



**INITIATION OF COVERAGE**

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**Market Statistics** in NZD

Price	\$ 1.17
52 week Range	\$1.11 - \$1.32
Daily Vol (3-mo. average)	222,710
Market Cap (M)	\$ 377.7
Enterprise Value (M)	\$ 447.4
Shares Outstanding: (M)	322.8
Float (M)	296.6
Public Ownership	68.7%
Institutional Ownership	23.2%

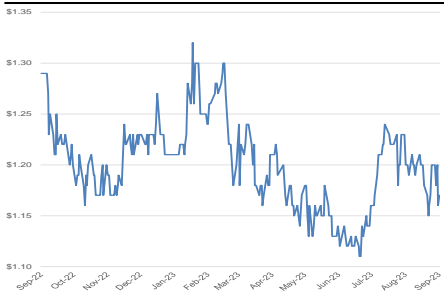
**Financial Summary** in NZD

Cash (M)	\$ 12.5
Cash/Share	\$ 0.04
Debt (M)	\$ 82.2
Equity (M)	\$ 118.7
Equity/Share	\$ 0.37

**FYE: Dec** 2022 2023E 2024E

(all figures in M, expect per share information)

Rev	\$ 88.0	\$ 107.0	\$ 116.7
Chng%	9%	12%	9%
EBITDA	\$ 35.1	\$ 39.9	\$ 44.9
Net Income	\$ 13.9	\$ 13.1	\$ 16.5
EPS	\$ 0.05	\$ 0.04	\$ 0.05
EV/Revenue	4.7x	4.2x	3.8x
EV/EBITDA	11.9x	11.2x	10.0x
P/E	26.8x	29.5x	23.5x



**COMPANY DESCRIPTION**

NZX Limited is a New Zealand based stock exchange with affiliates in Australia, Mainland Asia, Europe, and North America. NZX Limited operates in two primary segments of Market Operations and Non-Market Operations. In the Market Operations segment the Company drives revenue through both the capital markets and the secondary markets, as well as through the sale of data and insights. In the Non-Markets segment NZX charges fees for both Smartshares Funds Under Management ("FUM") and Wealth Technology Funds Under Advisory ("FUA").

**NZX LIMITED (NZSE: NZX)**

**COMPANY UPDATES**

**1H23 Results:** NZX reported revenue, adj EBITDA, and adj EPS of \$54.0M, \$20.0M, and \$6.97, respectively. This compares to our estimates of \$48.4M, \$17.2M, and \$6.49. Topline outperformance and GPM outperformance were due to strong results in the funds management segment, which was \$5.2M above our expectations with a GPM outperformance of 963bps.

**Markets:** Markets saw 14 new debt issues in 1H23 and the percentage of green bonds listed increased to 30.14% of all outstanding debt issuance. The Company also recorded \$18.0B worth of traded values in the secondary market. Information services revenue was \$10.4M, an increase of 15.4% since 2022. NZX also traded 260K dairy derivative lots.

**Smartshares:** Smartshares ended the half with FUM of \$10.7B, which is up 29.1% from 2H22. ETF trading accounted for 6.1% of traded value in 1H23, up from 5.7% at the end of 2022. The Company announced 5 new ETFs in the half. Target FUM growth remains at 14% per year, with acquisitions such as ASB SMT and QuayStreet Asset Management helping to drive this growth.

**Wealth Technology:** Wealth tech ended the half with FUA of \$10.8B, which is up 8.7% from 2H22. Growth was in part driven by onboarding 16 new clients onto the platform as well as the initial tranche of a significant SaaS only client. The wealth tech segment is forecasted to be cashflow breakeven by the end of 2024. Target FUA remains between \$35B to \$50B by the end of 2024.

**Financial Position:** The Company maintains a strong balance sheet with \$12.5M in cash and \$118.7M in equity. When combined, cash and equity account for \$0.41 per share, equal to 35% of the share price. NZX also announced a \$0.03 per share dividend. Capital expenditures are still above historical averages due to the continued product development and new client migration activity. This is expected to continue over the balance of 2023 and into 2024.

**Updated Guidance:** NZX has reiterated their full year 2023 EBITDA guidance in a range of \$36.0M to \$40.5M. Following the very strong 1H23 results we believe the Company will perform towards the high end of this guidance. This is in large part due to the strong margins seen in the markets segment and the recurring nature of the Wealth Tech and Smartshares segments.

**Valuation:** We use a Dividend Discount Model, DCF Model and EV/EBITDA comp analysis to guide our valuation. Our Dividend Discount uses the NZX stated range of payout ratios on 2024E Net Income to arrive at a valuation range of \$1.14 to \$1.56 with a mid-point of \$1.35. Our DCF analysis produces a valuation range of \$1.23 to \$1.47 with a mid-point of \$1.34. Our EV/EBITDA valuation results in a range of \$1.25 to \$1.52 with a mid-point of \$1.39. Lastly, we note that NZX is the only company in the comp set with a BV/Share value below \$1.0.

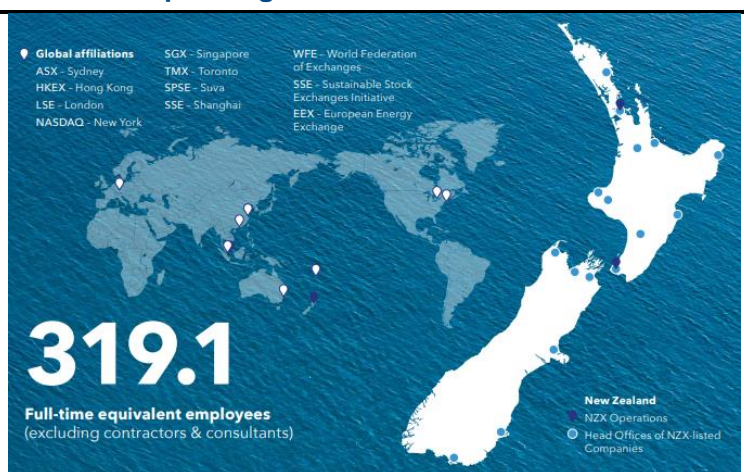
## BUSINESS OVERVIEW

NZX Limited (“NZX” or “the Company”) is a New Zealand based stock exchange with affiliates in Australia, Mainland Asia, Europe, and North America. NZX views its role as both strengthening its local market as well as integrating the New Zealand financial markets with other parts of the world.

NZX Limited operates in two primary segments of Market Operations and Non-Market Operations. In the Market Operations segment the Company drives revenue through both the capital markets and the secondary markets, as well as through the sale of data and insights. In the Non-Markets segment NZX charges fees for both Smartshares Funds Under Management (“FUM”) and Wealth Technology Funds Under Advisory (“FUA”).

NZX started trading on the New Zealand Stock Exchange in 2003. In 2017 management embarked on a strategic refresh by developing a comprehensive 5-year plan. Since then, the Company has updated their strategy to look out to 2027.

