

Data#3 Limited

Overweight Recommendation

Ticker: ASX:DTL

Current Share Price: \$7.23

Target Price: \$10.02

Upside: 38.64%

Data#3

PIC

2025 SMIF

William Liu

Consideration must be given to UQ SMIF's history with Data#3 and its strategic investment framework.

SMIF's Investment Philosophy

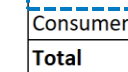
“ Seek to **take advantage of perceived mispricing** through **disciplined fundamental analysis** and minimising exposure to non-systematic risk. Uphold active portfolio management to deliver **sustainable, long-term value** while embracing responsible investing principles. ”

 **Long-term Value Creation:** Asset prices closely reflect intrinsic value over the long-term.

 **Portfolio Diversification:** 6 portfolio constraints ensures no material exposure to non-systematic risk factors.

 **Impact:** Believe people, culture and social responsibility drive structural competitive advantages.

Current Portfolio Holdings



SMIF's History with Data#3

SMIF's **long-only** investment strategy aligns with Data#3's growth prospects and strong management team.

2017

●

UQ SMIF was established in 2017 and received a **\$200K** donation in 2018.

2023 July

●

UQ SMIF initial investment into Data#3 – **2.41%** Portfolio Weight.

2024 Feb.

●

21.73% decline in DTL share price and **-0.40%** contribution following **H1 FY24 results**.

2025 Feb.

●

11.06% return and **+0.07% contribution** following strong **H1 FY25 results**. Ranked among top 5 contributors to the fund.

Industry Diversification

Sector Breakdown	% Weight	Sector Breakdown	% Weight
Healthcare	12.44%	Communication Services	3.34%
Materials	10.82%	Consumer Staples	3.42%
Financials	10.93%	Real Estate	3.12%
Industrials	9.35%	Utilities	1.18%
IT	5.81%	Energy	0.00%
Consumer Discretionary	3.63%	Cash	35.96%
Total			100.00%

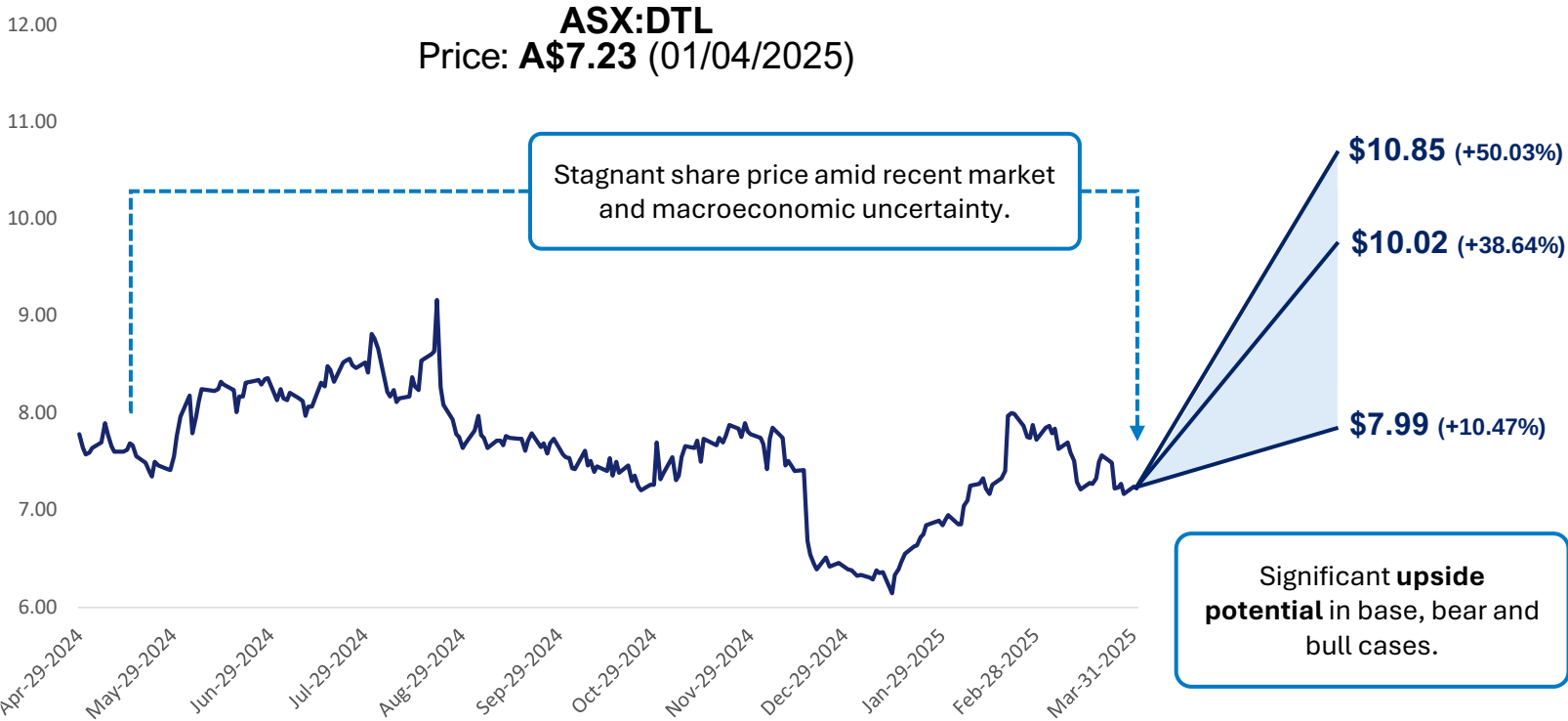
UQ SMIF IT Breakdown

A pie chart showing the breakdown of UQ SMIF's investment in IT. The chart is divided into two segments: a blue segment representing Data#3 at 21%, and a light blue segment representing RUL at 79%. A legend to the left of the chart identifies the blue square as Data#3 and the light blue square as RUL.

Investment Summary

Proposed undervaluation of Data#3, due to strong, long-term IT demand, market undervaluation of AI and disciplined capital and ESG management.

Recommendation: **Overweight**



Target Price: **A\$10.02** (**38.64% Upside**)

6.35%
Revenue CAGR

8.26%
Fama-French **ESG WACC**

8.92%
CAPM WACC

Investment Thesis

PIC Capital believes the **market is overlooking Data#3’s long-term growth potential** amidst recessionary fears.

Data#3 continues delivering **resilient performance**, underpinned by **recurring client demand** and a **strong business model**.

