

Clinuvel

Reuters: CUV.AX

Bloomberg: CUV:AU

FDA approval for Scenesse

The US Food and Drug Administration approved Clinuvel's Scenesse treatment for EPP (erythropoietic protoporphyria) as a new molecular entity and medical innovation in the United States. EPP is a rare genetic disorder of the heme biosynthesis pathway which causes severe anaphylactoid reactions and burns (phototoxicity) following even brief exposure to visible light, both of artificial and natural light sources. With the approved new drug application (NDA), Scenesse becomes the first global systemic photoprotective drug for the treatment of patients with EPP, since the drug has been approved in Europe in 2014.

According to our estimates, 4,300 US-EPP patients could benefit from the approval. Since Clinuvel has adopted a uniform global pricing policy, we expect pricing in the US will be similar to Europe, where Clinuvel reached an agreement where annual costs of Scenesse therapy range between EUR 56,000 and EUR 84,600 per EPP patient depending on the number of implant injections. Therefore, we estimate total market for EPP treatment in the US between USD 260 mn and 400 mn.

Even after the FDA approval, we expect a steady positive news flow from Clinuvel in the following months. Main topics will be announcements regarding (1) submissions of New Drug Applications to authorities in Japan (PDMA) and Australia (TGA); (2) the Phase IIa proof of concept study where patients suffering from orphan disease variegate porphyria (VP) will be treated with Scenesse; (3) progress in the upcoming scientific vitiligo studies which would give Clinuvel access to an untapped market of substantial size; (4) announcements of a third indication, most likely xeroderma pigmentosum (XP), a disease which is defined by extreme sensitivity to sunlight (and therefore similar to EPP); and (5) the appeal against the decision of the UK National Institute of Health and Care Excellence (NICE) to not recommend Clinuvel's Scenesse for use by English National Health Service for adult EPP patients (March 14, 2019).

Following the strong outperformance of the shares since initiation of our research coverage in January 2018 (+343.9% vs. ASX 200 +6.2% and DAX -8.4%), we confirm our buy rating for the Clinuvel shares with a base-case scenario equity value of AUD 58.40 per share. In a Monte Carlo simulation, we calculate bear and bull case scenario equity values of AUD 113.60 and AUD 33.10 per share, respectively.

Rating: Buy **Risk:** High
Price: AUD 38.40
Price target: AUD 58.40

WKN/ISIN: A0JEGY/AU000000CUV3

Indices: ASX300, All Ordinaries Index (XAO)

Transparency level: n/a

Weighted number of shares: 47.7 mn

Market cap: AUD 1,833 mn

Daily trading volume: ~9,000 shares

AGM: 20 November 2019

AUD mn (06/30)	2017/18	2018/19e	2019/20e	2020/21
Sales	25.8	51.5	98.6	141.7
EBITDA	12.9	27.2	50.3	71.4
EBIT	12.9	27.2	50.3	71.4
EBT	13.2	28.3	50.9	72.5
EAT	13.5	28.3	50.9	59.3

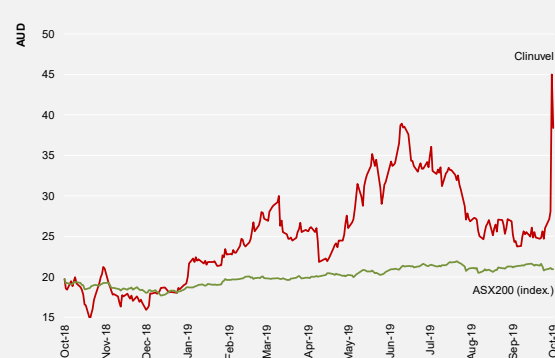
% of sales	2017/18	2018/19e	2019/20e	2020/21
EBITDA	50.3	52.8	51.0	50.4
EBIT	50.3	52.8	51.0	50.4
EBT	51.2	55.0	51.7	51.2
EAT	52.3	55.0	51.7	41.9

Per share (AUD)	2017/18	2018/19e	2019/20e	2020/21
EPS	0.28	0.59	1.07	1.24
Dividend	0.02	0.00	0.00	0.00
Book value	0.83	1.43	2.50	3.74
Cash flow	0.24	0.56	0.98	1.16

%	2017/18	2018/19e	2019/20e	2020/21
Equity ratio	92%	91%	90%	90%
Gearing	-92%	-93%	-92%	-93%

X	2017/18	2018/19e	2019/20e	2020/21
P/ER	39.1	64.7	36.0	30.9
EV/sales	19.0	34.4	17.5	11.8
EV/EBITDA	37.8	65.1	34.3	23.4
P/BR	13.3	26.8	15.4	10.3

AUD mn	18/19e	19/20e	20/21e
Guidance: Sales	n/a	n/a	n/a
Guidance: EBIT	n/a	n/a	n/a



Source: Company data, Sphene Capital forecast

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Being a niche specialist for the treatment of severe genetic and skin disorders, Clinuvel is on its way to a multi-product company in a huge and untapped market, in which Clinuvel has a patent protected monopolistic position, in our view. We have reflected this unique market position in our valuation methodology: a standardized three-stage discounted cash flow (DCF) entity model which, as in our view, best reflects the long-term growth opportunities of the company. Notwithstanding our conservative approach, we calculate a base-case scenario equity value of AUD 2,786 million or AUD 58.40 per share; a Monte Carlo simulation calculates bear and bull case scenario equity values of AUD 33.10 and AUD 113.60 per share, respectively.

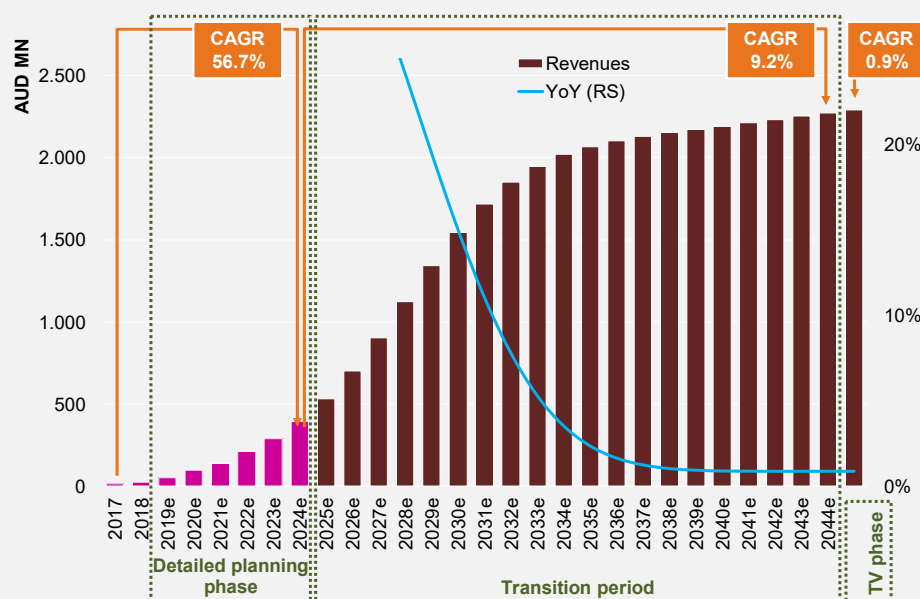
Valuation methodology overview

Our valuation method for Clinuvel is a three-phase and fully integrated discounted cash flow (DCF) model. As it is typical for the industry, Clinuvel's business model is characterized by relatively low tangible capital intensity. Capital requirements for investments in tangible fixed assets have been limited in the last few years, and working capital is negligible, too. Therefore, a high cash conversion rate can, in principle, be deduced from Clinuvel's business model, once market entry has been achieved.

A long-term DCF model should best reflect the rewards of a patent protected market.

In conjunction with our growth-scenario assumptions, a standardized three-phase DCF model with a long-term orientation is therefore the most suitable valuation approach for Clinuvel, in our view.

EXHIBIT 1: REVENUES AND REVENUE GROWTH



We expect a continuation of the most recent strong growth trend in the years 2018/19e-23/24e and forecast an increase in revenues to AUD 393.4 mn (2023/24e). After 2023/24e, we model the so called "rough planning phase" or "transition phase" of our three-stage discounted cash-flow model, which ends in 2043/44e. During this period, we have modelled an average annual revenue growth rate of 9.2% (CAGR 2023/24e-43/44e). Our growth forecast in the terminal value is 0.9%, which is equivalent with the quasi risk-free interest rates in Australia (represented by 10-year sovereign bonds).