Exhibit 1: Operating Areas



Source: Company Presentation

## Business Segments

NZX Limited operates in two core segments: Markets and Non-Markets Operations. The Company’s revenues are well balanced between the segments as the Markets segment tends to show stronger margins, albeit with greater reliance on macro forces. This is balanced by the Non-Markets segment that tends to be a driver of revenue with the potential for strong margin expansion as the Company grows this segment through the operational runway increasing leverage along the way

In the Markets segment the Company further separates its business into the following units:

- Capital Markets Origination
- Secondary Markets
- Data and Insights

In the Non-Markets segment the Company separates its business into the following units:

- Smartshares
- Wealth Technologies

Exhibit 2: 2022 Income by Business Unit

2022 \$000	Capital Markets Origination <sup>1</sup>	Secondary Markets <sup>1</sup>	Data & Insights <sup>1</sup>	Markets Sub-total	Funds Management <sup>2</sup>	Wealth Technologies <sup>3</sup>	Corporate Services <sup>4</sup>	NZX Commercial Operations Sub-total	Regulation (NZ RegCo) <sup>5</sup>	NZX Group Total
Operating revenue	16,965	25,346	19,354	61,665	24,486	5,991	56	92,198	3,528	95,726
Operating expenses (excl. acquisition / integration costs)				(19,078)	(11,757)	(4,662)		(19,698)	(55,195)	(59,121)
Operating earnings <sup>6</sup> (excl. acquisition / integration costs)				42,587	12,729	1,329	(19,642)	37,003	(398)	36,605
Acquisition / integration costs					(1,540)			(1,540)		(1,540)
Operating earnings <sup>6</sup>				42,587	11,189	1,329	(19,642)	35,463	(398)	35,065
Depreciation, amortisation & gain / loss on disposal				(2,749)	(2,471)	(5,459)	(3,178)	(13,857)		(13,857)
Earnings Before Interest, tax and share of profit of associate				39,838	8,718	(4,130)	(22,820)	21,606	(398)	21,208

Source: Company Presentation

### Capital Markets Origination

NZX operates the New Zealand Stock exchange and classifies revenue from the operation of this market in the Capital Markets Origination segment. This unit accounted for ~\$17.0m in revenues over FY22. Drivers of the revenue are from primary listing fees, annual listing fees, and secondary issuance fees. The Company actively maintains a roster of companies that are interested in listing or raising capital with frequent information events, podcasts, and spotlight videos to keep the pipeline stocked.

Primary listing fees tend to move with the overall macro environment as positive macro environments encourage more companies to become publicly listed. Listings can be for Foreign Exempt Listings, IPOs, Fund Listings, Reverse Listings, and Debt IPOs. The annual listing fees that are generated after the primary listing tend to be stable and account for the bulk of the Capital Markets Origination unit revenues. Secondary issuance fees can be more volatile and will fluctuate with the needs of market participants.

Going forward we believe that the Capital Markets Origination portion of NZX is poised for growth. Given the ability of the Company to keep its pipeline of new listings refreshed and retain its current clients, we see potential for NZX to take advantage of the total addressable market that is estimated at 1,200 companies, which is over 3x the current number of listed securities on the NZX exchange.

### Exhibit 3: NZX Participants



Source: Company Presentation

Macro drivers for the Capital Markets, and the markets segment overall, are primarily related to the overall economic cycle. During strong parts of the economic cycle there tends to be more issuances taking place and more value traded on the secondary markets. The fixed income market typically has more activity in both primary and secondary issuances. This can be attributed to New Zealand FI market having a strong retail presence.

### Secondary Markets

Within the Markets Segment NZX operates a platform that generates revenue based on secondary markets through securities trading, dairy derivatives, and contractual and consulting revenue. This unit accounted for ~\$25.3m in revenues over FY22. The majority of this revenue is derived from security trading revenues.

Security trading revenues consists of trading and clearing fees, with trading accounting for 35% of revenues and clearing accounting for 65% of revenues in FY22. Trading revenues come from the settlement activities on both the debt and equity markets and are fee based on the value of the

trade. Clearing revenues primarily come from clearing fees which are charged based on the value of the settled transaction. Both revenue streams are highly dependent on market activity, value of settlement, and margin levels charged to participants. The Company is focused on improving efficiency using automation and operations development as well as continuously improving risk management tools to maintain a standard at the level of international best practices.

Dairy derivatives revenue relates to trading, clearing and settlement fees for trading NZX dairy futures and options. The fees are largely charged in USD (reflecting the global nature of the market) per lot traded and are shared under the SGX-NZX dairy derivatives strategic partnership. NZX has shown the willingness and ability to grow the dairy derivative revenue through M&A activity, with the most recent transaction coming in June 2022 with the acquisition of GlobalDairyTrade Holdings. Additionally, NZX holds long-term contracts to operate both the electricity market and the carbon managed auction service with New Zealand's electricity authority and Ministry for the Environment, respectively.

Growth for this unit is difficult to predict given the nature of revenue streams. We note that trading and clearing values have steadily increased since 2011, with a significant spike in values during the COVID-19 pandemic. We currently have no reason to believe these values will break their trend. For both the dairy derivative market as well as the relatively long-term (6-7 year contracts with 3 year right of renewal) electricity and carbon market contracts we note the historic stability of those contracts. Lastly, it is notable that the derivatives market is growing at a double digit CAGR and has the potential to become a significant revenue driver.

Growth in secondary markets was very strong during the Covid-19 pandemic due to heightened trading. Currently, NZX looks to be operating in a trough of the market. As the economy moves further from Covid-19 and inflation comes more under control it is expected that levels of trading and clearing will become elevated.

### Data and Insights

Due to NZX's wide reach in the New Zealand financial market it is able to aggregate, synthesize, and sell the acquired data through subscription and licenses to terminal users. This unit accounted for ~\$19.4m in revenues over FY22. As the Company continues to grow, we expect it to expand its moat around these data offerings. We view this revenue stream as very stable, and we expect it to grow proportionally with the volume of trading in the New Zealand markets.

Of note is NZX's partnership with S&P. By licensing index data to S&P, NZX further diversifies its revenue streams. As more funds managers use the indices as benchmarks, it is expected that the indices revenues will continue to grow. Aside from having a revenue splitting agreement with S&P, this partnership strategically positions the Company to further expand the number of fund managers and index data clients that have access and knowledge of the indices provided by NZX.

### Exhibit 4: Focuses for Capital Markets Enhancements



Source: Company Presentation

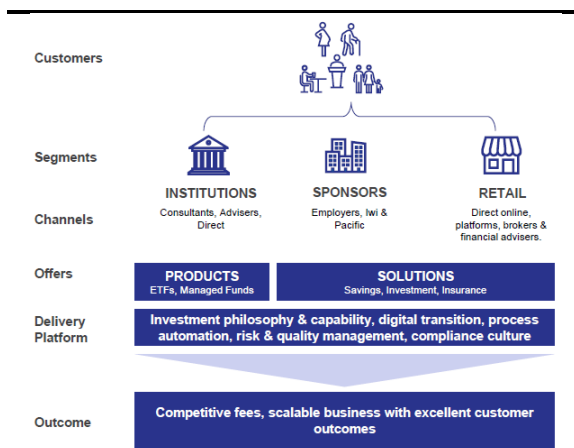
### Smartshares

Smartshares falls under the non-markets segment for NZX. Smartshares is a licensed Fund Manager with 8 registered schemes including Smartshares ETFs and SuperLife KiwiSaver with revenues driven by fees charged on Funds Under Management (“FUM”). This unit accounted for ~\$24.5m in revenues over FY22. As of 2022 NZX had 35 ETFs listed on the NZX with \$8.0B FUM. In February of 2023 the Company acquire QuayStreet Asset Management, adding \$1.6B to FUM, along with an enhanced passive product offering and expanded distribution capabilities.

