and goodwill.
- Pending successful completion of the Kaddy acquisition, we expect to see the merged balance sheet with the upcoming December interim result.
- Approval is being sought for the issuance of 484.8m of Kaddy consideration shares to the vendors of Kaddy at a price of \$0.05672 per share.

OPERATIONAL UPDATE

On 29th October 2021, DW8 provided an operational update which included the September quarter and the inclusion of Parton following completion of its acquisition on 9 August.

	Orders Processed - Quarter	Quarter Growth vs pp	Cases Shipped - Quarter	Quarter Growth vs pp	Cases Per Order (Qtr)	Revenue (\$)	Revenue Increase vs pp	Rev/Order (\$)	Rev/Case (\$)
Mar-20	4,234	74%	7,785	258%	1.84	140,000	100%	34.87	17.98
Jun-20	7,754	83%	13,840	78%	1.78	270,000	93%	34.82	19.51
Sep-20	12,217	58%	22,394	62%	1.83	400,277	48%	32.76	17.87
Dec-20	24,738	102%	45,252	102%	1.83	712,498	78%	28.80	15.75
Mar-21	29,174	18%	61,939	37%	2.12	768,458	8%	26.34	12.41
Jun-21	32,850	13%	75,377	22%	2.29	1,020,000	33%	31.05	13.53
Sep-21	72,920	122%	213,159	183%	2.92	3,040,000	198%	41.69	14.26

Source: BOEQ

If Parton is included for the full three-month period to 30 September 2021, revenue for the quarter would have been c.\$4.6m. Operationally, this would have equated to approximately 95k orders processed and approximately 315k cases shipped, based on analysis provided by the company.

REVENUE AND FORECASTS

DW8's acquisition of Kaddy brings an active customer base of over 1,500 off-premise venue customers and an advanced proprietary technology platform which digitally connects suppliers and venues. This platform will now form the foundations of the WINDEPOT DIRECT platform

which was initially launched in April 2021 prior to being moth-balled due to the onset of the second covid lockdown in NSW and Victoria.

The Kaddy platform is more developed and featured than the original WINEDEPOT MARKET platform and complementary to DW8's IT development plans. The acquisition has allowed us to maintain our revenue and earnings forecasts within their original growth envelope despite the advent of the second lockdown in the key NSW and Vic states.

DW8 has provided additional information in relation to the target market and the opportunity available:

TRANSACTIONAL REVENUE		LOGISTICS REVENUE		SUBSCRIPTION REVENUE	
SEGMENT VALUE		VOLUME OF CASES		POTENTIAL USERS	
\$20b		190m		175,000+	
Total addressable market		Total addressable market		Employees within the target market	
\$17b		170m		50,000+	
Wholesale liquor market		Est. wholesale volume at \$100 per case		Total licenced venues	
+ \$1.8b		+ 10m		3,850+	
Online liquor retail market		Est. online volume at \$150 per case		Combined producers	
+ \$1.2b		+ 10m		2,500+	
DTC wine, beer & spirits market		Est. DTC volume at \$150 per case		Distributors	

Source: Company Presentation

DW8's vertically integrated platform has the ability to generate revenue across multiple verticals over time. Our forecasts contemplate the transactional revenue and the logistics revenue opportunities, with potential upside to this with the development and growth of subscription revenues.

Our Logistics revenue and Transactional (Kaddy) revenue forecasts are summarised below:

\$million	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
LOGISTICS Revenue	23.0	34.8	53.9	60.2	74.0	90.9	111.4	136.5	167.0	204.0
Pct Total Revenue	92%	89%	85%	76%	75%	74%	72%	71%	69%	68%
Revenue per case	\$15.00	\$15.30	\$15.92	\$16.24	\$16.56	\$16.89	\$17.23	\$17.57	\$17.93	\$18.28
Cases (m)	1.5	2.2	3.4	3.7	4.5	5.4	6.5	7.8	9.3	11.2
Aust. Market est. (m cases)	170	173	177	180	184	188	191	195	199	203
DW8 Wholesale Marketshare	0.9%	1.3%	1.9%	2.0%	2.4%	2.8%	3.3%	3.9%	4.6%	5.4%
KADDY Revenue	2.0	4.1	9.2	18.7	24.6	32.4	42.7	56.1	73.8	97.0
Pct Total Revenue	8%	11%	15%	24%	25%	26%	28%	29%	31%	32%
GMV per case	\$100	\$102	\$104	\$106	\$110	\$113	\$115	\$117	\$120	\$122
Cases (m)	0.4	0.7	1.5	2.9	3.6	4.4	5.5	6.8	8.5	10.6
GMV (\$m)	38	75	160	311	394	499	632	802	1,018	1,294
Revenue per case @	5.0%	5.3%	5.5%	6.0%	6.3%	6.5%	6.8%	7.0%	7.3%	7.5%
Revenue per case (\$)	\$5.36	\$5.72	\$6.10	\$6.49	\$6.90	\$7.32	\$7.75	\$8.20	\$8.66	\$9.14
Wholesale Liquor Mkt Share	17.0bn	0.2%	0.4%	0.9%	1.7%	2.2%	2.7%	3.4%	4.3%	5.3%
TOTAL Revenue	25.0	38.9	63.1	78.9	98.6	123.3	154.1	192.6	240.8	301.0
Growth	792%	56%	62%	25%	25%	25%	25%	25%	25%	25%
Kaddy cases using DW8 (m)	0.1	0.4	1.1	2.2	2.7	3.3	4.1	5.1	6.4	8.0
% Kaddy cases using DW8	25%	50%	75%	75%	75%	75%	75%	75%	75%	75%
Kaddy share of DW8 logistics	6%	16%	33%	58%	60%	62%	64%	66%	69%	71%

Source: Company, BOEQ

The above analysis of our forecasts conforms to the market opportunity outlined by the company in the previous pictorial. The current wholesale liquor market has been estimated at \$17bn based on:

- a). 60% of the \$22.1 billion Total Retail Liquor Market cost of goods (Retail Drinks Australia, Category Insights - Liquor projections for FY21 and beyond presented by IRI - May 2021); and
- b). 25% of the \$15.1 billion on-premise cost of goods, the difference between the Total Retail Liquor Market and Total Liquor Market

Source: <https://www.statista.com/outlook/cmo/alcoholic-drinks/australia>

We believe our forecasts are achievable and reflect:

- a). a wholesale liquor industry of c.\$17bn or 170m cases currently, growing at 2% pa over the longer term.
- b). by 2026, we expect DW8's logistics platform will account for 2.6% wholesale market share.
- c). by 2026, Kaddy / WINEDEPOT MARKET will account for GMV of \$394m or 2.2% wholesale liquor market share.
- d). we expect that Kaddy cases will become an increasing proportion of cases handled by the Logistics platform, scaling to 75% of logistics throughput over time.
- e). by 2026, Kaddy customers represents a 60% share of all cases handled by DW8's logistics platform.

VALUATION AND RISKS

Our valuation approach remains unchanged. As an early-stage disruptor, we continue to contemplate a long dated DCF based valuation as the most appropriate approach. Accordingly, our discount rate assumptions are also long term and in the case of our ERP assumption of 5%, this accords with stable long term real equity yields. Similarly, our long-term risk-free rate reflects expectations of long-term inflation norms and a real growth factor.

Since our initiation report in August, DW8 has continued to de-risk its business platform. Following the acquisition of Parton and the internalisation of the logistics function, DW8 has reached agreement to acquire Kaddy. This acquisition is highly complementary and crystallises customer acquisition and platform development initiatives, further de-risking DW8's business platform.

In parallel with the de-risking of the platform, we have observed a decline in the market Beta of DW8 and accordingly adjusted our choice of Beta from 1.5 to 1.2, using monthly data over a 3 year period.

Due to the influence of a greater number shares on issue, our DCF valuation drops from 10¢ to 9¢, with diminution due to the large increase in share count partly mitigated by the reduction in the assumed Beta as discussed above.