SOURCE: SPHENE CAPITAL FORECAST

Basic assumptions of the DCF model

In our standardized three-stage DCF model, we have used detailed income-statement and balance-sheet projections for Clinuvel for the first "detailed planning phase" through 2023/24e. During this period, revenues are expected to grow by an annual average rate of 56.7% (CAGR 2017/18e-23/24e).

The model is based on our detailed income-statement and balance-sheet projections for the period through 2023/24e. This is followed by a second rough-planning phase ending in 2043/44e.

This high growth period is followed by a second “rough-planning phase” ending in the fiscal year 2043/44e. The reader should note that we have included further medicinal indications like vitiligo, XP, and VP, which justifies an extended rough planning phase in our view. During this phase, we have assumed average annual growth rates of 9.2%.

Our growth forecast in the terminal value is 0.9%, which is equivalent with the quasi risk-free interest rates, represented by 10-year Australian sovereign bonds.

Our DCF model is based on the following assumptions:

- § **Pre-tax operating margins:** In the years of the detailed as well as rough planning phase after-tax operating margins should remain rather stable at the levels the company has achieved even today;
- § For the **terminal value** phase, we have assumed pre-tax operating margins of 50.0% which is the current average pre-tax operating margin of global pharmaceutical drug manufacturers;
- § **Marginal tax rates** are expected to be 30.5% over the whole forecast period which is the actual marginal tax rate for Australian companies;
- § Average free cash flow (FCF) **growth rate during the terminal phase** is expected to be 0.9%, which corresponds to the quasi risk-free interest rate of 10-year Australian sovereign bonds, which represent an appropriate benchmark for risk-free growth in our view;
- § Being a debt free company, only rough assumptions about the likely **risk premium for financial debt** can be made. We expect a corporate credit rating of BB. To be on the conservative side, we expect debt risk premiums of about 4.0% in the current depressed credit markets;
- § We calculate a **fundamental beta** of 1.4, which is derived from the following assumptions:

TABLE 1: DERIVATION OF FUNDAMENTAL BETA, 2018/19E-2020/21E

Degree of diversification	0.10
Competitive intensity	0.00
Business model maturity	0.00
Regulatory risks	0.10
Financial risks	0.10
Earnings forecast risks	0.10
Liquidity premium for pre-IPO valuation	0.00
Market beta	1.00
Fundamental beta	1.40

SOURCE: SPHENE CAPITAL FORECAST

- § Current **weighted average cost of capital (WACC)** are composed of the risk-free interest rate of currently 0.9%, determined from the yield on long-term (10-year) Australian government bonds and an implicit risk premium for the overall market of

currently 8.0% (geometric mean). Finally, we assume that Clinuvel is targeting equity and debt capital structure of ~85%/15% representing the current debt to capital ratios of global pharmaceutical drug manufacturers. In total the weighted average costs of capital in the beginning of our detailed planning phase (2018/19e-19/20e) are expected to be approximately 11.9% (for details see the following table 2).

TABLE 2: WACC, 2018/19E-19/20E

Cost of Equity	%	12.1%
Risk free rate 10-year Australian government bond	%	0.9%
Beta		1.40
Risk premium	%	8.0%
Small caps premium	%	1.0%
Management premium	%	1.0%
Liquidity premium	%	0.0%
Private company premium	%	0.0%
Target equity structure	%	85.0%
Weighted costs of equity	%	11.1%
Cost of debt	%	4.9%
Risk free rate 10-year Australian government bond	%	0.9%
Risk premium liabilities	%	4.0%
Tax rate	%	0.0%
Target debt structure	%	15.0%
Weighted costs of debt	%	0.7%
WACC based on target values	%	11.9%

SOURCE: SPHENE CAPITAL FORECAST

- § In our model, Clinuvel will have **WACC in the terminal value**, which do not differ from those of other mature companies. Accordingly, we assume a decrease in WACC from 11.9% to 5.9% in the terminal stage, representing an equity risk premium of 500 bps.
- § Applying a recovery rate of 50%, we calculate an average annual **probability of default** of currently 7.3% for the terminal value (which we consider a very conservative approach);
- § We expect a steadily declining **asset turnover**, enabling Clinuvel to generate revenue growth with lower capex needs in the future;

Our base-case scenario indicates an equity value of AUD 58.40 per share

We calculate an enterprise value of AUD 2,750.0 million. In these computations, 23.6% of our enterprise value calculation is derived from the terminal value, 10.0% from cash flows generated in the detailed planning phase 2018/19e-23/24e and 66.4% from cash flows generated in the subsequent rough planning phase 2023/24e-43/44e.

TABLE 3: DCF VALUATION: SUMMARY OF OUR FINDINGS

Insolvency rate in terminal value	%	7.3%
Terminal Cost of capital	%	5.9%
Present value of Terminal value	AUD mn	649.1
in % of Enterprise Value	%	23.6%
Present value of FCFF during detailed planning phase	AUD mn	276.2
in % of Enterprise Value	%	10.0%
Present value of FCFF during rough planning phase	AUD mn	1,824.7
in % of Enterprise Value	%	66.4%
Enterprise Value	AUD mn	2,750.0
Financial debt	AUD mn	0.0
Excess cash	AUD mn	36.2
Value of equity	AUD mn	2,786.2
Number of shares	mn	47.7
Estimated value per share	AUD	58.40

SOURCE: SPHENE CAPITAL FORECAST

Advanced scenario analysis through Monte Carlo simulation

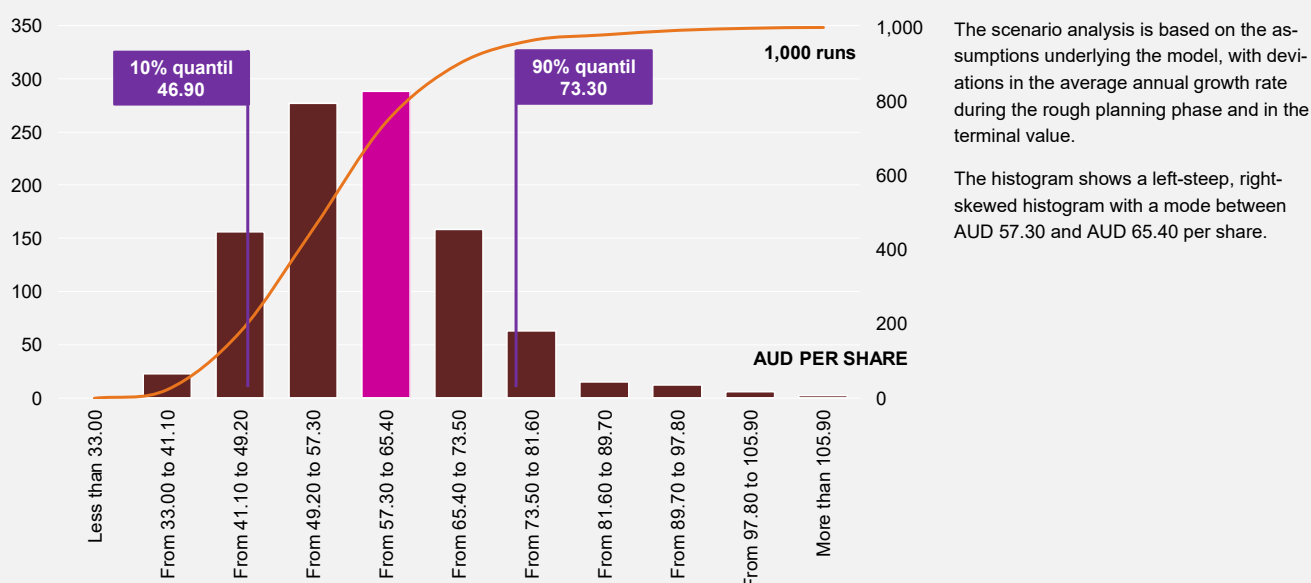
In Figure 2 below, the limits for the growth rate and EBIT margin in the terminal value were further extended and a total of 1,000 combinations of the two parameters were tested and evaluated.