From a positioning perspective Smartshares is competitively priced to meet end market demand which allows NZX to maintain a position as the leading passive investment manager in New Zealand. Additionally, the ETF offerings introduce an attractive synergy between Smartshares and NZX’s secondary markets operations. As the Company continues to grow the Smartshares unit they will be able to strengthen their moat. In the KiwiSaver market the Company is only one of six default fund providers which lends a significant amount of credibility to NZX.

Among the corporate savings products, KiwiSaver, and retail investors we view the KiwiSaver end user market as having the greatest growth potential. While there is significant amount of runway ahead of NZX as they develop a larger network of corporate savings products and as the NZX ETF penetration rate begins to track closer to the US and European markets, we believe the KiwiSaver product has the most predictable runway. When we compare the KiwiSaver program, which is less than 20 years, to the Australian saver program which is over 40 years old we see a lot of similarities. So far, this program has been growing at a similar pace to its Australian counterpart. As this continues, we see a path for the Company to leverage their well-earned experience to grow with the KiwiSaver program and leverage this business to a point where revenues will grow much faster than costs, specifically in the medium term.

**Exhibit 5: Smartshares Business Model**



Source: Company Presentation

In recent years Smartshares growth has been driven by cash flows, however, the Company has signaled a willingness and ability to also grow externally. In 2022 alone NZX made two separate acquisitions that are expected to directly support the Smartshares unit. With this external growth, coupled with the organic growth and expansion, we believe the Smartshares portion of NZX will be an important driver of revenues going forward.

Macro drivers in Smartshares are primarily related to growth in FUM. The New Zealand market is immature compared to geographical neighbors. For instance, the Australian equivalent of New Zealand's KiwiSaver program has been in force for an additional 25 years. In Australia approximately 10% of corporate salaries are put into savings programs as compared to 3% in New Zealand. We believe this will act as a tailwind for the Smartshares offering as the New Zealand market matures and savings increase to the equivalent levels seen in the region.

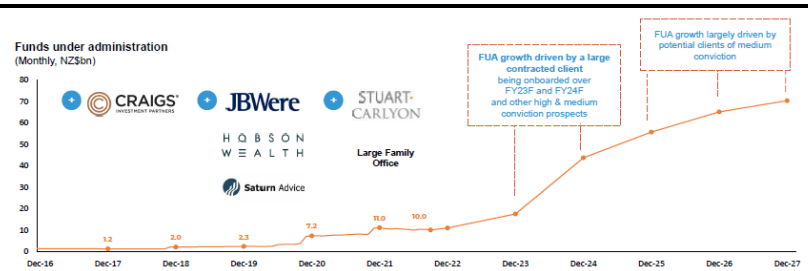
### Wealth Technology

NZX Wealth Technology falls under the non-markets segment for NZX. Wealth Tech is one of the fastest growing, most comprehensive, feature-rich custodial investment platforms available in New Zealand with revenues driven by fees charged on Funds Under Advisory (“FUA”). This unit accounted for ~\$6.0M in revenues over FY22. As of 2022 NZX had \$10.1b FUA over 15 groups and

more than 33 thousand portfolios. This unit drives FUA growth by offering a wide spectrum of functionality supported by experienced Wealth Tech professionals. We see the potential for material growth in this unit as NZX begins to harness the scalability of Wealth Technology.

Macro drivers for Wealth Tech are similar to Smartshares in that FUA tends to be correlated with increased participation in the markets. An addition to this is the number of Financial Advisors that are in the market. As these practices change hands or grow they tend to outgrow their current system that is most likely built inhouse. This gives Wealth Tech the opportunity to capture more FUA and in turn scale upwards, taking advantage of its operating leverage ability.

**Exhibit 6: Wealth Tech FUA Historical and Potential Growth**



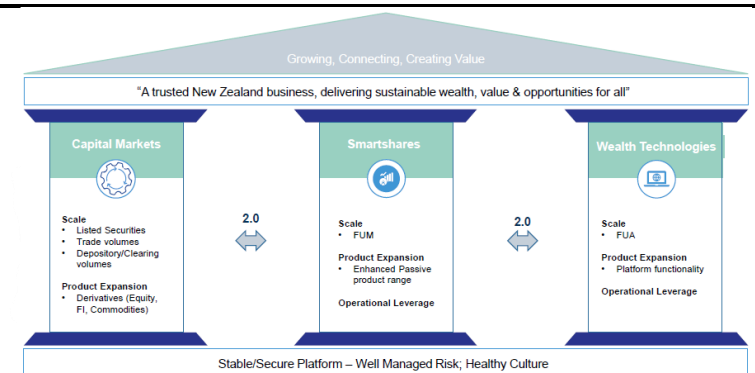
Source: Company Presentation

**Strategic Refresh**

In 2017 NZX initiated a strategic refresh to improve the efficiencies and direction of the Company over the ensuing 5 years. Having completed this refresh in 2022, management has introduced an updated 5-year plan that looks out to 2027.

Results from the initial strategic refresh were overwhelmingly positive. Initial goals were focused on removing blockages, primarily in 2018. Removing blockages took the form of both financial and management initiatives such as selling non-core business, updating trading functionality and pricing, rebuilding customer relationships, and de-risking the balance sheet. This was followed in 2019-2020 with a renewed focus on enhancing IT capabilities, enhancing dairy and carbon partnerships, and significantly growing Smartshares FUM, Wealth Technologies FUA, and increasing capital raises through use of a true initiation model by 28.8%, 53.2% and \$19.8bn respectively, year over year. Finally in 2022 the Company delivered growth despite macro headwinds, continued to develop global partnerships, and executed its M&A strategy. This illustrates management’s ability to set reasonable yet challenging goals and meet those goals over a specified time frame.