(\$m)	30-June	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenue		25.0	38.9	63.1	78.9	98.6	123.3	154.1	192.6	240.8	301.0
Revenue Growth		792.4%	56.0%	62.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
EBITDA		-1.9	3.2	9.0	11.7	15.3	19.8	25.8	33.5	43.6	56.7
Growth Rate		-71.7%	-273.7%	178.2%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
EBITDA Margin		-7.5%	8.3%	14.3%	14.9%	15.5%	16.1%	16.7%	17.4%	18.1%	18.8%
Tax Paid		-	(0.3)	(2.2)	(2.9)	(3.7)	(4.9)	(6.3)	(8.2)	(10.7)	(13.9)
P&L Tax Rate		0.0%	21.4%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Working Capital		(1.3)	(0.6)	(1.0)	(1.2)	(1.6)	(1.9)	(2.4)	(3.0)	(3.8)	(4.7)
W/C as a Pct Sales		1.5%	3.4%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Capital Expenditure		(0.6)	(1.0)	(1.7)	(2.1)	(2.7)	(3.3)	(4.2)	(5.2)	(6.5)	(8.1)
Capex as a Pct Sales		2.4%	2.6%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Free CashFlow		(3.8)	1.3	4.1	5.5	7.3	9.7	12.9	17.1	22.6	29.9
Date:	18-Nov-21	30-Jun-22	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31
Discount Factor:		0.99	0.91	0.83	0.76	0.70	0.64	0.59	0.54	0.50	0.46
Present Value of Free CashFlow		(2.3)	1.2	3.4	4.2	5.1	6.2	7.6	9.2	11.2	13.6
Terminal Year CashFlow											30.8
Terminal Value											342.2
Present Value of Terminal Value											156.0
Present Value of Free Cash Flow			59.6								3.0%
Present Value Of Terminal Cash Flow			156.0								11.1
Other			-								0.0%
Less: Net Debt (Cash)			(11.3)	Fcast 31-Dec-21							1.20
Total Net Present Value Equity			226.8								
Number of Shares (Million)			2,747.8	Incl. 120.9m Opt & Perf Rts							Equity Beta
Equity DCF Value per Share			\$0.09								Long Term Risk Free Rate
Franking Credits Value Per Share											Equity Risk Premium
Equity DCF Per Share Inc. Franking			\$0.09								Cost Of Equity
											9.0%

Source: Company, BOEQ

RISKS

Logistics Volumes - Logistics volumes and hence DW8's revenue base are affected by underlying economic activity. The economic climate may impact the hospitality sector differentially and suppress volumes which flow through DW8's platform. The impact of Covid has been felt particularly harshly by the hospitality sector, however may in fact provide a catalyst for the longer-term adoption of DW8's platform.

Implementation Risk – DW8 has just acquired two companies significantly increasing its revenue and transaction base. There are significant implementation risks as the respective platforms merge and normalise their operations over time. The existence of meaningful earn-out provisions provides the necessary alignment of interest to mitigate this risk.

Geo-Political Risks – DW8 aspires to implement its trading and fulfillment model into other countries, once established and proven in Australia. The recent withdrawal of Chinese buyers from the Australian market highlights the ongoing and significant geo-political risks which may befall this strategy. It is of no concern at the present however, as DW8 focusses on the development and expansion of the Australian business.

New Entrants - A potential new entrant would have to (i) develop a platform that is equivalent to DW8's; and (ii) build a reputation with wine producers. Having acquired substantial access via the WDA acquisition and more recently the Parton acquisition, DW8 are in a significantly stronger position. Once embedded in client operations, DW8's platform enjoys incumbency and is part of a generational technology switch-out, so any further changes are unlikely unless driven by platform performance issues and ongoing unit economics.

Regulatory – DW8 is operating in a regulated environment as a distributor of liquor and alcoholic beverages. It is also engaging in the provision of financial services via its fintech partner Earlypay and the B2B BNPL product called LIQUIDITY. While no changes to regulation are currently anticipated, it will always remain a risk and is best mitigated by an ongoing focus on compliance and strong systems.