It can be seen that equity values of less than AUD 1,580.0 million or more than AUD 5,422.7 million or less than AUD 33.10 and more than AUD 113.60 per share cannot be achieved by combining the two variable growth rates and EBIT margin in the terminal value, given our assumption regarding revenue growth and terminal value EBIT margins.

Confirmation of our buy rating

Against the background of our expected price potential of 52.1%, we confirm our buy rating for Clinuvel shares.

EXHIBIT 2: MONTE CARLO SIMULATION (1,000 RUNS)



SOURCE: SPHENE CAPITAL FORECAST

Multiples in achieving our price target

On the basis of our financial projections and the base case scenario of AUD 58.40 per share, which we have calculated, Clinuvel shares would be valued with the following multiples:

TABLE 4: VALUATION MULTIPLES OF CLINUVEL-SHARES

		Valuation at current share price			Valuation at price target		
		2018/19e	2019/20e	2020/21e	2018/19e	2019/20e	2020/21e
P/ER	x	64.7x	36.0x	30.9x	98.4x	54.7x	47.0x
EV/sales	x	34.4x	17.5x	11.8x	52.9x	27.2x	18.5x
EV/EBITDA	x	65.1x	34.3x	23.4x	100.2x	53.2x	36.7x
P/BR	x	26.8x	15.4x	10.3x	40.8x	23.4x	15.6x
Dividend yield	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCE: SPHENE CAPITAL FORECAST

Catalysts for our price target

Catalysts for achieving our price target

In our view, the most important catalysts for Clinuvel's stock performance in the coming months are: **(1)** statements on the status of the clinical trials for the vitiligo product, **(2)** further coverage of the immense short selling in the shares, **(3)** a further year-on-year earnings improvement in 2018/19e; **(4)** news about progress regarding a potential treatment of xeroderma pigmentosum (XP); **(5)** news about the progress of the proof of concept study for variegate porphyria (VP); **(6)** statements on the company's willingness to interact with its shareholders.

Weaknesses and risks

Risks to achieving our price target

We see the following weaknesses and risks for our valuation findings: **(1)** Management considers shareholders as only one group among many stakeholders and has not taken their information needs seriously in the past. For example, not disclosing revenues or earnings in the reporting for the first and third quarter, the company's disclosing policy does not meet with international standards for companies of similar size, in our view; **(2)** During the conference call held after the FDA approval, management mentioned M&A activities to be an important element of future corporate strategy; with a vast majority of pharmaceutical takeovers to be value destructive we consider this to be a wrong decision; **(3)** Approval procedures seem to be more time consuming than usual, since many payors have been unaware of the need to treat EPP patients due to the rarity of the disease; **(4)** Since Clinuvel has restricted the product's availability only to those expert centres who have worked with EPP patients, long-term growth could be lower than expected; **(5)** Any safety concerns about the use of Scenesse to treat EPP could delay extension of the product to other applications, or might in a worst case scenario even lead to a distribution halt; **(6)** Turning Clinuvel from a research driven company into a commercial global entity entails certain organizational risks, which could endanger the profitability of the company and therefore our price target; **(7)** Growth from vitiligo might not materialize as expected, because injections may not respond properly to the local spots of non-pigmented skin properly; **(8)** Clinuvel might not be able to handle the complexity of organizational growth and could fail to manage the high-resource R&D and study work necessary for future applications.

Australia-based Clinuvel Pharmaceuticals (Clinuvel) is a biopharmaceutical company developing the photoprotective pharmaceutical drug afamelanotide, a first-in-class dermatological drug that activates the production of melanin, the skin's natural defence against ultraviolet (UV) light, to protect patients from several sun-related diseases. Until now, Clinuvel focuses on the prophylactic treatment of erythropoietic protoporphyria (EPP), a rare and debilitating and antisocial disease that causes acute photosensitivity of the skin. Following the successful launch of the EPP treatment, Clinuvel is now focussing on introducing a Scenesse variant for children, as well as expanding its activities to additional medical indications such as the treatment of vitiligo, a pigmentation disorder, to some also known as Michael Jackson disease, to xeroderma pigmentosum, a skin condition that causes extreme sensitivity to ultraviolet (UV) rays from sunlight and a substantially increased incidence of skin cancer, and to variegated porphyria, a genetic disorder with similar symptoms to EPP.

In 2014, Clinuvel has obtained EMA (European Medicines Agency) authorisation under exceptional circumstances for the marketing of Scenesse in the EU. In 2019, FDA approval was granted in the US. In Germany, therapy costs between EUR 56,000 and EUR 84,600 per EPP patient were negotiated with the German government reimbursement body. Since Clinuvel has adopted a uniform global pricing policy, similar pricing should be negotiated in other countries, in our view.

Key product Scenesse

Clinuvel's lead compound, afamelanotide, is a proprietary first-in-class photo-protective drug. Distributed under the brand name "Scenesse", afamelanotide is a synthetic analogue of the natural peptide hormone Alpha-Melanocyte Stimulating Hormone, short Alpha-MSH or α -MSH. Normally, α -MSH is a naturally occurring hormone which is released by skin cells in response to the stimulation by ultraviolet radiation (UVR) following exposure to sunlight or artificial sources of UV. Despite its very short half-life of only a few seconds in the blood stream, α -MSH stimulates other skin cells (melanocytes) and activates the production of melanin, a dark brown pigment, which provides skin with colour and protection from UV/light. Therefore, melanin is known for its photoprotective effect. People with a melanin disorder, however, fail to produce an adequate rate and quality of melanin, which constitutes the photoprotective pigmentation of skin and hence protects against UVA and UVB.

Scenesse differs from α -MSH in that it is 10-1,000 times more potent and has a half-life of 30 minutes instead of seconds. The drug is even enhanced by Clinuvel's patented controlled release delivery mechanism which involves injecting an implant about the size of a grain of rice under the skin. This mechanism doubles melanin density levels and reduces side effects compared to daily liquid injections of afamelanotide.

Overview of the development pipeline

Scenesse is the only approved drug for treating a rare genetic disease called erythropoietic protoporphyria (EPP). Since product launch, more than 6,700 doses of the drug were delivered in clinical trials and post approval for the EPP treatment. Approximately 95% of patients treated with Scenesse continue treatment beyond the first year. The pipeline includes the following products:

- ⑤ Clinuvel's development pipeline includes a **paediatric** (i.e. for children) **formulation** of Scenesse for EPP.
- ⑤ The second indication where Scenesse may be applied to is **vitiligo**. To date, Clinuvel has undertaken several clinical studies of Scenesse in vitiligo. The first was an open-label study conducted in the US where Scenesse plus UVB therapy was compared with UVB therapy alone. Of 54 patients enrolled, 41 patients completed

the study. The extent of repigmentation in those receiving Scenesse was significantly greater than observed in the control group. A second double-blind (meaning that neither the patients nor those running the trial know which patients are receiving the drug) study was initiated in May 2014. Promising preliminary results were released in December 2015 for the seven patients who had completed the study up to that point, with an additional patient withdrawing consent. Another Phase II study was published in December, where the results showed that the combination therapy was clinically effective in achieving repigmentation in patients with vitiligo.

- § Clinuvel repeatedly announced to actively pursue additional opportunities for the further use of Scenesse in relevant indications of unmet clinical need beyond porphyrias. This third indication could be **xeroderma pigmentosum (XP)**, a rare skin condition that causes extreme sensitivity to ultraviolet (UV) rays from sunlight and a substantially increased incidence of skin cancers. This condition mostly affects the eyes and areas of skin exposed to the sun, in some cases also the nervous system.
- § In addition, Clinuvel has announced to conduct a Phase IIa proof of concept study evaluating the effectiveness of Scenesse in **variegate porphyria (VP)**, a genetic disorder with similar symptoms to EPP and with an estimated 11,600 patients worldwide still categorized an orphan disease.
- § There have been ongoing discussions about a **topical solutions** (i. e. without injection) of Scenesse, which would be effective in protecting against hypersensitivity to the sunburn spectrum of light.
- § In connection with the topical skin care market, Clinuvel announced concrete plans to launch a **non-pharmaceutical product line** under private label in Europe and Asia. These dermatological products should be complementary to Scenesse.