**Exhibit 7: Growth Strategy to 2027**



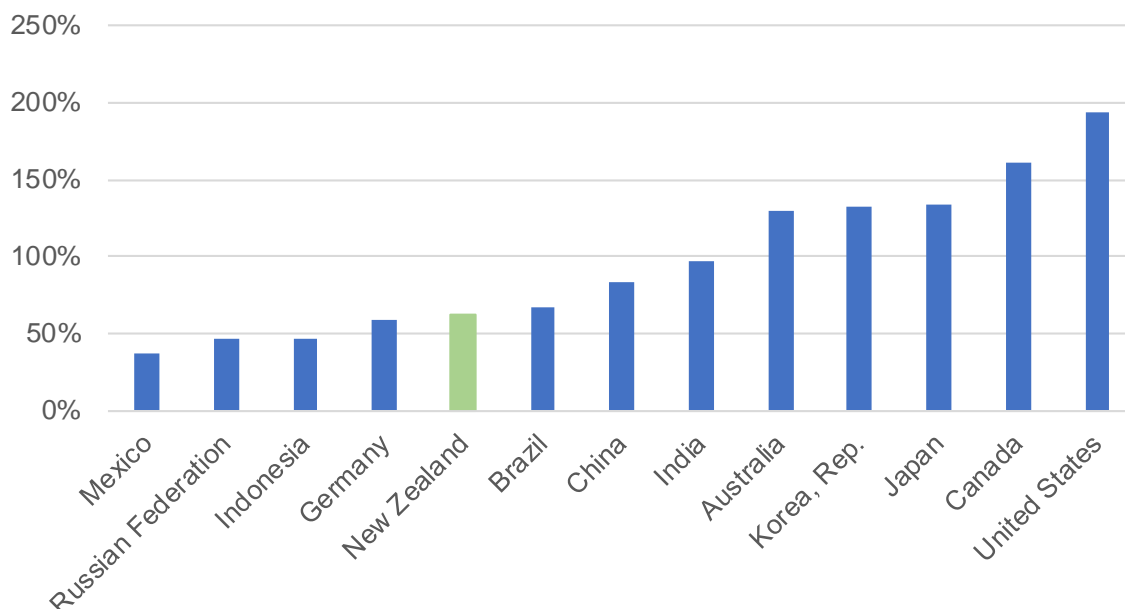
Source: Company Presentation

Going forward the Company has laid out an easy-to-follow plan for continued growth. NZX expects to focus on the three main pillars of their business (Capital Markets, Smartshares, and Wealth Technologies). Across all pillars the Company plans to focus on growing scale, with the 2.0 seen between the pillars in Exhibit 7 highlighting the inherent synergies between Capital Markets, Smartshares, and Wealth Technologies. We believe that the Company is well positioned to grow this scale due to the expertise that the company has shown since 2017 and the significant runway that we see in the New Zealand market. Additionally, the Company expects to growth their product offerings through expansion in derivatives, enhance the passive product range, and improve platform functionality.

### Market Overview

Predicting the growth of an entire countries' economy is inherently difficult. For this reason, we do not attempt to forecast the growth of the New Zealand economy, and thus the growth of its capital markets, which would in turn materially grow NZX. We instead look at the proportion of market cap to GDP for a number of different countries to get a sense of where New Zealand ranks among global peers. This was done by acquiring data from The World Bank for 2020, the most recent year with data. We note that New Zealand is at the low end of Market Cap to GDP when compared to its G-20 peers that had data available.

**Exhibit 8: G-20 Countries Market Cap as % of GDP**



Source: The World Bank

When New Zealand capital markets as a percent of GDP is compared to peers, there is significant headroom. This is more apparent when compared to geographical peers such as Australia, South Korea, and Japan. We believe that with or without growth in the New Zealand economy there is still potential for the New Zealand market to grow significantly if it were to reach the a size of its peers.

## Risks

As with any investment, there are certain risks associated with NZX's operations as well as with the surrounding economic and regulatory environments common to the Financial Exchanges & Data industry and operating in foreign countries.

**Size of Industry** – The New Zealand Stock Exchange had a market cap of approximately NZD\$385.2m which at an exchange rate of \$0.6349 NZD/USD as of 12/31/2022 translates to approximately USD\$244.6m. This compares to the NYSE which had a market cap of approximately USD\$30.1b. This correlates to the Companies estimate of 1,200 private companies that make up the New Zealand TAM as compared to the approximate 668,876 companies in the US with more than 20 employees per the US Census Bureau as of 2020, the most recent date that data was available.

**Technology Risk** – Due to the amount of technology involved with operating both the markets and non-markets segments of the business there is a significant amount of risk involved should this IT fail to perform. There is a potential for the company to experience a security risk, and outsourcing risk or a disaster recover risk all of which could stem from the technology that the Company uses not being reliable, available, or accurate. A manifestation of these risks could subject NZX to both reputational and legal repercussions.

**Key Partnerships** – The Company's dairy activities are currently partnered with the Singapore Exchange ("SGX"). While this helps develop the Company's dairy derivative market it also exposes NZX to a key partnership risk. The current partnership is a revenue share agreement where NZX retains a base level of revenue. Should relations between SGX and NZX deteriorate in any capacity this could negatively impact NZX's dairy derivatives revenue stream.

**Regulatory Changes** – The Company is exposed to regulatory changes. The risks of regulations include impacts on NZX's licensed market operator license and MIS license. This subjects NZX to potential legal disputes, investigations, and sanctions from investors, governments, and customers amongst others. Any sort of legal action taken on the Company could have negative ramifications on operations.

**Reliance on M&A** – The Company has shown an ability to continue its growth trajectory in part with M&A. Should the M&A market meaningfully change due to a decrease in liquidity, increases in borrowing rates, or a lack of new sellers the Company would see a material decrease in growth potential.

## VALUATION SUMMARY

To help frame our valuation we use a combination of a dividend discount model, comparative analysis, and discounted cash flow analysis.

Our DCF analysis relies on a range of discount rates between 10.25% and 10.75% with a midpoint of 10.50%. This arrives at a valuation range of \$1.23 to \$1.47 with a mid-point of \$1.34.

### Sensitivity Analysis:

Discount rate	Terminal Growth Rates				
	1.0%	1.5%	2.0%	2.5%	3.0%
	10.00%	\$1.34	\$1.40	\$1.47	\$1.54
10.25%	\$1.28	\$1.34	\$1.40	\$1.47	\$1.55
10.50%	\$1.23	\$1.28	\$1.34	\$1.40	\$1.47
10.75%	\$1.18	\$1.23	\$1.28	\$1.34	\$1.40
11.00%	\$1.13	\$1.18	\$1.22	\$1.28	\$1.34

### Comparative Analysis

(all figures in M, except per share information)

Company Name	Symbol	Price <sup>(1)</sup>	Mrkt Cap	EV	BV/Share	EV/Revenue <sup>(2, 3)</sup>			EV/EBITDA <sup>(2, 3)</sup>			P/E <sup>(2, 3)</sup>		
						2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
ASX Limited	ASX	\$ 37.04	\$ 7,170.3	\$ 5,966.0	\$ 12.52	10.09x	8.93x	8.62x	12.1x	13.9x	13.7x	39.7x	22.8x	22.1x
CME Group Inc.	CME	\$ 202.89	\$ 72,989.5	\$ 74,912.3	\$ 77.49	13.09x	13.76x	13.36x	18.5x	20.1x	19.5x	22.7x	22.4x	22.0x
Nasdaq, Inc.	NDAQ	\$ 51.94	\$ 25,519.0	\$ 30,469.0	\$ 12.69	5.75x	8.18x	7.71x	18.3x	14.8x	13.8x	26.9x	18.7x	17.7x
London Stock Exchange Group	LSE: LSEG	\$ 103.02	\$ 56,675.2	\$ 67,071.6	\$ 56.56	6.45x	6.48x	6.12x	13.5x	13.9x	12.9x	30.5x	24.7x	22.0x
Deutsche Börse AG	DB1	\$ 177.52	\$ 32,616.4	\$ 36,531.5	\$ 49.63	7.57x	6.96x	6.70x	15.2x	11.6x	11.3x	19.8x	17.0x	16.2x
Intercontinental Exchange, Inc	ICE	\$ 117.01	\$ 65,560.9	\$ 81,098.9	\$ 42.54	10.22x	10.61x	10.00x	16.5x	15.8x	15.0x	39.7x	20.7x	19.0x
The Philippine Stock Exchange	PSE: PSE	\$ 2.86	\$ 234.7	\$ 168.2	\$ 1.15	6.12x	N/A	N/A	9.9x	N/A	N/A	17.3x	N/A	N/A
<b>Average Median</b>						<b>8.5x</b>	<b>9.2x</b>	<b>8.8x</b>	<b>14.9x</b>	<b>15.0x</b>	<b>14.4x</b>	<b>28.1x</b>	<b>21.1x</b>	<b>19.8x</b>
<b>Median</b>						<b>7.6x</b>	<b>8.6x</b>	<b>8.2x</b>	<b>15.2x</b>	<b>14.4x</b>	<b>13.8x</b>	<b>26.9x</b>	<b>21.6x</b>	<b>20.5x</b>
NZX Limited	NZX	\$ 0.70	\$ 224.6	\$ 266.0	\$ 0.23	4.7x	4.2x	3.8x	12.8x	11.2x	10.0x	26.8x	29.5x	23.5x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