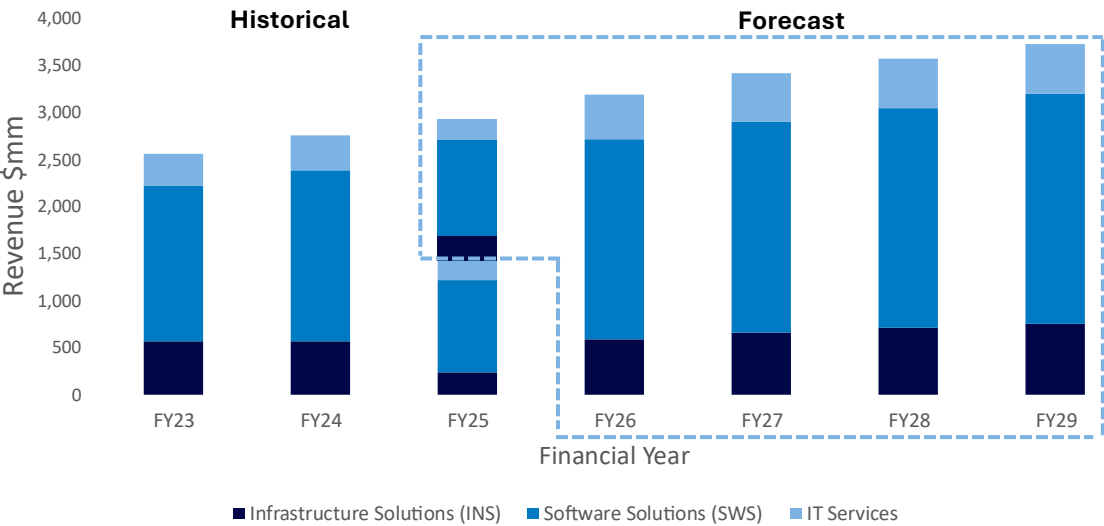
Price Catalysts

- 1 Medium-long-term growth in IT infrastructure demand.
- 2 Undervaluation of Data#3’s strategic positioning in SaaS, Cloud and AI adoption.
- 3 Capital-light business model and disciplined ESG focus.

Company Overview

Data#3 is a leading Business Technology Solutions provider, leveraging world-leading vendor technologies.

Data#3 Operations Overview



Infrastructure Solutions (INS)

Modernising **hardware**, **networking** and **hybrid cloud infrastructure** through procurement and deployment.

Software Solutions (SWS)

Largest revenue stream, from enterprise software licensing, SaaS, and **cloud suites**, including **Microsoft 365**, **Azure**, **Cisco** and **cybersecurity** solutions.

IT Services

IT consulting and project management, with expertise in **cloud migration**, **cybersecurity** and **AI integration** to meet rising technology support demand.

Data#3 Key Metrics

1.42B H1 FY25 Total Revenue	235M INS Revenue	976M SWS Revenue	209M IT Services Revenue	29M EBITDA in H1 FY25
70% Recurring Revenue	300 Customer Groups	+25% SaaS Adoption	14 Years Av. Tenure	+4% YOY from H1 FY24

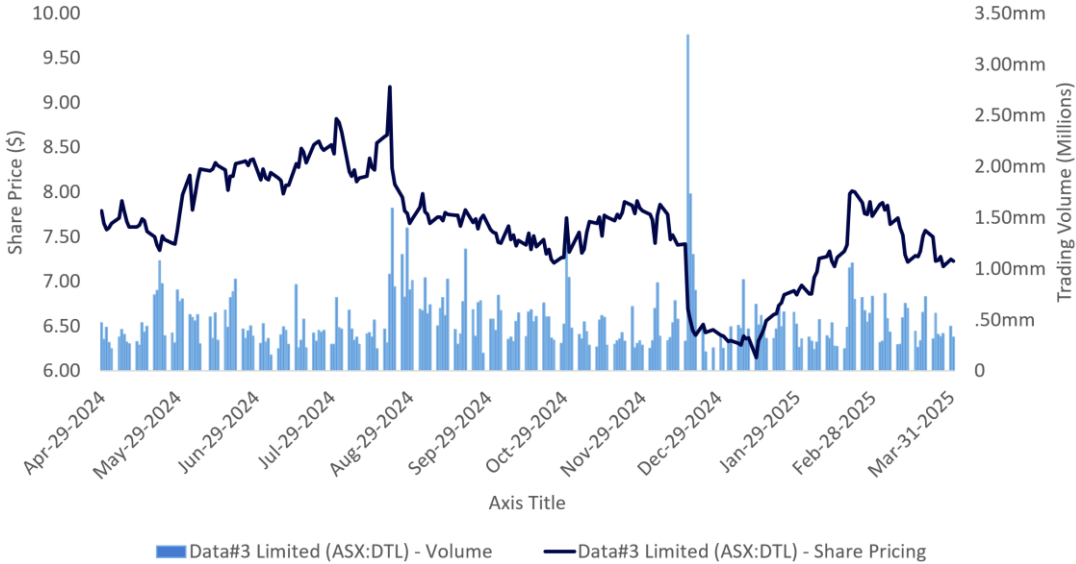
Growth Strategies:

Strong Vendor Partnerships

Defensive Client Contracts

Software-as-a-Service (SaaS) Offerings

Share Price Performance



The Australian ICT industry is rapidly expanding, with Data#3 strategically-positioned to capitalise on sector-wide digital transformation and AI adoption.

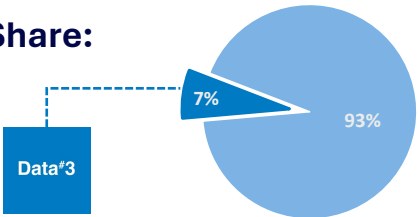
Australian ICT Industry Characteristics

Key Demand Drivers

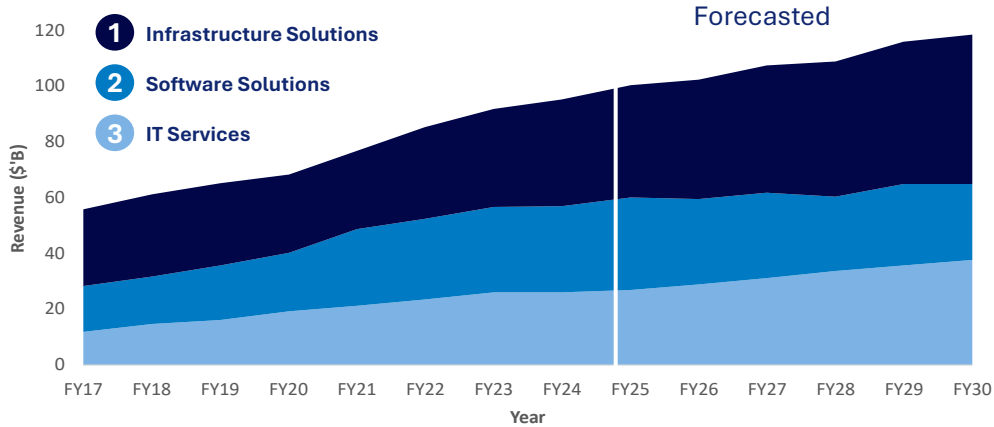
- Urgent, **industry-wide** digital shift, with **Windows 10/11 upgrade** and **COVID-19 hardware refresh**.
- Widespread **AI adoption** requires cloud solutions, computing power and expert ICT services.
- Public sector digital push, backed by the **\$213bn Public Infrastructure Pipeline** to deliver digital services by 2030.



Market Share:



Market Size



- 8.7% IT Spending CAGR**, driven by device refresh cycles and hybrid work models.
- Clients consolidating around a **single vendor**, notably **Microsoft** and **Cisco**.
- Firms struggle to monitor cyberattacks in-house due to a **33% national skill shortage**.

Data#3's Competitive Advantages

Education

30+ Years

Delivering Adobe, Microsoft and "**device as a service**."