Profitability – DW8 is on a path to cashflow and profit breakeven, however it is via the implementation of a new and untried business model. While we believe that the company has the ability to succeed with this and that the model itself will thrive and be accepted by trade, there is a risk that it does not, and this will be partly mitigated by current cash balances which we forecast at over \$12m following the recent capital raise.

BOARD OF DIRECTORS

Digital Wine Ventures board of four has a total of three non-executive members. There is a considerable blend of backgrounds and relevant wine industry experience across the board.

Mr Paul Evans MA - Non-Executive Chairman (appointed NED 1-Nov-19, NEC 6-Dec-19)

Paul has 29 years of private equity experience with 3i in the United Kingdom and with AMP, Gresham, Ironbridge and Pacific Road in Australia. After six years as a Director of AMP Private Equity, where he led several of Australia's leading management buyouts, Paul left to join Gresham in 2001 as a director. There he led the A\$252m buyout of car parts group Repco in 2001. In 2003 Paul became one of the Founding Partners of Ironbridge and has represented Ironbridge Funds on the Boards of Barbeques Galore, iNova Pharmaceuticals and Amart Furniture. Since 2017, Paul has been Director, Operations for Pacific Road Capital. Paul obtained a first-class Honours degree in Modern Languages from Cambridge University. He is also a keen wine collector and the current Chairman of the Advisory Board at Elderton Wines.

Mr Dean Taylor B.Arch (Hons) - Executive Director and CEO (appointed 1 February 2019)

Originally an architect, Dean established Wine Ark in 2000, a climate-controlled storage business which now manages over \$100m of wine across over a dozen sites around the country. Wine Ark was acquired by National Storage (ASX: NSR) in 2007. In 2003 he launched Wine Exchange an online wine trading platform and The Cellar Club an ultra-premium wine club, which were acquired by Cellarmasters in 2009 and later sold onto Woolworths in 2011 as part of a \$340m transaction. In 2010 he founded Crackawines.com.au a direct-to-consumer marketplace that became one of Australia's top 50 online retailers. Catering for niche market segments, he also launched Winegrowers Direct and My Wine Guy, before merging those businesses with The Wine Society to form The Wine Collective. Mr Taylor is a digital pioneer and start-up veteran with seven successful wine ventures under his belt.

James Walker B.Com (UNSW), FCA., GAICD - Non-Exec. Director (appointed 30 Sept 2019)

James is a seasoned executive, with a track record in successfully commercialising cutting-edge technology in emerging markets. He has headed a number of Australian and international technology companies, including Chief Executive at DroneShield (ASX:DRO), Chief Financial officer of Seeing Machines (AIM: SEE) and held leadership positions in a number of growth technology companies. Mr Walker is currently a Non-Executive Director of Buglass Ltd.

Michele Anderson B Com / LLB (UNSW), MBA (Wharton), MW, GAICD – Non-Exec. Director (appointed 1 July 2021)

Michele is a business executive focused on growth, digital transformation and operational leadership, with considerable wine industry expertise. Michele is recognised as one of the most influential women in Silicon Valley and in the global wine business and was awarded the Master of Wine (MW) in 2011. There are approximately 400 people in the world who have been awarded the MW. Michele, along with her MW peers, is considered a leading global expert on wine. Michele holds an MBA from the Wharton Business School, a BComm/LLB from the University of New South Wales and is a graduate of the Australian Institute of Company Directors. Michele returned to Sydney in March 2021 after a 30-year international career. Michele is also an independent director of Baron Philippe de Rothschild S.A., a leading French wine business.