EXHIBIT 3: CHRONIC SKIN LESIONS OF EPP PATIENTS FOLLOWING SUN EXPOSURE



SOURCE: FITZPATRICK'S COLOR ATLAS AND SYNOPSIS OF CLINICAL DERMATOLOGY, DERMOCARE LABORATORIES

Regulatory timeline

In 2010, afamelanotide was added to the list of drugs reimbursable by the Italian National Health System for the treatment of EPP. In 2012, two Swiss insurers agreed to reimburse the drug too. In 2014, Clinuvel received full European approval for the prevention of phototoxicity in adult patients with EPP in Europe following the longest ever regulatory review by the European Medicines Authority (EMA). In June 2016, the first EPP patients received the drug under the approval.

In 2008, Scenesse was granted orphan drug designation by the US Food and Drug Administration (FDA), a New Drug Application (NDA) was submitted to the FDA in June 2018. In 2019, FDA approval was granted for the distribution in the US.

Profit and loss account, 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Revenues	AUD mn	2.3	1.3	2.0	2.5	3.3	6.4	17.0
YoY	%	23%	-43%	52%	29%	29%	97%	165%
Material expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
Gross profit	AUD mn	2.3	1.3	2.0	2.5	3.3	6.4	17.0
in % of total net sales	%	100%	100%	100%	100%	100%	100%	100%
Expenses	AUD mn	-13.6	-11.0	-9.6	-8.5	-14.1	-10.3	-10.0
in % of total net sales	%	-597%	-850%	-491%	-336%	-433%	-161%	-59%
Clinical development	AUD mn	-2.6	-1.8	-1.4	-0.7	-0.2	-0.1	-0.1
Drug formulating R&D	AUD mn	-2.5	-1.0	-0.9	-0.6	-0.5	-1.0	-0.9
Regulatory and non-clinical	AUD mn	-0.8	-0.5	-0.5	-0.3	-0.7	-1.0	-1.0
Clinical, regulatory and commercial overhead	AUD mn	-2.1	-2.1	-1.7	-1.7	-1.3	-1.6	-2.1
Business marketing and listing	AUD mn	-0.6	-0.8	-0.6	-0.5	-0.8	-0.8	-0.8
Licenses patents and trademarks	AUD mn	-0.1	-0.1	-0.2	-0.2	-0.2	-0.3	-0.2
General operations	AUD mn	-4.8	-4.7	-4.4	-4.5	-10.5	-5.6	-4.9
Other operating income	AUD mn	0.0	0.0	0.9	0.5	0.5	0.8	0.2
in % of total net sales	%	0%	0%	48%	18%	14%	12%	1%
Other expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	AUD mn	-11.3	-9.7	-6.7	-5.5	-10.4	-3.1	7.2
in % of total net sales	%	-497%	-750%	-344%	-217%	-319%	-49%	42%
YoY	%	5%	-14%	-30%	-19%	89%	-70%	-329%
Depreciation and amortisation	AUD mn	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.1
in % of total net sales	%	-4%	-5%	-3%	-1%	-1%	0%	0%
EBIT	AUD mn	-11.4	-9.8	-6.8	-5.5	-10.4	-3.2	7.1
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
YoY	%	-1%	-14%	-30%	-19%	88%	-70%	-326%
Interest income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest costs	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	AUD mn	-11.4	-9.8	-6.8	-5.5	-10.4	-3.2	7.1
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
Income taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of EBT	%	0%	0%	0%	0%	0%	0%	0%
Tax loss carry forward	AUD mn	0.0	0.0	0.0	0.0	0.0	129.2	121.1
Net income after taxes	AUD mn	-11.4	-9.8	-6.8	-5.5	-10.4	-3.2	7.1
in % of total net sales	%	-501%	-755%	-346%	-219%	-319%	-49%	42%
YoY	%	-1%	-14%	-30%	-19%	88%	-70%	-326%
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Net income after minorities	USD Mio.	-11.4	-9.8	-6.8	-5.5	-10.4	-3.1	7.0
Number of shares	1,000	30.4	30.8	35.3	38.7	43.4	45.3	47.7
Earnings per share (basic)	AUD	-0.38	-0.32	-0.19	-0.14	-0.24	-0.07	0.15
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Profit and loss account, 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Revenues	AUD mn	25.8	51.5	98.6	141.7	210.5	288.2	393.4
YoY	%	52%	100%	91%	44%	49%	37%	37%
Material expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
Gross profit	AUD mn	25.8	51.5	98.6	141.7	210.5	288.2	393.4
in % of total net sales	%	100%	100%	100%	100%	100%	100%	100%
Expenses	AUD mn	-13.3	-24.8	-48.9	-71.0	-106.5	-147.2	-202.9
in % of total net sales	%	-52%	-48%	-50%	-50%	-51%	-51%	-52%
Clinical development	AUD mn	-0.1	-0.1	-0.3	-0.4	-0.6	-0.9	-1.2
Drug formulating R&D	AUD mn	-1.7	-4.4	-9.6	-13.9	-20.8	-28.8	-39.7
Regulatory and non-clinical	AUD mn	-1.6	-2.4	-4.4	-6.3	-9.5	-13.1	-18.1
Clinical, regulatory and commercial overhead	AUD mn	-2.6	-5.0	-9.3	-13.5	-20.2	-27.9	-38.5
Business marketing and listing	AUD mn	-1.1	-1.9	-3.2	-4.6	-7.0	-9.6	-13.3
Licenses patents and trademarks	AUD mn	-0.5	-1.0	-2.2	-3.2	-4.8	-6.7	-9.2
General operations	AUD mn	-5.7	-10.1	-20.0	-29.0	-43.5	-60.2	-83.0
Other operating income	AUD mn	0.5	0.5	0.6	0.6	0.7	0.8	0.9
in % of total net sales	%	2%	1%	1%	0%	0%	0%	0%
Other expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	AUD mn	12.9	27.2	50.3	71.4	104.8	141.8	191.3
in % of total net sales	%	50%	53%	51%	50%	50%	49%	49%
YoY	%	81%	110%	85%	42%	47%	35%	35%
Depreciation and amortisation	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of total net sales	%	0%	0%	0%	0%	0%	0%	0%
EBIT	AUD mn	12.9	27.2	50.3	71.4	104.8	141.8	191.3
in % of total net sales	%	50%	53%	51%	50%	50%	49%	49%
YoY	%	82%	110%	85%	42%	47%	35%	35%
Interest income	AUD mn	0.2	1.1	0.6	1.1	1.7	2.3	3.3
Interest costs	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	AUD mn	13.2	28.3	50.9	72.5	106.4	144.1	194.6
in % of total net sales	%	51%	55%	52%	51%	51%	50%	49%
Income taxes	AUD mn	0.3	0.0	0.0	-13.2	-31.9	-43.2	-58.4
Other taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
in % of EBT	%	2%	0%	0%	-18%	-30%	-30%	-30%
Tax loss carry forward	AUD mn	107.9	79.6	28.6	0.0	0.0	0.0	0.0
Net income after taxes	AUD mn	13.5	28.3	50.9	59.3	74.5	100.9	136.2
in % of total net sales	%	52%	55%	52%	42%	35%	35%	35%
YoY	%	89%	111%	80%	16%	26%	35%	35%
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income after minorities	USD Mio.	13.5	28.3	50.9	59.3	74.5	100.9	136.2
Number of shares	1,000	47.7	47.7	47.7	47.7	47.7	47.7	47.7
Earnings per share (basic)	AUD	0.28	0.59	1.07	1.24	1.56	2.11	2.85

SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST

Segments, 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total revenues	AUD mn	2.3	1.3	2.0	2.5	3.3	6.4	17.0
Revenues from EPP	AUD mn	2.3	1.3	2.0	2.5	3.3	6.4	17.0
Revenues from Vitiligo	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from VP	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues from XP	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
YoY	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	164.6%
Revenues from EPP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	164.6%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	n/a
Share	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Revenues from EPP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Segments, 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Total revenues	AUD mn	25.8	51.4	98.5	141.7	210.5	288.2	393.4
Revenues from EPP	AUD mn	25.8	51.4	98.5	141.6	190.4	238.4	291.2
Revenues from Vitiligo	AUD mn	0.0	0.0	0.0	0.0	7.2	14.4	35.9
Revenues from VP	AUD mn	0.0	0.0	0.0	0.0	12.9	26.5	39.7
Revenues from XP	AUD mn	0.0	0.0	0.0	0.0	0.0	8.9	26.6
YoY	%	51.6%	99.7%	91.6%	43.8%	48.6%	36.9%	36.5%
Revenues from EPP	%	51.6%	99.7%	91.6%	43.8%	34.4%	25.2%	22.1%
Revenues from Vitiligo	%	n/a	n/a	n/a	n/a	n/a	100.0%	150.0%
Revenues from VP	%	n/a	n/a	n/a	n/a	n/a	105.6%	50.0%
Revenues from XP	%	n/a	n/a	n/a	n/a	n/a	n/a	200.0%
Share	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenues from EPP	%	100.0%	100.0%	100.0%	100.0%	90.5%	82.8%	74.0%
Revenues from Vitiligo	%	0.0%	0.0%	0.0%	0.0%	3.4%	5.0%	9.1%
Revenues from VP	%	0.0%	0.0%	0.0%	0.0%	6.1%	9.2%	10.1%
Revenues from XP	%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	6.8%
SOURCE: COMPANY DATA, SPHENE CAPITAL FORECAST								

Balance sheet (Assets), 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
ASSETS								
Long-term assets	AUD mn	5.6	0.6	0.1	0.1	0.1	0.2	0.1
Intangible assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	AUD mn	0.2	0.2	0.1	0.1	0.1	0.2	0.1
Participations	AUD mn	5.3	0.5	0.0	0.0	0.0	0.0	0.0
Deferred taxes	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables to participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-paid accounts	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term assets	AUD mn	14.6	15.4	15.7	17.0	13.6	20.0	28.5
Inventories	AUD mn	0.0	0.0	0.0	0.0	0.8	1.1	1.2
DIO	d	0.0	0.0	0.0	0.0	92.4	60.7	26.3
Receivables and other assets	AUD mn	1.0	1.0	1.7	1.6	2.0	4.8	3.2
DSO	d	154.0	280.2	319.6	225.9	216.5	270.5	68.7
Receivables from participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term assets	AUD mn	1.5	1.6	1.4	0.8	0.2	0.2	0.2
Cash	AUD mn	12.2	12.7	12.6	14.6	10.6	13.8	23.8
thereof collateralized	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity not covered by assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	AUD mn	20.2	16.0	15.8	17.2	13.6	20.1	28.6
SOURCE: COMPANY DATA, SPHENE CAPITAL								

Balance sheet (Assets), 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
ASSETS								
Long-term assets	AUD mn	0.6	0.3	0.6	0.9	1.4	1.9	2.6
Intangible assets	AUD mn	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	AUD mn	0.2	0.3	0.6	0.9	1.4	1.9	2.6
Participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	AUD mn	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Other non-financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables to participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-paid accounts	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term assets	AUD mn	42.3	74.9	131.9	196.8	280.1	390.9	540.6
Inventories	AUD mn	0.6	1.3	2.5	3.5	5.2	7.2	9.8
DIO	d	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Receivables and other assets	AUD mn	5.1	10.2	19.5	28.0	41.6	57.0	77.8
DSO	d	71.2	71.2	71.2	71.2	71.2	71.2	71.2
Receivables from participations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables from not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other short-term assets	AUD mn	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Cash	AUD mn	36.2	63.5	110.0	165.3	233.3	326.8	453.1
thereof collateralized	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued income	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity not covered by assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	AUD mn	42.9	75.3	132.6	197.7	281.5	392.8	543.2
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

Balance sheet (Liabilities). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
LIABILITIES AND EQUITY								
Equity	AUD mn	16.4	13.6	13.8	15.4	11.2	17.8	25.4
Equity ratio	%	81%	85%	88%	90%	82%	89%	89%
Subscribed capital	AUD mn	113.3	119.3	126.7	133.6	138.5	146.8	148.4
Capital reserve	AUD mn	3.2	1.8	1.3	1.4	2.7	4.1	2.8
Retained earnings	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss	AUD mn	-100.1	-107.5	-114.1	-119.6	-129.9	-133.1	-125.8
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	AUD mn	0.3	0.3	0.5	0.6	0.6	0.7	0.9
Total liabilities	AUD mn	3.4	2.1	1.5	1.1	1.9	1.6	2.3
Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	AUD mn	3.4	2.1	1.5	1.1	1.9	1.6	2.3
Days	d	543	579	266	157	205	88	49
Other liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	AUD mn	20.2	16.0	15.8	17.2	13.6	20.1	28.6
SOURCE: COMPANY DATA. SPHENE CAPITAL								

Balance sheet (Liabilities). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
LIABILITIES AND EQUITY								
Equity	AUD mn	39.4	68.3	119.3	178.6	253.1	354.0	490.2
Equity ratio	%	92%	91%	90%	90%	90%	90%	90%
Subscribed capital	AUD mn	148.6	149.0	149.0	149.0	149.0	149.0	149.0
Capital reserve	AUD mn	3.5	3.7	3.7	3.7	3.7	3.7	3.7
Retained earnings	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/Loss	AUD mn	-112.7	-84.4	-33.4	25.9	100.4	201.3	337.5
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not paid in capital	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other reserves	AUD mn	1.0	1.9	3.7	5.3	7.9	10.9	14.8
Total liabilities	AUD mn	2.5	5.0	9.6	13.8	20.4	28.0	38.2
Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	AUD mn	2.5	5.0	9.6	13.8	20.4	28.0	38.2
Days	d	35	35	35	35	35	35	35
Other liabilities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities to minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued expenses	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total liabilities	AUD mn	42.9	75.3	132.6	197.7	281.5	392.8	543.2
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

Balance sheet (Assets. normalized). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
ASSETS								
Long-term assets	%	27.5%	4.0%	0.9%	0.7%	0.5%	0.8%	0.5%
Intangible assets	%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Property, plant and equipment	%	1.1%	1.1%	0.9%	0.7%	0.5%	0.8%	0.5%
Participations	%	26.4%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables to participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-paid accounts	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term assets	%	72.5%	96.0%	99.1%	99.3%	99.5%	99.2%	99.5%
Inventories	%	0.0%	0.0%	0.0%	0.0%	6.1%	5.4%	4.3%
Receivables and other assets	%	4.8%	6.3%	11.0%	9.2%	14.4%	24.0%	11.3%
Receivables from participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other short-term assets	%	7.2%	10.2%	8.6%	4.8%	1.5%	1.1%	0.8%
Cash	%	60.4%	79.5%	79.5%	85.3%	77.5%	68.7%	83.0%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued income	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity not covered by assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL								

Balance sheet (Assets. normalized). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
ASSETS								
Long-term assets	%	1.5%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Intangible assets	%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property, plant and equipment	%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other non-financial assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables to participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pre-paid accounts	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term assets	%	98.5%	99.6%	99.5%	99.5%	99.5%	99.5%	99.5%
Inventories	%	1.5%	1.7%	1.9%	1.8%	1.9%	1.8%	1.8%
Receivables and other assets	%	11.9%	13.5%	14.7%	14.2%	14.8%	14.5%	14.3%
Receivables from participations	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Receivables from not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other short-term assets	%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	%	84.4%	84.4%	83.0%	83.6%	82.9%	83.2%	83.4%
thereof collateralized	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued income	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Equity not covered by assets	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

Balance sheet (Liabilities. normalized). 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
LIABILITIES AND EQUITY								
Equity	%	81.4%	85.3%	87.5%	89.9%	82.1%	88.6%	88.9%
Subscribed capital	%	562.0%	746.0%	801.2%	778.7%	1014.9%	728.8%	518.8%
Capital reserve	%	15.9%	11.4%	7.9%	8.4%	19.8%	20.3%	9.9%
Retained earnings	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss	%	-496.6%	-672.1%	-721.6%	-697.1%	-952.4%	-660.7%	-439.9%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.2%	0.2%
Special item	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other reserves	%	1.6%	1.7%	3.3%	3.6%	4.2%	3.6%	3.0%
Total liabilities	%	17.0%	13.0%	9.2%	6.4%	13.6%	7.8%	8.0%
Bonds	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	17.0%	13.0%	9.2%	6.4%	13.6%	7.8%	8.0%
Other liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities to minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued expenses	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL								