6.7% CAGR FY25-FY30

Due to rapid blended learning adoption, following **4.6% total** and **18.5% private enrolment growth** since 2019.

Healthcare

25+ Years

As a trusted partner to healthcare providers.

7.6% CAGR FY25-FY30

The **eHealth transition** is fuelling **SaaS spending** on mobility and security solutions for clinics.

Government

20+ Years

Working with government agencies. **5+ years** as the **sole, government-wide Microsoft** licensing provider.

11.3% CAGR FY25-FY30

With Data#3 **WA's preferred** provider.

Investment Thesis 1 – Recurring Revenue Momentum

Strong position in defensive sectors to drive growth in recurring revenue, with multi-year growth opportunities.

Driven by Multi-year Contracts and Covid-Era Refresh Cycle

Data#3’s **multi-year contracts** in government, healthcare, education and energy anchor recurring revenue and post-Covid **hardware refresh cycle**, drives **steady top-line momentum**.

70%

Of Revenue is
Recurring

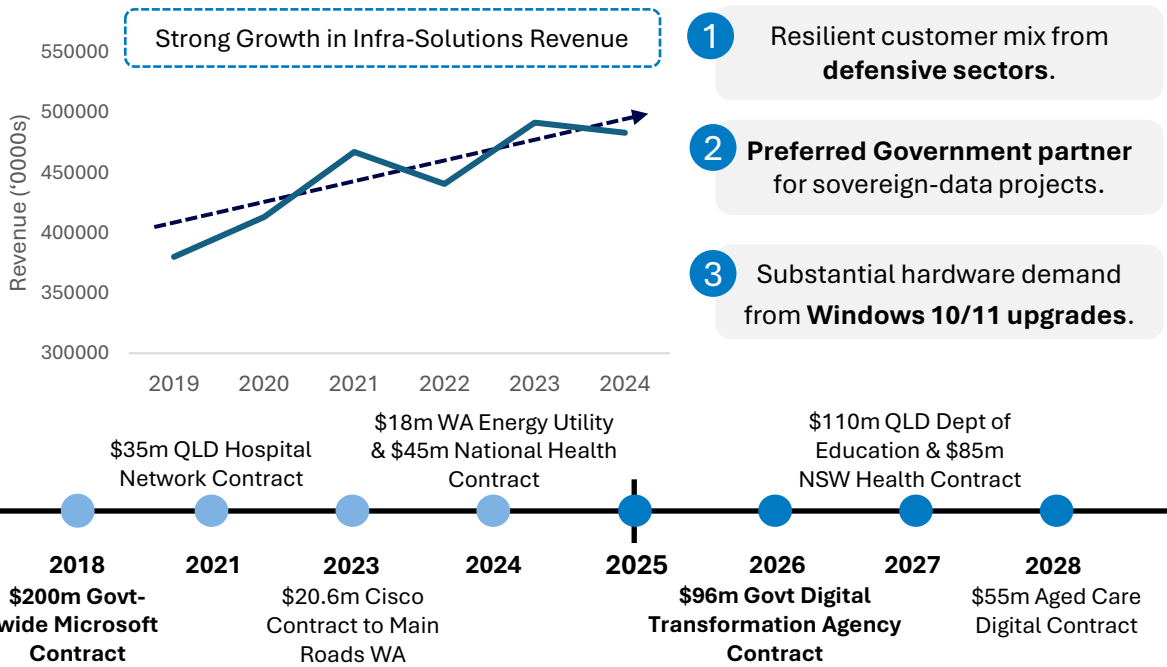
65%

Infrastructure Solutions (INS)
Revenue from Defensive
Sector Clients.

40%

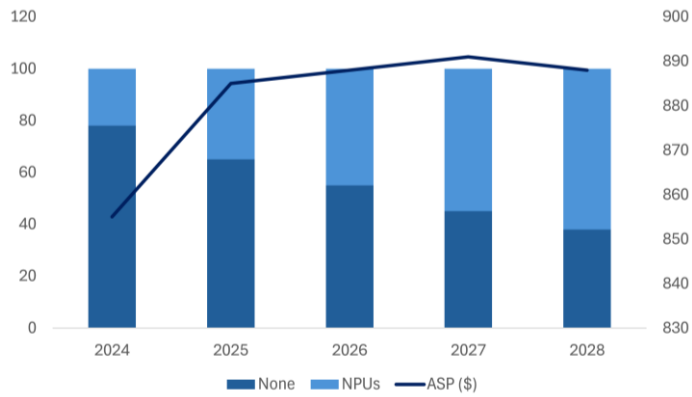
Of schools seeking to
become highly tech
enabled in 3 years.

Infra-Solutions Revenue Growth Drivers



Shortage of non-AI hardware supported by lowering rates

Projected Share of PCs with AI Capabilities (%)

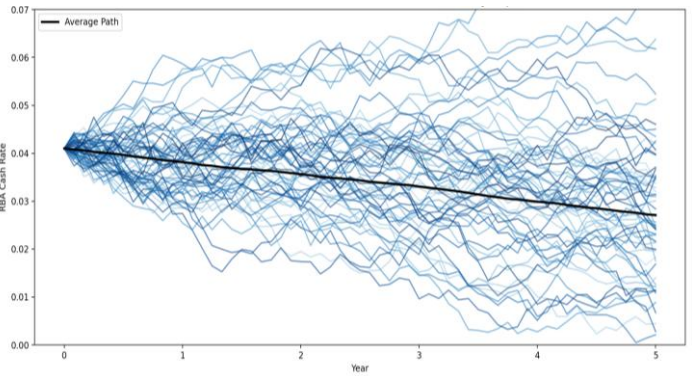


240.2m PCs end-of-life globally as of 2024.

42% of PCs to be refreshed by 2028.

Industry leader positioned to capitalise on Windows 10 to 11 migration, through **wave of hardware refreshment**.

Monte Carlo of Future RBA Cash Rates



Accounting for transmission uncertainties, gradual convergence towards **2.66% rate** is expected for 2029.

Borrowing

Falling Australian cash rates lowering borrowing cost.

Incentives

Lower borrowing costs **boosting business investment**.

Investments

Faster decision-making to clear back-log of IT expenditure.