Stock Details

Recommendation	BUY	52 Week High	\$0.21	Shares on Issue	2,142.0m
Valuation	\$0.09	52 Week Low	\$0.04	Market Cap	\$109m
Share price	\$0.051	Avg Mthly Value	\$29.9m	Enterprise Value	\$98m
Upside/downside	76%	Financial Year End	30-June	Free Float	94%

Profit & Loss (\$m)	FY20A	FY21A	FY22E	FY23E	FY24E
Operating Revenue	0.5	2.8	25.0	38.9	63.1
Other Revenue	0.0	0.0	0.0	0.0	0.0
Total Revenue	0.5	2.8	25.0	38.9	63.1
Operating Costs	-2.5	-9.4	-26.8	-35.7	-54.1
EBITDA (Inc.Assoc)	-2.0	-6.6	-1.9	3.2	9.0
D&A	0.0	-0.3	-1.6	-1.8	-1.8
EBIT	-2.0	-6.9	-3.5	1.5	7.3
Net Interest Expense	0.0	0.0	0.1	0.1	0.1
Pre-Tax Profit	-2.0	-6.9	-3.4	1.6	7.4
Tax Expense	0.0	0.0	0.0	-0.3	-2.2
Minority Interests	0.0	0.0	0.0	0.0	0.0
NPAT Normalised	-2.0	-6.9	-3.4	1.2	5.2
Pref Dividends	0.0	0.0	0.0	0.0	0.0
One-Offs after tax	0.0	0.0	-4.3	0.0	0.0
NPAT Reported	-2.0	-6.9	-7.7	1.2	5.2

Balance Sheet (\$m)	FY20A	FY21A	FY22E	FY23E	FY24E
Cash	0.6	6.4	10.2	12.1	16.3
Inventory	0.0	0.1	0.0	0.0	0.0
Receivables	0.2	0.6	3.1	4.8	7.8
Other	0.1	0.1	3.1	3.1	3.1
Current Assets	0.8	7.1	16.4	20.0	27.2
PPE	0.0	2.6	6.7	6.1	6.1
Intangible Assets	0.4	2.7	36.8	36.8	36.7
Other	0.0	0.4	0.4	0.4	0.4
Non-Current Assets	0.4	5.8	44.0	43.3	43.2
Total Assets	1.2	12.9	60.4	63.2	70.4
Payables	0.3	1.0	2.1	3.2	5.2
Interest Bearing Liabs	0.0	0.4	0.4	0.4	0.4
Other	0.4	0.6	0.6	0.6	0.6
Current Liabilities	0.7	2.1	3.1	4.3	6.3
Interest Bearing Liabs	0.0	2.0	2.0	2.0	2.0
Other	0.0	0.0	5.0	5.0	5.0
Non-Current Liabilities	0.0	2.0	7.0	7.0	7.0
Total Liabilities	0.7	4.1	10.1	11.3	13.3
Contributed Equity	9.5	23.7	72.8	73.3	73.3
Reserves + Retained	-9.0	-14.9	-22.6	-21.3	-16.2
Minorities & Convertibles	0.0	0.0	0.0	0.0	0.0
Total Equity	0.5	8.8	50.2	51.9	57.1

Cashflow Statement (\$m)	FY20A	FY21A	FY22E	FY23E	FY24E
Gross Operating Cash Flow	-1.8	-5.8	-3.2	2.7	8.0
Net Interest	0.0	0.0	0.1	0.1	0.1
Tax Paid	0.0	0.0	0.0	-0.3	-2.2
Other	0.0	0.0	0.0	0.0	0.0
Net Operating Cash Flows	-1.8	-5.8	-3.1	2.4	6.0
Payments for PPE	0.0	-0.2	-0.6	-1.0	-1.7
Payments for Acquisitions	0.0	-0.5	0.0	0.0	0.0
Other	-0.1	0.0	-41.6	0.0	0.0
Net Investing Cash Flows	-0.1	-0.7	-42.2	-1.0	-1.7
Net Share Issues	1.7	12.3	49.1	0.4	0.0
Net Borrowings	0.0	0.0	0.0	0.0	0.0
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Other	-0.1	0.0	0.0	0.0	0.0
Net Financing Cash Flows	1.6	12.3	49.1	0.4	0.0
Change in Cash Held	-0.3	5.8	3.9	1.9	4.3
Cash at Beginning of Period	0.9	0.6	6.4	10.2	12.1
Adjustments	0.0	0.0	0.0	0.0	0.0
Cash at End of Period	0.6	6.4	10.2	12.1	16.3