Balance sheet (Liabilities. normalized). 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
LIABILITIES AND EQUITY								
Equity	%	91.9%	90.8%	90.0%	90.3%	89.9%	90.1%	90.2%
Subscribed capital	%	346.4%	197.9%	112.4%	75.3%	52.9%	37.9%	27.4%
Capital reserve	%	8.1%	4.9%	2.8%	1.9%	1.3%	0.9%	0.7%
Retained earnings	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Profit/Loss	%	-262.6%	-112.0%	-25.2%	13.1%	35.7%	51.2%	62.1%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Not paid in capital	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special item	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pension reserves	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other reserves	%	2.3%	2.6%	2.8%	2.7%	2.8%	2.8%	2.7%
Total liabilities	%	5.8%	6.6%	7.2%	7.0%	7.3%	7.1%	7.0%
Bonds	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade payables	%	5.8%	6.6%	7.2%	7.0%	7.3%	7.1%	7.0%
Other liabilities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liabilities to minorities	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued expenses	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total liabilities	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

Cash flow statement. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Net income	AUD mn	-11.4	-9.8	-6.8	-5.5	-10.4	-3.2	7.1
Depreciations	AUD mn	0.1	0.1	0.1	0.0	0.0	0.0	0.1
Write-ups on fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	AUD mn	0.0	0.0	0.0	0.0	-0.8	-0.2	-0.2
Δ Trade receivables	AUD mn	-0.6	0.0	-0.7	0.2	-0.4	-2.9	1.6
Δ Other receivables	AUD mn	0.3	-0.2	0.3	0.5	0.6	0.0	0.0
Δ Deferred taxes (assets)	AUD mn	7.6	0.0	0.0	0.0	0.0	0.0	0.0
Δ Provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other provisions	AUD mn	0.0	0.0	0.2	0.1	0.0	0.2	0.1
Δ Short term provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Payables	AUD mn	0.6	-1.4	-0.6	-0.3	0.8	-0.3	0.7
Δ Other debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (liabilities)	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-6.2	1.3	0.7	0.2	5.7	1.4	0.5
Operating cash flow	AUD mn	-9.5	-10.0	-6.9	-4.8	-4.5	-5.0	9.9
YoY	%	-19%	6%	-31%	-30%	-6%	11%	-297%
Disbursements for purchases of fixed assets	AUD mn	-5.3	4.9	0.5	0.0	0.0	0.0	0.0
Payments for investments in intangibles	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for investments in tangibles	AUD mn	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
Other adjustments	AUD mn	7.8	-0.1	0.0	0.0	0.0	0.0	0.0
Investing cash flow	AUD mn	2.5	4.8	0.4	0.0	0.0	-0.1	-0.1
YoY	%	-74%	88%	-91%	-101%	208%	817%	-31%
Free cash flow	AUD mn	-6.9	-5.2	-6.5	-4.8	-4.5	-5.1	9.8
YoY	%	224%	-25%	23%	-25%	-6%	13%	-292%
Δ Share capital	AUD mn	0.1	6.0	7.4	6.9	4.9	8.3	1.6
Δ Capital reserves	AUD mn	1.0	-1.4	-0.6	0.2	1.3	1.4	-1.3
Δ Bank debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other financial debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow for dividends	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-1.2	1.2	-0.5	-0.2	-5.9	-1.3	-0.3
Financing cash flow	AUD mn	0.0	5.8	6.3	6.9	0.2	8.4	0.1
Change in cash	AUD mn	-6.9	0.5	-0.2	2.1	-4.3	3.3	9.9
Currency adjustments	AUD mn	-0.3	0.0	0.0	0.0	0.3	0.0	0.0
Cash at beginning of period	AUD mn	19.4	12.2	12.7	12.6	14.6	10.6	13.8
Cash at end of period	AUD mn	12.2	12.7	12.6	14.6	10.6	13.8	23.8
SOURCE: COMPANY DATA. SPHENE CAPITAL								

Cash flow statement. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Net income	AUD mn	13.5	28.3	50.9	59.3	74.5	100.9	136.2
Depreciations	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write-ups on fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Inventory	AUD mn	0.6	-0.6	-1.2	-1.1	-1.7	-1.9	-2.6
Δ Trade receivables	AUD mn	-1.9	-5.1	-9.3	-8.5	-13.6	-15.3	-20.8
Δ Other receivables	AUD mn	-0.1	0.3	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (assets)	AUD mn	-0.3	0.3	0.0	0.0	0.0	0.0	0.0
Δ Provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other provisions	AUD mn	0.1	1.0	1.8	1.6	2.6	2.9	4.0
Δ Short term provisions	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Payables	AUD mn	0.2	2.5	4.6	4.2	6.7	7.5	10.2
Δ Other debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Special item	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Deferred taxes (liabilities)	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Operating cash flow	AUD mn	11.7	26.7	46.8	55.6	68.5	94.0	127.0
YoY	%	20%	124%	75%	19%	23%	37%	35%
Disbursements for purchases of fixed assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments for investments in intangibles	AUD mn	-0.2	0.2	0.0	0.0	0.0	0.0	0.0
Payments for investments in tangibles	AUD mn	0.0	-0.2	-0.3	-0.3	-0.5	-0.5	-0.7
Other adjustments	AUD mn	-0.7	0.0	0.0	0.0	0.0	0.0	0.0
Investing cash flow	AUD mn	-0.9	0.0	-0.3	-0.3	-0.5	-0.5	-0.7
YoY	%	1295%	-102%	-1998%	-8%	60%	13%	36%
Free cash flow	AUD mn	10.8	26.7	46.5	55.3	68.0	93.5	126.3
YoY	%	9%	148%	74%	19%	23%	38%	35%
Δ Share capital	AUD mn	0.2	0.4	0.0	0.0	0.0	0.0	0.0
Δ Capital reserves	AUD mn	0.7	0.2	0.0	0.0	0.0	0.0	0.0
Δ Bank debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Bonds	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Δ Other financial debt	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outflow for dividends	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other adjustments	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing cash flow	AUD mn	0.9	0.6	0.0	0.0	0.0	0.0	0.0
Change in cash	AUD mn	11.6	27.3	46.5	55.3	68.0	93.5	126.3
Currency adjustments	AUD mn	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Cash at beginning of period	AUD mn	23.8	36.2	63.5	110.0	165.3	233.3	326.8
Cash at end of period	AUD mn	36.2	63.5	110.0	165.3	233.3	326.8	453.1
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