(4) All Values in USD at an exchange rate of \$1.68 NZD/USD

Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA framework to inform our NZX valuation. Currently NZX is trading at a FY24 EV/EBITDA of 10.0x compared to comps at an average of 14.4x. We are using our F24 expected EBITDA, and an EV/EBITDA range of 10.5x to 12.5x with a midpoint of 11.5x which moves NZX closer to comp companies. We believe this is reasonable given the continued growth in the New Zealand market, and the Company's diversified revenue streams. This arrives at a valuation range of \$1.25 to \$1.52 with a mid-point of \$1.39.

	EV/EBITDA		
2024 E	10.50x	11.50x	12.50x
Adj EBITDA	44.9	44.9	44.9
TEV	471.9	516.9	561.8
Cash	12.5	12.5	12.5
Debt	82.2	82.2	82.2
Mrkt Cap	402.3	447.2	492.2
S/O	322.8	322.8	322.8
Price	<b>\$ 1.25</b>	<b>\$ 1.39</b>	<b>\$ 1.52</b>

We are also using a Dividend Discount Model to guide our valuation. We believe that due to the strong payout ratio that NZX has shown this valuation method is useful. Our Dividend Discount Model uses the Company stated payout ratio range of 80% to 110% on 2024E Net Income, similar discount rates used in the DCF model, and a slightly more conservative growth assumption compared to forecasted growth. This arrives at a valuation range of \$1.14 to \$1.56 with a mid-point of \$1.35.

Dividend Discount Model									
<b>2024E Net Income</b>	<b>16.5</b>			<b>16.5</b>			<b>16.5</b>		
Payout Ratio	80%			95%			110%		
Forward Payout (\$M)	13.2			15.7			18.2		
Forward S/O	332.4			332.4			332.4		
Payout Per Share	\$ 0.04			\$ 0.05			\$ 0.05		
Discount Rate	11.00%	10.50%	10.00%	11.00%	10.50%	10.00%	11.00%	10.50%	10.00%
Growth Rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Price	<b>\$ 0.99</b>	<b>\$ 1.14</b>	<b>\$ 1.33</b>	<b>\$ 1.18</b>	<b>\$ 1.35</b>	<b>\$ 1.57</b>	<b>\$ 1.37</b>	<b>\$ 1.56</b>	<b>\$ 1.82</b>

DISCOUNTED CASH FLOW

<b>NZX Limited</b>														
<b>Discounted Cash Flow Model</b>														
<i>(in \$M, except per share)</i>														
<b>Estimates:</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>	<b>2029E</b>	<b>2030E</b>	<b>2031E</b>	<b>2032E</b>	<b>2033E</b>	<b>Terminal Value</b>
Revenue	88.0	95.7	107.0	116.7	127.2	138.6	151.8	166.2	182.0	200.2	220.2	242.2	266.4	
Operating Income	13.1	15.8	19.9	21.4	23.5	25.6	28.1	33.2	40.0	47.5	55.6	61.2	67.3	
Less: Taxes (benefit)	6.4	5.4	6.2	7.1	5.9	6.4	7.0	8.3	10.0	11.9	13.9	15.3	16.8	
<b>NOPAT</b>	<b>6.7</b>	<b>10.5</b>	<b>13.7</b>	<b>14.3</b>	<b>17.6</b>	<b>19.2</b>	<b>21.1</b>	<b>24.9</b>	<b>30.0</b>	<b>35.7</b>	<b>41.7</b>	<b>45.9</b>	<b>50.5</b>	
Plus: Depreciation & Amortization	10.4	13.9	16.3	16.7	17.8	18.0	18.2	19.1	19.8	21.0	22.2	23.5	25.8	
Plus: Changes in WC	4.7	43.2	(16.1)	(11.7)	(0.6)	0.7	0.8	0.8	0.2	2.0	1.1	1.2	1.3	
Less: Capex	(16.9)	(40.5)	(32.1)	(23.3)	(6.4)	(3.6)	(3.8)	(3.8)	(4.2)	(4.5)	(4.6)	(5.1)	(5.6)	
<b>Free Cash Flow</b>	<b>4.8</b>	<b>27.1</b>	<b>(18.1)</b>	<b>(4.0)</b>	<b>28.5</b>	<b>34.3</b>	<b>36.2</b>	<b>41.0</b>	<b>45.9</b>	<b>54.2</b>	<b>60.4</b>	<b>65.5</b>	<b>72.0</b>	<b>864.4</b>
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.95	0.86	0.78	0.71	0.64	0.58	0.52	0.47	0.43	0.39	0.35	
<b>PV of FCF</b>			<b>(17.3)</b>	<b>(3.5)</b>	<b>22.2</b>	<b>24.2</b>	<b>23.1</b>	<b>23.7</b>	<b>24.0</b>	<b>25.6</b>	<b>25.9</b>	<b>25.4</b>	<b>25.2</b>	<b>303.0</b>
<b>Growth rate assumptions:</b>														
Revenue		8.8%	11.8%	9.0%	9.0%	9.0%	9.5%	9.5%	9.5%	10.0%	10.0%	10.0%	10.0%	
Operating Income		21.3%	25.6%	7.3%	10.2%	9.0%	9.5%	18.4%	20.5%	18.8%	16.9%	10.0%	10.0%	
EBITDA		26.6%	22.0%	5.0%	8.6%	5.6%	6.0%	13.1%	14.4%	14.5%	13.5%	8.8%	10.0%	
Free Cash Flow		459.5%	-167.0%	-77.8%	-806.9%	20.7%	5.5%	13.3%	11.7%	18.1%	11.5%	8.4%	10.0%	
<b>Margin assumptions:</b>														
Operating Income	14.8%	16.5%	18.6%	18.3%	18.5%	18.5%	18.5%	20.0%	22.0%	23.8%	25.3%	25.3%	25.3%	
D&A as a % of sales	11.8%	14.5%	15.3%	14.3%	14.0%	13.0%	12.0%	11.5%	10.9%	10.5%	10.1%	9.7%	9.7%	
EBITDA	26.7%	31.0%	33.9%	32.6%	32.5%	31.5%	30.5%	31.5%	32.9%	34.3%	35.4%	35.0%	35.0%	
Taxes	48.7%	33.8%	31.2%	33.2%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	5.3%	45.2%	-15.0%	-10.0%	-0.5%	0.5%	0.5%	0.5%	0.1%	1.0%	0.5%	0.5%	0.5%	
Capex as a % of sales	-19.2%	-42.3%	-30.0%	-20.0%	-5.0%	-2.6%	-2.5%	-2.3%	-2.3%	-2.3%	-2.1%	-2.1%	-2.1%	
<b>Valuation:</b>														
Shares outstanding	322.8													
PV of FCF	198.5													
PV of Terminal Value	303.0													
Enterprise Value	501.5													
less: Net Debt	69.7													
Estimated Total Value:	431.8													
<b>Est Equity Value/share:</b>	<b>\$1.34</b>													
Price	\$1.17													