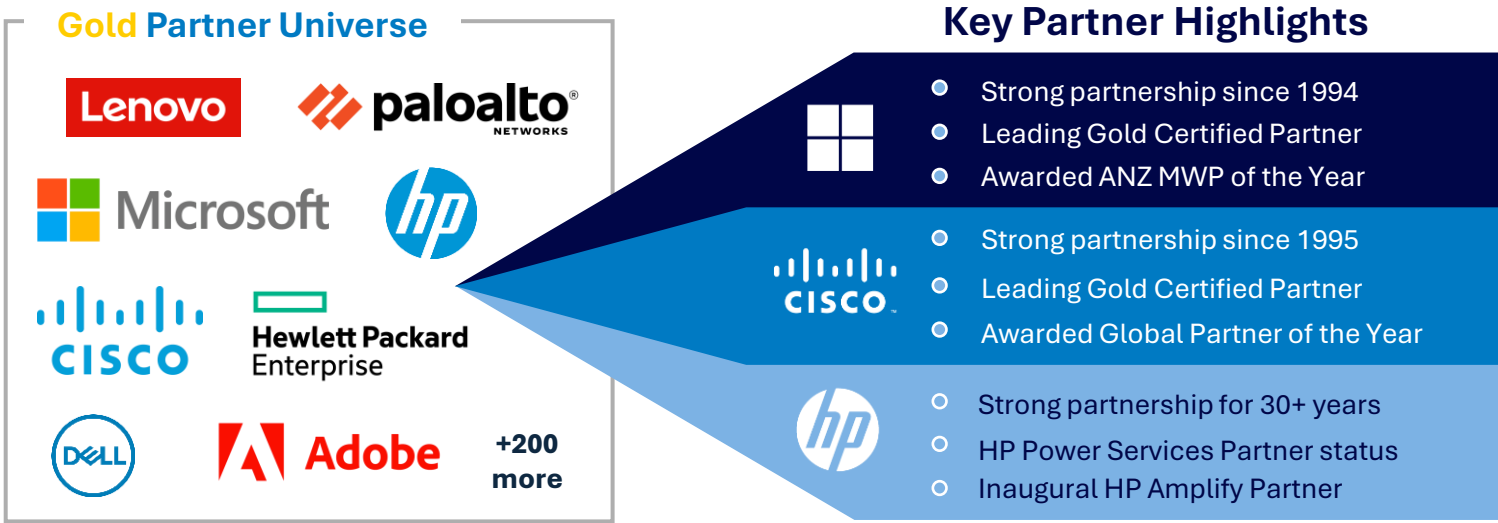
Positioning

Only trusted local player for critical tech investments.

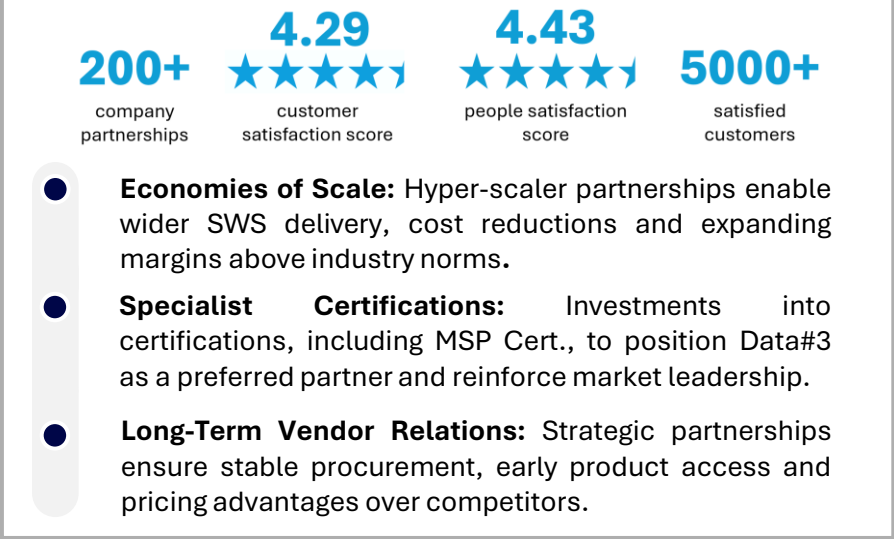
Investment Thesis 2 (a): Strategic Leverage, not Reinvention

Data#3’s business strategy is defined not by in-house innovation, but by integration excellence.

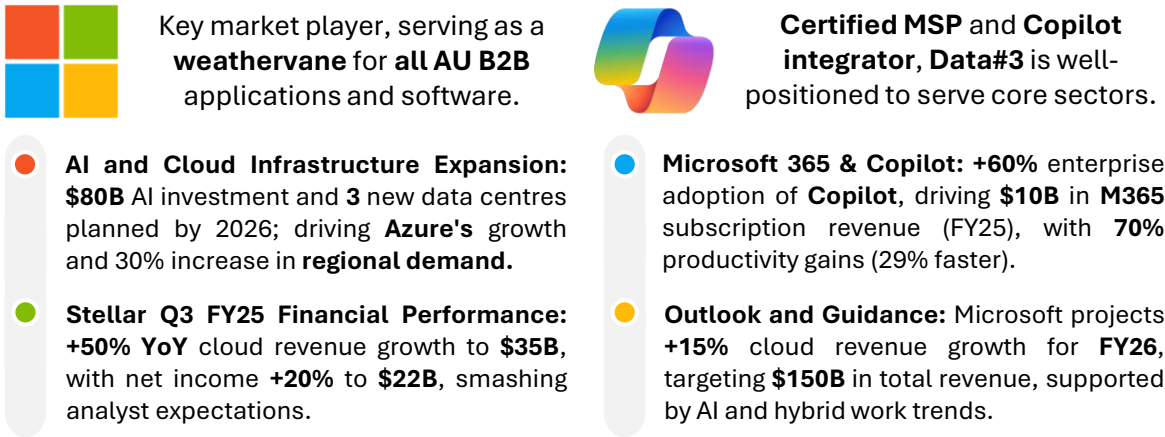
Partnerships with World-leading Technology Vendors