One view I. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Key data								
Sales	AUD mn	2.276	1.294	1.963	2.527	3.260	6.420	16.985
Gross profit	AUD mn	2.276	1.294	1.963	2.527	3.260	6.420	16.985
EBITDA	AUD mn	-11.317	-9.705	-6.745	-5.488	-10.388	-3.128	7.167
EBIT	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
EBT	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
Net income	AUD mn	-11.409	-9.767	-6.803	-5.526	-10.414	-3.154	7.114
Nr. of employees		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per share data								
Price high	AUD	2.55	2.30	2.73	2.10	5.10	5.00	9.19
Price low	AUD	1.63	1.41	1.50	0.92	1.30	2.50	4.10
Price average/last	AUD	2.03	1.68	1.92	1.57	3.27	3.30	6.65
Price average/last	AUD	1.66	1.59	1.97	1.70	2.84	4.32	6.98
EPS	AUD	-0.38	-0.32	-0.19	-0.14	-0.24	-0.07	0.15
BVPS	AUD	0.54	0.44	0.39	0.40	0.26	0.39	0.53
CFPS	AUD	-0.31	-0.33	-0.20	-0.12	-0.10	-0.11	0.21
Dividend	AUD	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Price target	AUD							
Performance to price target	%							
Profitability ratios (based on sales)								
EBITDA margin	%	-497.2%	-750.0%	-343.5%	-217.2%	-318.6%	-48.7%	42.2%
EBIT margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
Pretax margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
Net margin	%	-501.3%	-754.8%	-346.5%	-218.7%	-319.5%	-49.1%	41.9%
FCF margin	%	-305.0%	-404.0%	-328.8%	-190.5%	-139.3%	-80.0%	58.0%
ROE	%	-69.5%	-71.6%	-49.2%	-35.8%	-92.9%	-17.7%	28.0%
NWC/Sales	%	-108.2%	-82.9%	14.8%	19.0%	28.7%	67.5%	12.9%
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	0.7%	-2.1%	-1.3%	-0.2%	0.6%	-1.9%	-0.2%
Growth ratios								
Sales	%	23.3%	-43.1%	51.7%	28.7%	29.0%	96.9%	164.6%
Gross profit	%	23.3%	-43.1%	51.7%	28.7%	29.0%	96.9%	164.6%
EBITDA	%	4.7%	-14.2%	-30.5%	-18.6%	89.3%	-69.9%	-329.1%
EBIT	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
EBT	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
Net income	%	-1.0%	-14.4%	-30.4%	-18.8%	88.5%	-69.7%	-325.6%
EPS	%	888.8%	-15.5%	-39.3%	-25.9%	67.9%	-71.3%	-314.5%
CFPS	%	703.9%	4.3%	-40.1%	-36.4%	-16.0%	6.5%	-287.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL								

One view I. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Key data								
Sales	AUD mn	25.750	51.505	98.600	141.720	210.517	288.153	393.411
Gross profit	AUD mn	25.750	51.505	98.600	141.720	210.517	288.153	393.411
EBITDA	AUD mn	12.942	27.191	50.307	71.406	104.767	141.756	191.321
EBIT	AUD mn	12.942	27.191	50.307	71.406	104.767	141.756	191.321
EBT	AUD mn	13.175	28.330	50.941	72.506	106.420	144.089	194.589
Net income	AUD mn	13.457	28.330	50.941	59.345	74.494	100.862	136.212
Nr. of employees		n/a	n/a	n/a	n/a	n/a	n/a	n/a
Per share data								
Price high	AUD	13.00	25.74					
Price low	AUD	6.13	9.82					
Price average/last	AUD	8.75	17.47					
Price average/last	AUD	11.01	38.40	38.40	38.40	38.40	38.40	38.40
EPS	AUD	0.28	0.59	1.07	1.24	1.56	2.11	2.85
BVPS	AUD	0.83	1.43	2.50	3.74	5.30	7.42	10.27
CFPS	AUD	0.24	0.56	0.98	1.16	1.43	1.97	2.66
Dividend	AUD	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Price target	AUD							58.40
Performance to price target	%							52.1%
Profitability ratios (based on sales)								
EBITDA margin	%	50.3%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%
EBIT margin	%	50.3%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%
Pretax margin	%	51.2%	55.0%	51.7%	51.2%	50.6%	50.0%	49.5%
Net margin	%	52.3%	55.0%	51.7%	41.9%	35.4%	35.0%	34.6%
FCF margin	%	41.8%	51.8%	47.2%	39.0%	32.3%	32.5%	32.1%
ROE	%	34.1%	41.5%	42.7%	33.2%	29.4%	28.5%	27.8%
NWC/Sales	%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%	12.6%
Revenues per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBIT per head	AUDk	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capex/Sales	%	-0.1%	-0.3%	-0.3%	-0.2%	-0.2%	-0.2%	-0.2%
Growth ratios								
Sales	%	51.6%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%
Gross profit	%	51.6%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%
EBITDA	%	80.6%	110.1%	85.0%	41.9%	46.7%	35.3%	35.0%
EBIT	%	81.9%	110.1%	85.0%	41.9%	46.7%	35.3%	35.0%
EBT	%	85.2%	115.0%	79.8%	42.3%	46.8%	35.4%	35.0%
Net income	%	89.1%	110.5%	79.8%	16.5%	25.5%	35.4%	35.0%
EPS	%	90.7%	110.5%	79.8%	16.5%	25.5%	35.4%	35.0%
CFPS	%	17.7%	128.1%	75.5%	18.7%	23.2%	37.4%	35.0%
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

One view II. 2010/11-2016/17

AUSTRALIAN GAAP (12/31)		2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Balance sheet ratios								
Fixed assets	AUD mn	5.6	0.6	0.1	0.1	0.1	0.2	0.1
Financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	AUD mn	14.6	15.4	15.7	17.0	13.6	20.0	28.5
Equity	AUD mn	16.4	13.6	13.8	15.4	11.2	17.8	25.4
Liabilities	AUD mn	3.4	2.1	1.5	1.1	1.9	1.6	2.3
Equity ratio	%	81.4%	85.3%	87.5%	89.9%	82.1%	88.6%	88.9%
Gearing	%	-74.2%	-93.3%	-90.8%	-94.8%	-94.4%	-77.6%	-93.4%
Working Capital	AUD mn	-2.5	-1.1	0.3	0.5	0.9	4.3	2.2
Asset Turnover	x	0.1	0.1	0.1	0.1	0.2	0.3	0.6
EBITDA-ICR	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Value								
Nr. of shares	1.000	30.4	30.8	35.3	38.7	43.4	45.3	47.7
Market cap. high	AUD mn	77.4	70.7	96.4	81.3	221.2	226.4	438.1
Market cap. low	AUD mn	49.5	43.4	52.9	35.6	56.4	113.2	195.4
Market cap. average	AUD mn	61.6	51.7	67.8	60.8	141.8	149.4	317.0
Market cap. last	AUD mn	50.4	48.9	69.5	65.8	123.2	195.6	332.7
Net debt	AUD mn	-12.2	-12.7	-12.6	-14.6	-10.6	-13.8	-23.8
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non operating financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value high	AUD mn	65.2	58.0	83.8	66.6	210.6	212.6	414.3
Enterprise Value low	AUD mn	37.3	30.7	40.4	21.0	45.8	99.4	171.7
Enterprise Value average	AUD mn	49.5	39.0	55.2	46.1	131.3	135.6	293.3
Enterprise Value last	AUD mn	38.2	36.2	57.0	51.2	112.6	181.8	309.0
Valuation ratios								
EV/sales high	x	28.67	44.84	42.67	26.38	64.61	33.11	24.39
EV/sales low	x	16.39	23.69	20.56	8.30	14.05	15.48	10.11
EV/sales average	x	21.73	30.11	28.11	18.26	40.26	21.12	17.27
EV/sales last	x	16.79	27.97	29.01	20.25	34.54	28.32	18.19
EV/EBITDA high	x	n/a	n/a	n/a	n/a	n/a	n/a	57.8
EV/EBITDA low	x	n/a	n/a	n/a	n/a	n/a	n/a	24.0
EV/EBITDA average	x	n/a	n/a	n/a	n/a	n/a	n/a	40.9
EV/EBITDA last	x	n/a	n/a	n/a	n/a	n/a	n/a	43.1
EV/EBIT high	x	n/a	n/a	n/a	n/a	n/a	n/a	58.2
EV/EBIT low	x	n/a	n/a	n/a	n/a	n/a	n/a	24.1
EV/EBIT average	x	n/a	n/a	n/a	n/a	n/a	n/a	41.2
EV/EBIT last	x	n/a	n/a	n/a	n/a	n/a	n/a	43.4
P/E high	x	n/a	n/a	n/a	n/a	n/a	n/a	62.2
P/E low	x	n/a	n/a	n/a	n/a	n/a	n/a	27.7
P/E average	x	n/a	n/a	n/a	n/a	n/a	n/a	45.0
P/E last	x	n/a	n/a	n/a	n/a	n/a	n/a	47.2
SOURCE: COMPANY DATA. SPHENE CAPITAL								