		<b>Sensitivity Analysis:</b>				
		<b>Terminal Growth Rates</b>				
		<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>
<b>Discount rate</b>	<b>10.00%</b>	\$1.34	\$1.40	\$1.47	\$1.54	\$1.63
	<b>10.25%</b>	\$1.28	\$1.34	\$1.40	\$1.47	\$1.55
	<b>10.50%</b>	\$1.23	\$1.28	\$1.34	\$1.40	\$1.47
	<b>10.75%</b>	\$1.18	\$1.23	\$1.28	\$1.34	\$1.40
	<b>11.00%</b>	\$1.13	\$1.18	\$1.22	\$1.28	\$1.34

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

NZX Limited Consolidated Balance Sheets (NZD \$M) Fiscal Year End: December																			
ASSETS	Q2	Q4	FY 2017	Q2	Q4	FY 2018	Q2	Q4	FY 2019	Q2	Q4	FY 2020	Q2	Q4	FY 2021	Q2	Q4	FY 2022	Q2
	Jun-17	Dec-17		Jun-18	Dec-18		Jun-19	Dec-19		Jun-20	Dec-20		Jun-21	Dec-21		Jun-22	Dec-22		Jun-23
Cash and Cash Equivalents	7.2	14.9	14.9	18.3	25.4	25.4	15.8	27.7	27.7	21.4	32.8	32.8	21.3	29.1	29.1	16.5	20.6	20.6	12.5
Investments	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-
Receivables and Prepayments	26.3	10.9	10.9	21.9	9.2	9.2	22.3	9.0	9.0	20.8	10.8	10.8	23.2	11.3	11.3	27.6	17.1	17.1	32.7
Current Tax Asset	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents-restricted	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Funds Held on Behalf of Third Parties	89.0	58.9	58.9	89.4	56.7	56.7	71.3	79.7	79.7	121.2	104.7	104.7	135.6	28.0	28.0	27.2	30.3	30.3	26.3
Asset Held for Sale	-	2.4	2.4	5.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>142.5</b>	<b>107.1</b>	<b>107.1</b>	<b>155.2</b>	<b>111.3</b>	<b>111.3</b>	<b>129.4</b>	<b>136.4</b>	<b>136.4</b>	<b>183.4</b>	<b>168.3</b>	<b>168.3</b>	<b>200.1</b>	<b>88.4</b>	<b>88.4</b>	<b>91.3</b>	<b>88.0</b>	<b>88.0</b>	<b>91.5</b>
Right of Use Lease Assets	-	-	-	6.7	6.3	6.3	6.4	5.8	5.8	6.2	5.1	5.1	4.5	11.3	11.3	11.4	19.2	19.2	18.3
Fixed Assets	2.8	2.4	2.4	2.2	2.8	2.8	2.9	2.6	2.6	2.4	2.1	2.1	5.0	6.5	6.5	7.9	10.4	10.4	10.0
Investment in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.6	16.8	16.8	17.2
Goodwill	35.8	33.9	33.9	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	50.9
Other Intangible Assets	37.7	36.3	36.3	34.3	36.5	36.5	36.7	37.5	37.5	39.4	40.9	40.9	41.8	44.3	44.3	68.7	68.6	68.6	99.3
<b>Total Assets</b>	<b>218.7</b>	<b>179.8</b>	<b>179.8</b>	<b>228.7</b>	<b>187.1</b>	<b>187.1</b>	<b>205.7</b>	<b>212.6</b>	<b>212.6</b>	<b>261.6</b>	<b>246.7</b>	<b>246.7</b>	<b>281.6</b>	<b>180.6</b>	<b>180.6</b>	<b>226.1</b>	<b>233.2</b>	<b>233.2</b>	<b>287.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>																			
Trade Payables	7.2	3.8	3.8	6.5	3.8	3.8	4.5	3.8	3.8	5.3	6.7	6.7	8.3	6.8	6.8	9.4	7.4	7.4	9.5
Interest Bearing Liabilities Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.0	39.0	-
Lease Liabilities	-	-	-	1.1	1.1	1.1	1.4	1.4	1.4	1.7	1.4	1.4	1.1	1.2	1.2	1.3	1.0	1.0	0.7
Current Tax Payable	-	-	-	0.5	2.2	2.2	0.8	1.8	1.8	1.7	2.3	2.3	-	1.9	1.9	-	0.7	0.7	0.5
Other Liabilities	28.6	23.5	23.5	16.3	11.7	11.7	15.4	12.3	12.3	16.1	15.2	15.2	18.6	17.0	17.0	22.8	19.4	19.4	30.5
Liabilities Held-for-sale	-	-	-	1.1	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds Held on Behalf of Third Parties	89.0	58.9	58.9	89.4	56.7	56.7	71.3	79.7	79.7	121.2	104.7	104.7	135.6	28.0	28.0	27.2	30.3	30.3	26.3
Current Tax Liability/(assets)	-	0.7	0.7	-	-	-	-	-	-	-	-	-	0.9	-	-	(0.9)	-	-	-
<b>Total Current Liabilities</b>	<b>124.7</b>	<b>86.9</b>	<b>86.9</b>	<b>114.8</b>	<b>75.6</b>	<b>75.6</b>	<b>93.3</b>	<b>98.9</b>	<b>98.9</b>	<b>145.9</b>	<b>130.2</b>	<b>130.2</b>	<b>164.4</b>	<b>54.9</b>	<b>54.9</b>	<b>59.8</b>	<b>97.8</b>	<b>97.8</b>	<b>67.4</b>
Interest-bearing Liabilities	20.0	20.0	20.0	38.8	38.8	38.8	38.8	38.9	38.9	38.9	38.9	38.9	38.9	39.0	39.0	39.0	-	-	61.2
Lease Liabilities	-	-	-	8.6	8.1	8.1	7.9	7.2	7.2	7.3	5.7	5.7	5.2	12.4	12.4	12.3	20.7	20.7	20.3
Deferred Tax Liability	4.2	4.1	4.1	3.1	3.1	3.1	3.2	3.4	3.4	3.2	3.7	3.7	3.2	3.1	3.1	3.0	3.0	3.0	11.7
Other Liabilities	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	0.6	0.6	-	-	-	7.9
<b>Total Liabilities</b>	<b>149.0</b>	<b>111.1</b>	<b>111.1</b>	<b>165.5</b>	<b>125.7</b>	<b>125.7</b>	<b>143.5</b>	<b>148.7</b>	<b>148.7</b>	<b>195.6</b>	<b>179.0</b>	<b>179.0</b>	<b>212.4</b>	<b>110.0</b>	<b>110.0</b>	<b>114.1</b>	<b>121.5</b>	<b>121.5</b>	<b>168.5</b>
Common Stock - Par Value	47.6	47.5	47.5	47.9	51.1	51.1	53.7	55.5	55.5	57.0	58.5	58.5	61.1	63.5	63.5	106.3	108.5	108.5	118.2
Retained Earnings	21.9	21.1	21.1	15.3	10.4	10.4	8.5	8.4	8.4	9.0	9.2	9.2	8.2	7.2	7.2	5.9	3.3	3.3	0.6
Foreign Currency Translation Reserve	0.2	0.1	0.1	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
<b>Total Consolidated Equity</b>	<b>69.8</b>	<b>68.7</b>	<b>68.7</b>	<b>63.2</b>	<b>61.4</b>	<b>61.4</b>	<b>62.2</b>	<b>63.9</b>	<b>63.9</b>	<b>66.0</b>	<b>67.6</b>	<b>67.6</b>	<b>69.2</b>	<b>70.6</b>	<b>70.6</b>	<b>112.1</b>	<b>111.7</b>	<b>111.7</b>	<b>118.7</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>218.7</b>	<b>179.8</b>	<b>179.8</b>	<b>228.7</b>	<b>187.1</b>	<b>187.1</b>	<b>205.7</b>	<b>212.6</b>	<b>212.6</b>	<b>261.6</b>	<b>246.7</b>	<b>246.7</b>	<b>281.6</b>	<b>180.6</b>	<b>180.6</b>	<b>226.1</b>	<b>233.2</b>	<b>233.2</b>	<b>287.2</b>
<b>Liquidity</b>																			
Current Ratio	1.1x	1.2x	1.2x	1.4x	1.5x	1.5x	1.4x	1.4x	1.4x	1.3x	1.3x	1.3x	1.2x	1.6x	1.6x	1.5x	0.9x	0.9x	1.4x
Working Capital	17.77	20.22	20.22	40.40	35.73	35.73	36.09	37.47	37.47	37.51	38.09	38.09	35.72	33.44	33.44	31.49	(9.80)	(9.80)	24.05
<b>Leverage</b>																			
Net Debt to Equity	18.3%	7.4%	7.4%	47.8%	36.8%	36.8%	52.0%	30.9%	30.9%	40.0%	19.6%	19.6%	34.5%	33.2%	33.2%	32.2%	35.9%	35.9%	58.7%
Net Debt to Capital	5.8%	2.8%	2.8%	13.2%	12.1%	12.1%	15.7%	9.3%	9.3%	10.1%	5.4%	5.4%	8.5%	13.0%	13.0%	15.9%	17.2%	17.2%	24.3%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