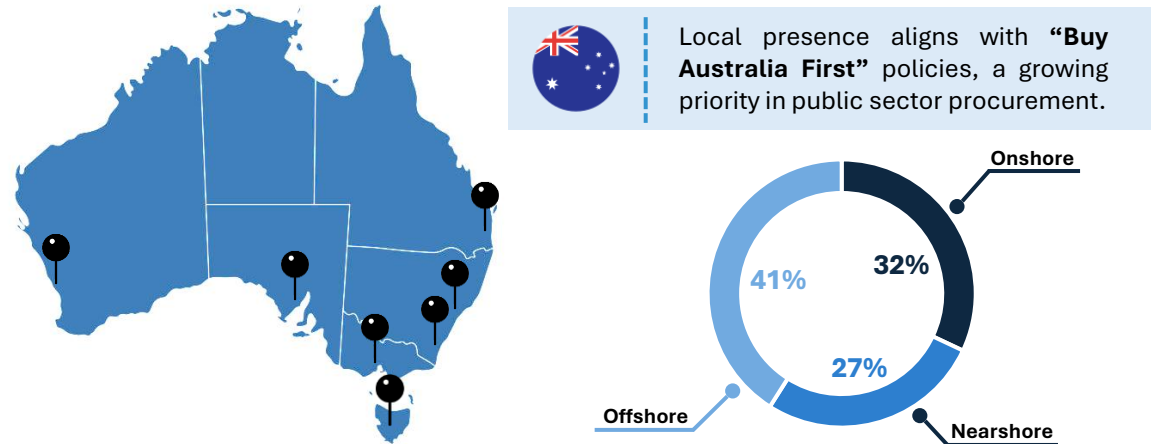
Customers’ Choice: Data#3



Microsoft: A Powerful Tailwind for Data#3



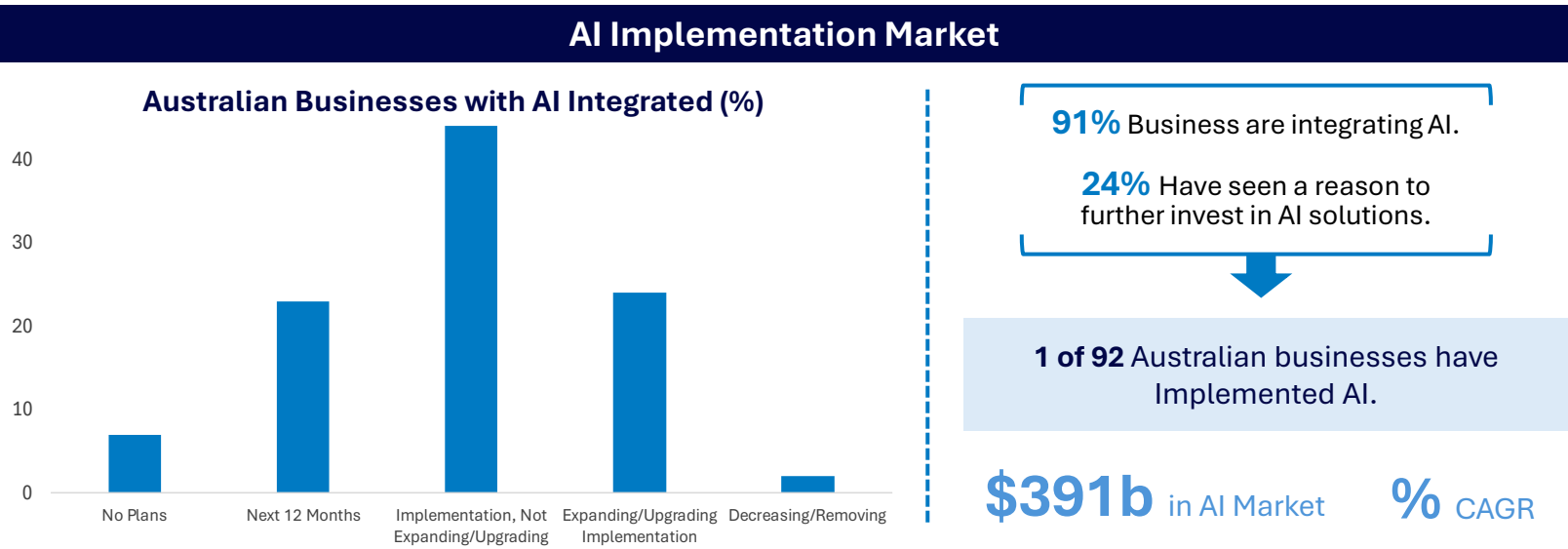
Strategic Government Preference & “Buy Australia First”



Investment Thesis 2 (b) – AI Integration Underappreciated

In the shift from AI hype to integration, Data#3’s early groundwork set up for strong gains

Substantial Demand for AI Integration in Medium-long Term



Case Study: Dot Com Boom

Massive investment in web development, NASDAQ surged from \$11.4b to \$105b from 1995 - 2000.

2001: NASDAQ plummeted 76.81%, erasing trillions in market value.

Lack of integration: Many companies did not properly integrate web into core business model.

Amazon, eBay, Google: Winners integrated web into core operations.

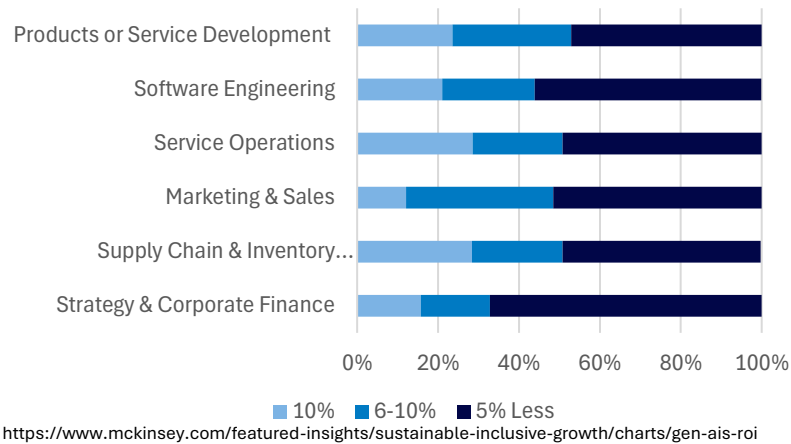
Currently, massive investments in AI technology is driven by:

- Increased data.
- Advancements in computer power.
- Powerful generative models.

The winning companies will be AI integrators.

Strong ROIs from Current AI Integration

Return on Investment (%) from Gen AI Usage in H2 2024



Data#3 offers both AI integration and advisory expertise, buffering its risk of heavy R&D into AI solutions by piggy-backing on tech giants.

1 Strong ROIs of from early AI integration.

2 Strong SME demand for packaged AI + Software as a Service (SaaS) + cloud solutions.

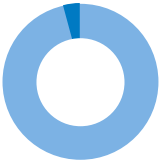
3 \$2b Digital Economy Strategy tailwinds from governments pivoting from traditional mining & agriculture sectors towards digital infrastructure.

Data#3's debt-averse approach enables agile strategic investment in the fast-evolving IT services industry.

Most Capital-Flexible Leader Among Competitors

	DTL	DDR	MAQ	BVS	RUL	WTC
NPAT Margin	5.40	3.50	9.10	3.50	8.60	25.20
D/E Ratio (%)	1.66	147.80	28.70	13.00	12.80	4.70
CAPEX Ratio (%)	0.07	0.18	37.63	1.50	1.09	2.40

Asset-light, capital-efficient model reduces reliance on debt and preserves liquidity.



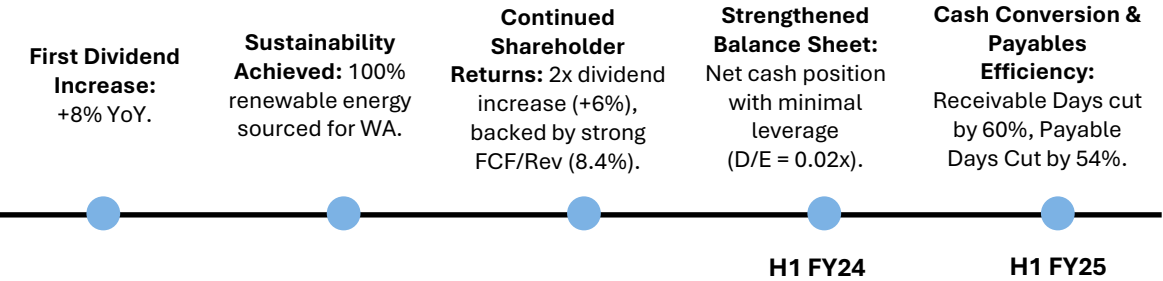
98.36% E/V
1.64% D/V

Vendor Partnerships Slash Upfront Investment and capital expenditure on R&D.