One view II. 2017/18-2023/24e

AUSTRALIAN GAAP (12/31)		2017/18	2018/19e	2019/20e	2020/21e	2021/22e	2022/23e	2023/24e
Balance sheet ratios								
Fixed assets	AUD mn	0.6	0.3	0.6	0.9	1.4	1.9	2.6
Financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	AUD mn	42.3	74.9	131.9	196.8	280.1	390.9	540.6
Equity	AUD mn	39.4	68.3	119.3	178.6	253.1	354.0	490.2
Liabilities	AUD mn	2.5	5.0	9.6	13.8	20.4	28.0	38.2
Equity ratio	%	91.9%	90.8%	90.0%	90.3%	89.9%	90.1%	90.2%
Gearing	%	-91.8%	-92.9%	-92.2%	-92.5%	-92.1%	-92.3%	-92.4%
Working Capital	AUD mn	3.2	6.5	12.4	17.8	26.4	36.2	49.4
Asset Turnover	x	0.6	0.7	0.7	0.7	0.7	0.7	0.7
EBITDA-ICR	x	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enterprise Value								
Nr. of shares	1.000	47.7	47.7	47.7	47.7	47.7	47.7	47.7
Market cap. high	AUD mn	620.6	1,228.7					
Market cap. low	AUD mn	292.6	468.8					
Market cap. average	AUD mn	417.7	833.9					
Market cap. last	AUD mn	525.6	1,833.0	1,833.0	1,833.0	1,833.0	1,833.0	1,833.0
Net debt	AUD mn	-36.2	-63.5	-110.0	-165.2	-233.2	-326.8	-453.1
Pension reserves	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non operating financial assets	AUD mn	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enterprise Value high	AUD mn	584.4	1,165.2					
Enterprise Value low	AUD mn	256.4	405.3					
Enterprise Value average	AUD mn	381.5	770.5					
Enterprise Value last	AUD mn	489.4	1,769.6	1,723.1	1,667.8	1,599.8	1,506.3	1,380.0
Valuation ratios								
EV/sales high	x	22.69	22.62					
EV/sales low	x	9.96	7.87					
EV/sales average	x	14.81	14.96					
EV/sales last	x	19.00	34.36	17.48	11.77	7.60	5.23	3.51
EV/EBITDA high	x	45.2	42.9					
EV/EBITDA low	x	19.8	14.9					
EV/EBITDA average	x	29.5	28.3					
EV/EBITDA last	x	37.8	65.1	34.3	23.4	15.3	10.6	7.2
EV/EBIT high	x	45.2	42.9					
EV/EBIT low	x	19.8	14.9					
EV/EBIT average	x	29.5	28.3					
EV/EBIT last	x	37.8	65.1	34.3	23.4	15.3	10.6	7.2
P/E high	x	46.1	43.4					
P/E low	x	21.7	16.5					
P/E average	x	31.0	29.4					
P/E last	x	39.1	64.7	36.0	30.9	24.6	18.2	13.5
SOURCE: COMPANY DATA. SPHENE CAPITAL FORECAST								

Prevalence EPP

Prevalence (EPP). worldwide. reported	6.902
Europe	1.926
GER	400
AUT	40
SUI	65
FRA	300
GBR	389
IRE	12
ITA	120
Benelux	241
DEN	135
SWE	51
NOR	47
ESP	26
POR	100
Other territories in Europe	0
America	4.443
USA	4.300
CDN	125
BRZ	18
Other territories in the Americas	0
Asia and Australia	500
JPN	136
AUS	364
Other territories in Australasia	0
Africa	33
RZA	33
Other territories in Africa	0
SOURCE: SPHENE CAPITAL ESTIMATES	

Discounted cash flow valuation

AUSTRALIAN GAAP (12/31)		2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e
Revenues	AUD mn	51.5	98.6	141.7	210.5	288.2	393.4	531.5	703.5	904.7	1,123.3	1,342.4	1,544.3	1,715.5	1,849.7	1,948.3	2,017.7
YoY	%	100.0%	91.4%	43.7%	48.5%	36.9%	36.5%	35.1%	32.4%	28.6%	24.2%	19.5%	15.0%	11.1%	7.8%	5.3%	3.6%
EBIT	AUD mn	27.2	50.3	71.4	104.8	141.8	191.3	258.8	343.0	441.6	549.0	656.9	756.6	841.5	908.4	958.0	993.3
EBIT margin	%	52.8%	51.0%	50.4%	49.8%	49.2%	48.6%	48.7%	48.8%	48.8%	48.9%	48.9%	49.0%	49.1%	49.1%	49.2%	49.2%
Taxes	AUD mn	0.0	0.0	-13.2	-31.9	-43.2	-58.4	-79.0	-104.7	-134.7	-167.5	-200.4	-230.9	-256.8	-277.2	-292.3	-303.1
Tax ratio (τ)	%	0.0%	0.0%	18.4%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%
Adjusted EBIT(1-τ)	AUD mn	27.2	50.3	58.2	72.8	98.5	132.9	179.8	238.3	306.9	381.5	456.4	525.7	584.7	631.2	665.7	690.2
Reinvestments	AUD mn	-3.2	-6.2	-5.7	-9.1	-10.3	-13.9	-23.8	-40.5	-67.9	-110.5	-171.3	-247.0	-319.6	-356.4	-334.8	-271.1
FCFF	AUD mn	24.0	44.1	52.6	63.8	88.3	119.0	156.1	197.8	238.9	271.0	285.1	278.7	265.1	274.9	330.9	419.2
WACC	%	11.9%	11.9%	11.7%	11.6%	11.6%	11.6%	11.4%	11.1%	10.8%	10.5%	10.2%	9.9%	9.6%	9.3%	9.1%	8.8%
Discount rate	%	100.0%	89.4%	80.0%	71.7%	64.2%	57.5%	51.6%	46.5%	41.9%	38.0%	34.4%	31.3%	28.6%	26.1%	24.0%	22.0%
Present value of FCFF	AUD mn	24.0	39.4	42.0	45.7	56.7	68.4	80.6	91.9	100.2	102.9	98.2	87.3	75.8	71.8	79.3	92.3
		2035e	2036e	2037e	2038e	2039e	2040e	2041e	2042e	2043e	2044e	TY					
Revenues	AUD mn	2,065.9	2,100.5	2,127.2	2,149.8	2,170.5	2,190.6	2,210.5	2,230.4	2,250.5	2,270.7	2,291.2					
YoY	%	2.4%	1.7%	1.3%	1.1%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%					
EBIT	AUD mn	1,018.3	1,036.6	1,051.1	1,063.5	1,075.1	1,086.3	1,097.5	1,108.8	1,120.1	1,131.5	1,145.6					
EBIT margin	%	49.3%	49.4%	49.4%	49.5%	49.5%	49.6%	49.7%	49.7%	49.8%	49.8%	50.0%					
Taxes	AUD mn	-310.7	-316.3	-320.7	-324.5	-328.0	-331.5	-334.9	-338.3	-341.8	-345.3	-349.5					
Tax ratio (τ)	%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%	30.5%					
Adjusted EBIT(1-τ)	AUD mn	707.6	720.3	730.4	739.0	747.1	754.9	762.6	770.5	778.3	786.3	796.0					
Reinvestments	AUD mn	-201.4	-148.5	-115.7	-98.3	-90.2	-87.2	-86.4	-86.7	-87.3	-88.1	-13.1					
FCFF	AUD mn	506.2	571.8	614.6	640.7	656.8	667.7	676.2	683.8	691.0	698.2	782.9					
WACC	%	8.5%	8.2%	7.9%	7.6%	7.3%	7.0%	6.8%	6.5%	6.2%	5.9%						
Discount rate	%	20.3%	18.8%	17.4%	16.2%	15.1%	14.1%	13.2%	12.4%	11.7%	11.0%						
Present value of FCFF	AUD mn	102.8	107.3	106.9	103.5	98.9	93.9	89.1	84.6	80.5	76.8						
SOURCE: SPHENE CAPITAL FORECAST																	

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10 10 2019/11:40 h	AUD 58.40/AUD 38.40	Buy. 24 months	-
01 03 2019/13:20 h	AUD 58.40/AUD 25.64	Buy. 24 months	-
07 09 2018/15:00 h	AUD 32.70/AUD 15.38	Buy. 24 months	-
25 06 2018/18:05 h	AUD 31.70/AUD 11.97	Buy. 24 months	-
30 01 2018/09:30 h	AUD 31.70/AUD 8.65	Buy. 12 months	-

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This report has been finalized on 10 October 2019 at 10:00h. Last price at the time of completion AUD 38.40.