NZX Limited															
Consolidated Statements of Income (in NZD \$M, except per share amounts)															
Fiscal Year End: December															
	FY 2018	FY 2019	FY 2020	Q2 Jun-21	Q4 Dec-21	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022	Q2 Jun-23	Q4 E Dec-23	FY 2023E	Q2 E Jun-24	Q4 E Dec-24	FY 2024E
Total Operating Revenues	\$ 67.5	\$ 69.5	\$ 78.4	\$ 42.5	\$ 45.5	\$ 88.0	\$ 46.2	\$ 49.6	\$ 95.7	\$ 54.0	\$ 53.1	\$ 107.0	\$ 57.4	\$ 59.2	\$ 116.7
<b>Total Revenues</b>	<b>67.5</b>	<b>69.5</b>	<b>78.4</b>	<b>42.5</b>	<b>45.5</b>	<b>88.0</b>	<b>46.2</b>	<b>49.6</b>	<b>95.7</b>	<b>54.0</b>	<b>53.1</b>	<b>107.0</b>	<b>57.4</b>	<b>59.2</b>	<b>116.7</b>
Operating Expenses:															
Total Operating Expense	40.2	38.2	44.0	25.5	28.0	53.5	28.8	31.9	60.7	33.9	33.2	67.8	35.4	36.3	71.7
<b>Gross Profit</b>	<b>27.3</b>	<b>31.4</b>	<b>34.4</b>	<b>16.9</b>	<b>17.5</b>	<b>34.4</b>	<b>17.4</b>	<b>17.6</b>	<b>35.1</b>	<b>20.0</b>	<b>19.9</b>	<b>39.3</b>	<b>22.1</b>	<b>22.9</b>	<b>44.9</b>
Depreciation and Amortization	6.4	8.6	8.3	4.8	5.6	10.4	6.8	7.1	13.9	8.3	8.0	16.3	8.3	8.4	16.7
Net Finance Expense	0.8	2.2	2.0	1.2	1.3	2.5	1.0	0.8	1.8	1.9	1.9	3.8	2.1	2.2	4.3
Share of Profit of Associate	(0.0)	-	-	-	-	-	-	0.1	0.1	(0.4)	0.2	(0.2)	0.2	0.2	0.4
Loss/(Gain) on Asset Disposal	1.2	0.1	-	0.1	0.0	0.1	(0.0)	-	(0.0)	-	-	-	-	-	-
Loss/(Gain) on Lease Modification	-	-	(0.6)	-	-	-	-	-	-	(0.0)	-	(0.0)	-	-	-
Total Operating Expenses	8.4	10.8	9.8	6.1	7.0	13.1	7.8	8.0	15.8	9.8	10.1	19.9	10.6	10.8	21.4
<b>Operating Income</b>	<b>18.9</b>	<b>20.5</b>	<b>24.6</b>	<b>10.9</b>	<b>10.5</b>	<b>21.4</b>	<b>9.6</b>	<b>9.6</b>	<b>19.2</b>	<b>10.2</b>	<b>9.8</b>	<b>19.4</b>	<b>11.5</b>	<b>12.1</b>	<b>23.6</b>
Provision for Income Tax	6.0	5.9	7.0	3.2	3.1	6.4	2.2	3.1	5.4	3.3	2.9	6.2	3.4	3.6	7.1
<b>Net Income</b>	<b>12.8</b>	<b>14.6</b>	<b>17.6</b>	<b>7.6</b>	<b>7.4</b>	<b>15.0</b>	<b>7.4</b>	<b>6.5</b>	<b>13.9</b>	<b>7.0</b>	<b>6.9</b>	<b>13.1</b>	<b>8.0</b>	<b>8.5</b>	<b>16.5</b>
<b>Basic EPS</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.06</b>	<b>\$ 0.03</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ 0.05</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>	<b>\$ 0.02</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>
<b>Diluted EPS</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.06</b>	<b>\$ 0.03</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>	<b>\$ 0.02</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>	<b>\$ 0.02</b>	<b>\$ 0.03</b>	<b>\$ 0.05</b>
WTD Shares Out - Basic	269.6	274.3	277.2	282.6	279.5	279.5	313.1	307.2	307.2	322.8	332.0	332.0	332.4	332.4	332.4
WTD Shares Out - Diluted	272.9	277.3	280.2	282.6	284.6	284.6	307.6	312.2	312.2	332.0	332.0	332.0	332.4	332.4	332.4
<b>EBITDA</b>	<b>27.3</b>	<b>31.4</b>	<b>34.4</b>	<b>16.9</b>	<b>17.5</b>	<b>34.4</b>	<b>17.4</b>	<b>17.6</b>	<b>35.1</b>	<b>20.0</b>	<b>19.9</b>	<b>39.3</b>	<b>22.1</b>	<b>22.9</b>	<b>44.9</b>
<b>Margin Analysis</b>															
Gross Margin	40.4%	45.1%	43.9%	39.9%	38.4%	39.1%	37.7%	35.6%	36.6%	37.1%	37.5%	36.7%	38.4%	38.6%	38.5%
Operating Margin	27.9%	29.5%	31.4%	25.6%	23.1%	24.3%	20.8%	19.4%	20.1%	19.0%	18.5%	18.1%	20.0%	20.5%	20.2%
EBITDA Margin	40.4%	45.1%	43.9%	39.9%	38.4%	39.1%	37.7%	35.6%	36.6%	37.1%	37.5%	36.7%	38.4%	38.6%	38.5%
Pre-Tax Margin	27.9%	29.5%	31.4%	25.6%	23.1%	24.3%	20.8%	19.4%	20.1%	19.0%	18.5%	18.1%	20.0%	20.5%	20.2%
Net Income Margin	19.0%	21.1%	22.4%	18.0%	16.2%	17.1%	16.0%	13.1%	14.5%	12.9%	12.9%	12.3%	14.0%	14.3%	14.2%
Tax Rate	32.1%	28.7%	28.6%	29.7%	29.8%	29.7%	23.3%	32.5%	27.9%	31.9%	30.0%	32.1%	30.0%	30.0%	30.0%
<b>Growth Rate Y/Y</b>															
Total Revenue	0.5%	3.0%	12.8%	10.5%	13.7%	12.2%	8.8%	8.9%	8.8%	16.9%	7.1%	11.8%	6.5%	11.5%	9.0%
Total cost of revenues	0.8%	-5.0%	15.3%	22.3%	21.0%	21.6%	12.7%	13.9%	13.3%	18.0%	4.0%	11.7%	4.3%	9.5%	5.8%
Operating Income	-6.0%	8.9%	19.9%	-14.9%	-11.4%	-13.2%	-11.3%	-8.7%	-10.0%	6.4%	2.0%	0.7%	12.0%	23.8%	21.9%
Net Income	-10.6%	14.3%	20.1%	-16.0%	-13.1%	-14.6%	-3.2%	-12.2%	-7.6%	-5.6%	5.7%	-5.2%	15.2%	23.8%	25.6%