Milestones

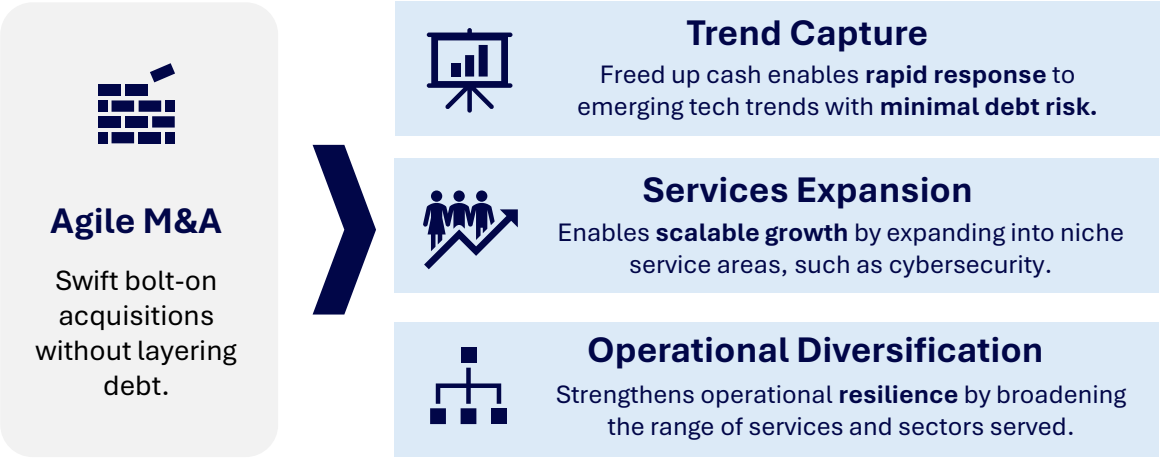
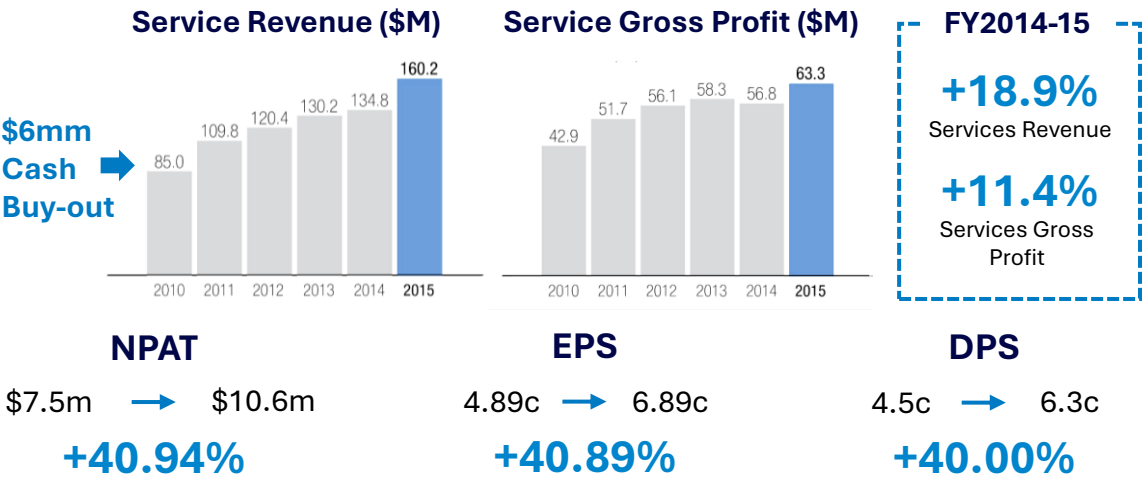
Data#3 combines **strong margins** and **low capex intensity** with **conservative leverage** - enabling **efficient, capital-light growth**.



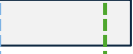
Case Study: Business Aspect Acquisition (2014)



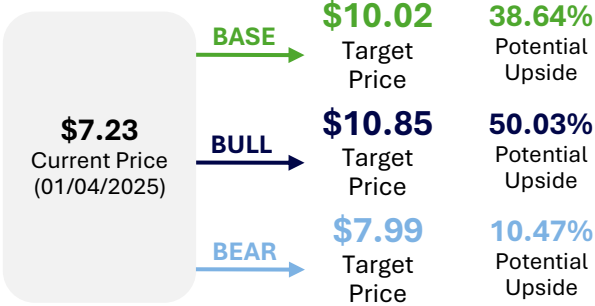
Data#3's **capital light** business model fueled their transition from a **product-centric** to a **service-driven** approach, expanding their **consulting capabilities**.



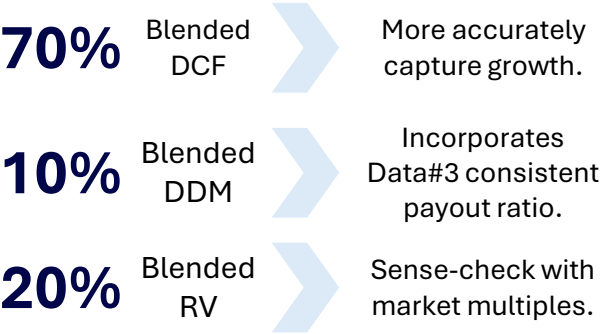
Range of valuation methodologies indicate Data#3 is trading at a \$10.02 (38.64%) discount to fair value.

Methodology		Share Price	Commentary
52-Week Trading Range		\$6.15  \$9.18	- Low: \$6.15 on 13-Feb-25 - High: \$9.18 on 21-Aug-24
Analyst Coverage		\$7.10  \$10.55	- Wilsons: \$9.15 - JP Morgan: \$8.30
Fundamental Valuation	CAPM DCF (Perpetuity)	\$8.36  \$9.71	Assume 5-year DCF with 2.86% TGR and 8.92% WACC
	CAPM DCF (Exit Multiple)	\$10.06  \$13.69	Assume 5-year DCF with 20.68x Exit-Multiple and 8.92% WACC
	Fama-French ESG DCF (Perpetuity)	\$9.10  \$10.82	Assume 5-year DCF with 2.86% TGR and 8.26% WACC
	Fama-French ESG DCF (Exit Multiple)	\$10.26  \$13.99	Assume 5-year DCF with 20.68x Exit-Multiple and 8.26% WACC
	CAPM DDM	\$6.88  \$8.01	Assume constant payout ratio of 90% and 9.00% Re
Relative Valuation	Fama-French ESG DDM	\$7.42  \$9.35	Assume constant payout ratio of 90% and 8.35% Re
	NTM EV/EBITDA	\$7.38  \$17.70	- Low: Iress at 17.58x - High: WiseTech at 87.79x
	NTM P/E	\$7.35  \$18.36	- Low: Iress at 17.58x - High: WiseTech at 161.80x
	LTM EV/EBITDA	\$7.06  \$16.00	- Low: Dicker Data at 12.25x - High: WiseTech at 66.98x
	LTM P/E	\$10.81  \$23.75	- Low: Bravura at 12.48x - High: WiseTech at 124.23x
		Current Price: \$7.23 Target Price: \$10.02	

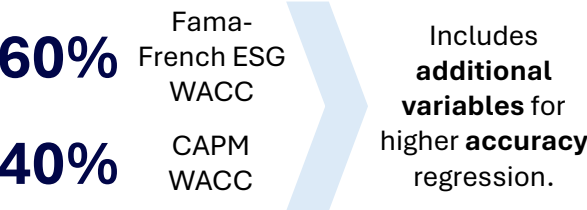
Key Insights



Valuation Methodology



WACC Methodology



Data#3's Management, People, and Culture

Data#3's success is driven by a history of strong leadership which fosters integrity, innovation, and diversity

Meet Data#3's Ambitious Management Team



CEO
30+ years in the Business Tech. industry and Data#3.