Ratio Analysis	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue Growth	1199.8%	448.0%	792.4%	56.0%	62.2%
EBITDA Growth	21.0%	230.6%	-71.7%	-273.7%	178.2%
EBIT Growth	22.9%	240.4%	-50.1%	-142.4%	394.1%
NPAT Growth	23.0%	240.4%	-51.6%	-136.9%	318.1%
EBITDA Margin	-391.3%	-236.0%	-7.5%	8.3%	14.3%
EBIT Margin	-399.3%	-248.0%	-13.9%	3.8%	11.5%
Tax Rate	0.0%	0.0%	0.0%	21.4%	30.0%
NPAT Margin	-399.2%	-247.9%	-13.4%	3.2%	8.2%
Net Debt	-0.6	-3.9	-7.8	-9.6	-13.9
Total Debt	0.0	2.4	2.4	2.4	2.4
Current Debt / Total Debt	0.0%	17.7%	17.7%	17.7%	17.7%
Net Debt / Equity	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt / Net Debt + Equity	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT Interest Cover	Large	Large	Large	Large	Large
Total Debt / EBITDA	0.0	-0.6	-2.2	1.2	0.4
EBITDA Cash Conversion	91%	88%	171%	82%	89%
NPAT Cash Conversion	91%	88%	175%	81%	86%
Free Cashflow (FCF)	-1.8	-6.0	-3.7	1.4	4.3
FCF / Operating Cashflow	100%	104%	120%	58%	71%
Working Capital / Sales	-14.8%	-6.5%	1.5%	3.4%	3.3%
Capex / Sales	0%	26%	2%	3%	3%
Depreciation / Sales	0.3%	9.2%	6.1%	4.4%	2.7%
Capex / Depreciation	0%	86%	40%	60%	100%
DUPONT ANALYSIS					
EBIT Margin	-399.3%	-248.0%	-13.9%	3.8%	11.5%
x Interest Burden	1.0	1.0	1.0	1.1	1.0
x Tax Burden	1.0	1.0	1.0	0.8	0.7
x Asset Turnover	0.4	0.4	0.7	0.6	0.9
= ROA	-163.3%	-98.4%	-9.2%	2.0%	7.7%
x Leverage	1.8	1.5	1.2	1.2	1.2
= ROE	-290.1%	-149.1%	-11.4%	2.4%	9.5%
	0.0%	0.0%	0.0%	0.0%	0.0%
ROIC	na	-202.0%	-10.2%	2.4%	11.9%
Shares On Issue (million)	1,158.1	1,667.6	2,626.9	2,626.9	2,626.9
EFPOWA (million)	1,047.7	1,521.1	2,387.1	2,626.9	2,626.9

Share Price: \$0.05	FY20A	FY21A	FY22E	FY23E	FY24E
Normalised EPS (c)	-0.2	-0.5	-0.1	0.0	0.2
EPS Growth	20.1%	-134.4%	69.2%	133.5%	318.1%
PE	-26.2	-11.2	-36.3	108.2	25.9
FCFPS (c)	-0.2	-0.4	-0.2	0.1	0.2
P/FCF	-29.5	-12.9	-33.0	94.1	31.4
DPS (c)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Payout Ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Franking	0%	0%	0%	0%	0%
BVPS (\$)	\$0.00	\$0.01	\$0.02	\$0.02	\$0.02
P/BV	117.20	9.67	2.67	2.58	2.35
NTAPS (\$)	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01
P/NTA	399.44	13.89	10.00	8.84	6.56
EV/EBITDA	-49.1	-14.8	-52.4	30.2	10.8
EV/EBIT	-48.1	-14.1	-28.3	66.7	13.5
EV/EBITDA (at Target \$0.09)	-90.9	-27.5	-97.1	55.9	20.1
EV/EBIT (at Target \$0.09)	-89.1	-26.2	-52.4	123.7	25.0

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