Source: Company Reports, Stonegate Capital Partners estimates

STATEMENT OF CASH FLOWS

NZX Limited Consolidated Cash Flow Statements (NZD \$M) Fiscal Year End: December													
CASH FLOW	Q2 Jun-19	Q4 Dec-19	FY 2019	Q2 Jun-20	Q4 Dec-20	FY 2020	Q2 Jun-21	Q4 Dec-21	FY 2021	Q2 Jun-22	Q4 Dec-22	FY 2022	Q2 Jun-23
<b>Operating Activities</b>													
Receipts from customers	24.7	45.2	69.9	32.7	45.4	78.1	37.6	50.6	88.1	37.6	54.4	92.1	47.0
Net interest paid	(0.9)	(1.2)	(2.1)	(0.9)	(0.9)	(1.8)	(1.0)	(1.2)	(2.3)	(1.1)	(0.9)	(2.0)	(1.3)
Payments to suppliers and employees	(18.7)	(18.3)	(37.0)	(21.0)	(17.9)	(38.8)	(27.6)	(23.6)	(51.1)	(30.2)	(29.8)	(60.0)	(35.0)
Income tax paid	(3.9)	(2.1)	(6.0)	(3.6)	(2.6)	(6.2)	(5.1)	(2.2)	(7.4)	(5.2)	(1.5)	(6.7)	(3.8)
<b>Cash flow generated/(absorbed) from operating Activities</b>	<b>1.2</b>	<b>23.6</b>	<b>24.8</b>	<b>7.2</b>	<b>24.0</b>	<b>31.2</b>	<b>3.9</b>	<b>23.5</b>	<b>27.4</b>	<b>1.2</b>	<b>22.3</b>	<b>23.4</b>	<b>6.9</b>
<b>Investing Activities</b>													
Payments for property, plant, and equipment	(0.5)	(0.2)	(0.7)	(0.3)	(0.2)	(0.5)	(3.3)	(2.2)	(5.5)	(1.1)	(4.0)	(5.1)	(0.4)
Payments for intangible assets	(3.6)	(4.0)	(7.6)	(4.8)	(4.7)	(9.5)	(4.6)	(6.8)	(11.4)	(29.8)	(5.6)	(35.4)	(27.3)
Payments for investment in associate	(0.1)	0.1	-	-	-	-	-	-	-	(16.0)	(0.6)	(16.6)	-
Net cash paid on disposal of businesses and acquisition	-	(0.0)	(0.0)	-	-	-	-	-	-	-	-	-	-
Cash received from short term investment	-	0.0	0.0	-	0.0	0.0	-	-	-	-	-	-	-
<b>Cash flow generated by Investing Activities</b>	<b>(4.2)</b>	<b>(4.1)</b>	<b>(8.3)</b>	<b>(5.1)</b>	<b>(4.9)</b>	<b>(10.0)</b>	<b>(7.9)</b>	<b>(9.0)</b>	<b>(16.9)</b>	<b>(47.0)</b>	<b>(10.2)</b>	<b>(57.1)</b>	<b>(27.7)</b>
<b>Financing Activities</b>													
Net receipts from equity raising	-	-	-	-	-	-	-	-	-	42.6	0.0	42.7	-
Payments of lease liabilities	(0.6)	(0.7)	(1.3)	(0.7)	(0.8)	(1.5)	(0.8)	(0.3)	(1.1)	(0.7)	(0.6)	(1.2)	(0.6)
Dividend paid	(6.0)	(6.9)	(12.8)	(7.8)	(7.0)	(14.8)	(6.6)	(6.5)	(13.1)	(8.7)	(7.5)	(16.2)	(8.5)
Purchase of subordinated notes	-	-	-	(0.0)	0.0	-	-	-	-	(0.0)	0.0	-	-
Proceeds from term Loans	-	-	-	-	-	-	-	-	-	-	-	-	22.5
Transaction cost relating to renewal of subordinated notes	-	-	-	-	-	-	-	-	-	-	-	-	(0.6)
<b>Cash flow generated/(absorbed) by financing Activities</b>	<b>(6.6)</b>	<b>(7.5)</b>	<b>(14.1)</b>	<b>(8.5)</b>	<b>(7.8)</b>	<b>(16.2)</b>	<b>(7.4)</b>	<b>(6.8)</b>	<b>(14.2)</b>	<b>33.2</b>	<b>(8.0)</b>	<b>25.2</b>	<b>12.7</b>
<b>Net Cash flow in the year</b>	<b>(9.6)</b>	<b>12.0</b>	<b>2.4</b>	<b>(6.3)</b>	<b>11.4</b>	<b>5.0</b>	<b>(11.5)</b>	<b>7.7</b>	<b>(3.7)</b>	<b>(12.5)</b>	<b>4.1</b>	<b>(8.5)</b>	<b>(8.1)</b>
<b>Cash and Cash Equivalents</b>													
Beginning Cash balance	45.4	35.8	45.4	47.7	41.4	47.7	52.8	41.3	52.8	49.1	36.5	49.1	40.6
Ending Cash balance	35.8	47.7	47.7	41.4	52.8	52.8	41.3	49.1	49.1	36.5	40.6	40.6	32.5

Source: Company Reports, Stonegate Capital Partners

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