EGM
25+ years in Data#3. Oversees the service portfolio.



Secretary
20+ years tenure in Data#3. 25 years experience in technology-related in-house roles.



CFO
20+ years across ASX-listed companies, including Cardno and Silver Chef.



CPO
30+ years in ICT industry. Guided Data#3 to Employer of Choice award last 8 years.



CCO
18 years in Data#3 with 25+ years in the Technology industry.

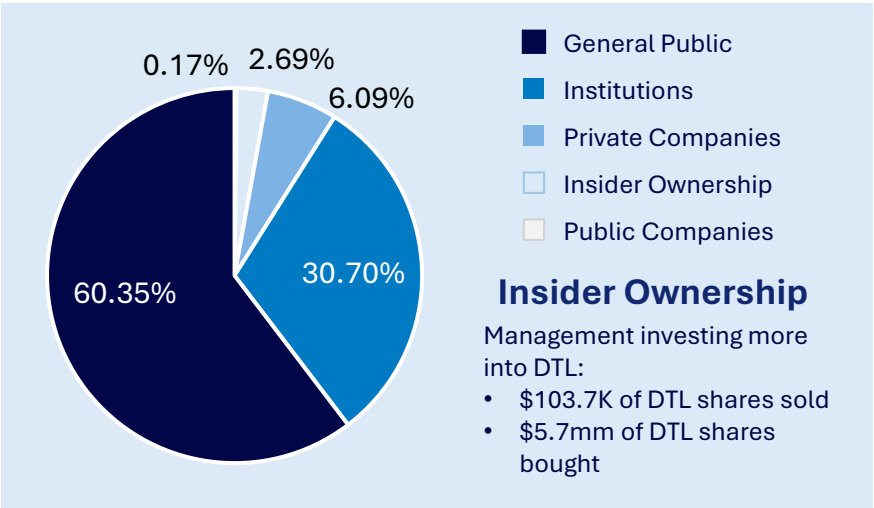
Key Views and Values

Fostering a culture centred on **honesty** to **boost relationships** with **shareholders**.

Data#3 is focused on **developing talent** – as seen by the **long tenure of board members**.

Culture of **respect** and **teamwork** to collaborate effectively and weight **diverse perspectives**.

Favourable level of **insider ownership growth** and **positive outside sentiment**.



Culture



Culture



Diversity



Work Life Balance



Senior Management



Compensation

FY25 Onward Improvements



Structure Board
Change in board structure to **limit terms to 4 years** – **boost perspectives**.



Embrace Program
Increase **diversity** and **inclusion** to help bolster **perspective** and **skills**.

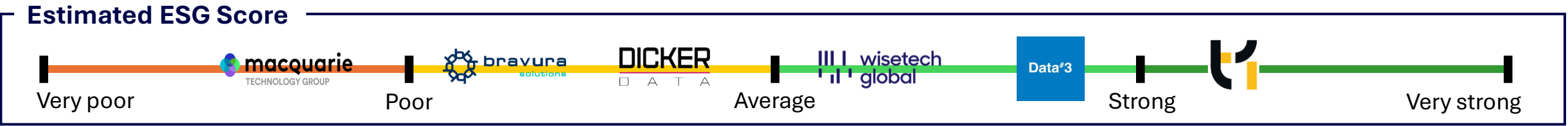
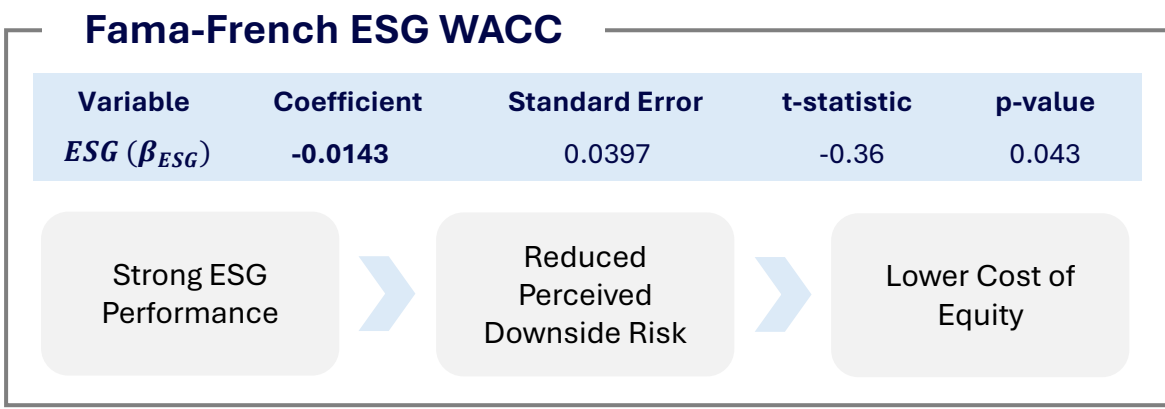
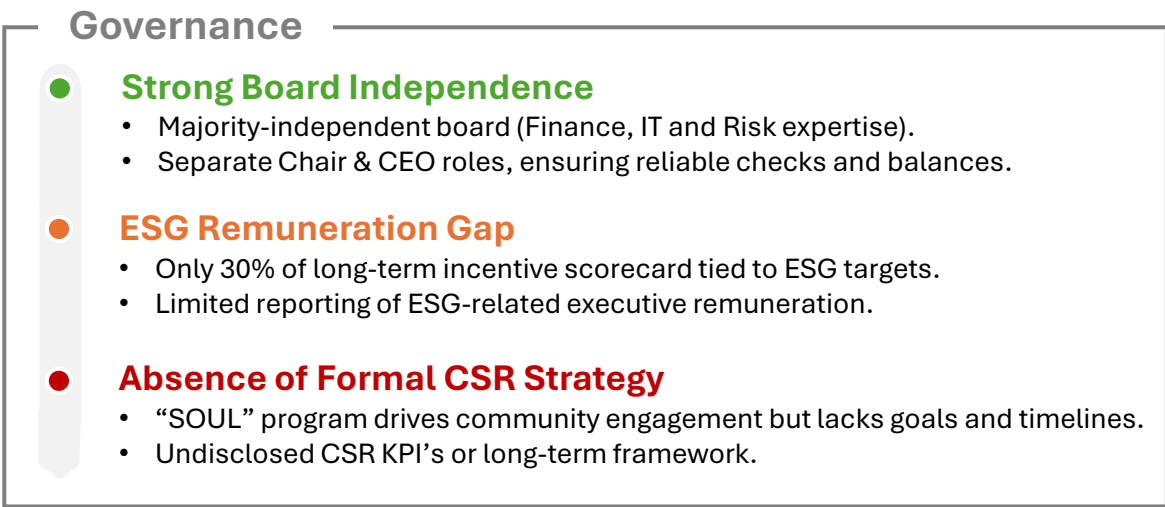
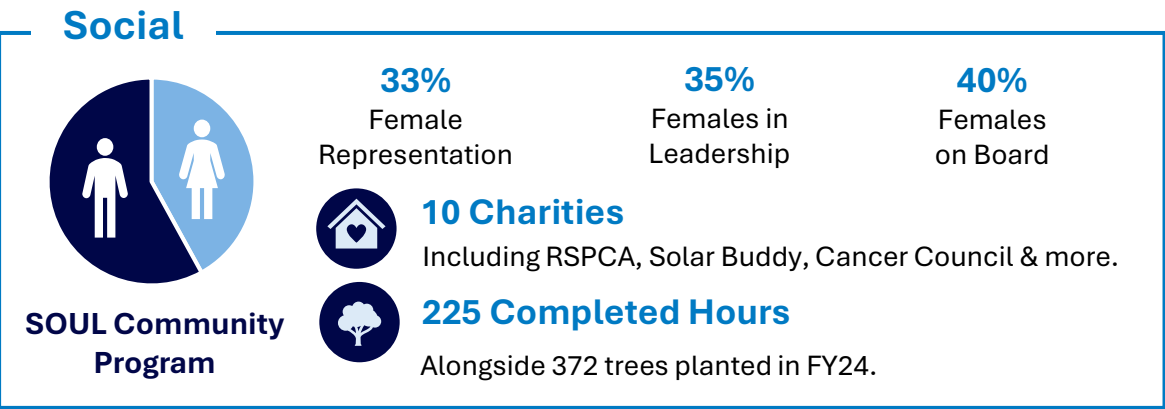
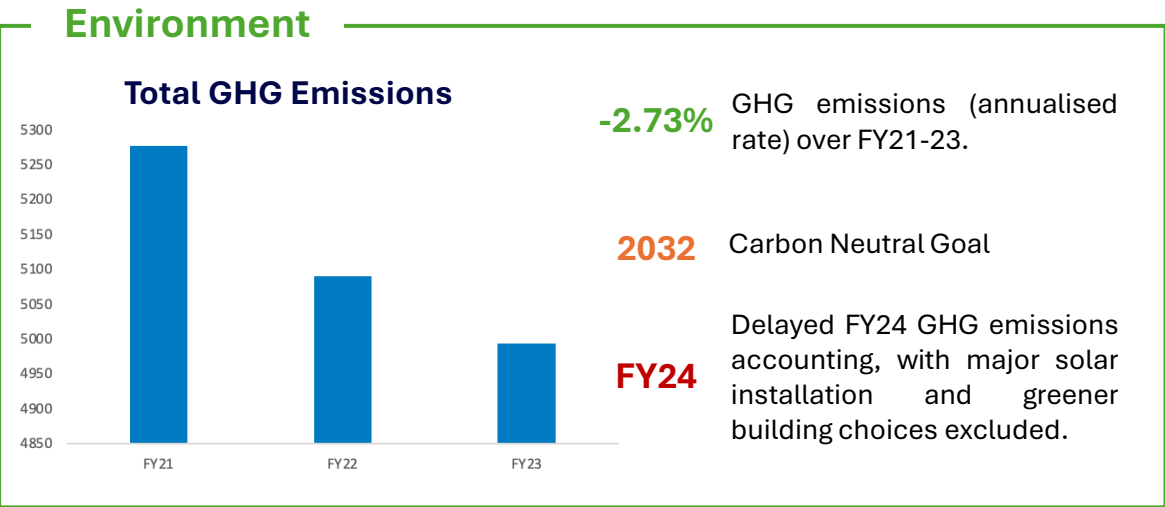


Risk Management
Change in risk management policy procedures to **identify possible issues early**.



Remuneration
Increase to non-board employees, creating more employee **benefits**.

Data#3 holds a strong ESG position that aligns with SMIF’s socially responsible investment philosophy



Clear risks, targeted mitigations sustaining growth in a volatile IT and Macro landscape

Revenue Factors

Historically Low INS Margins

Sales and margins vulnerable to shifting government budgets for infrastructure projects.

Disappointment from AI

Overinflated market optimism and slow returns could dampen SWS demand and market potential.

Recessionary Fears and Weak Sentiment

Economic uncertainty may delay/cancel IT projects and hardware refresh cycles, hurting profitability.

Fragmented IT Services Market

With under 3.5% market share held by top players, increasing competition threatens revenue dilution.

Cost Factors

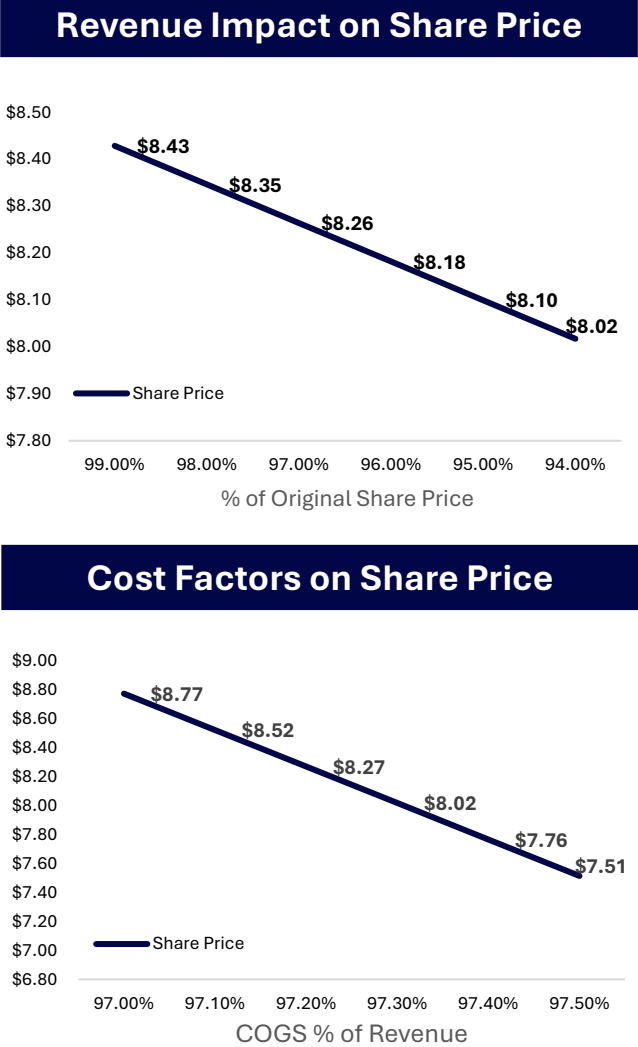
Tariff and Exchange Rate Volatility

Rising local costs for USD-denominated hardware may be passed to customers, reducing demand.

Vendor Price Hikes

Microsoft’s 2024 incentive changes raise costs for Data#3, risking client pushback if passed on.

Impact on Data#3



Mitigations

Mitigate with SaaS and AI Bundling

- “As-a-service” models provide more **predictable, recurring** and **scalable revenue** streams without significant capex.
- Bundling and cross-selling AI solutions to offer greater flexibility and value; demand remains robust, backed by and **frequent AI advancements**.

Mitigate by Focusing on Defensive Markets

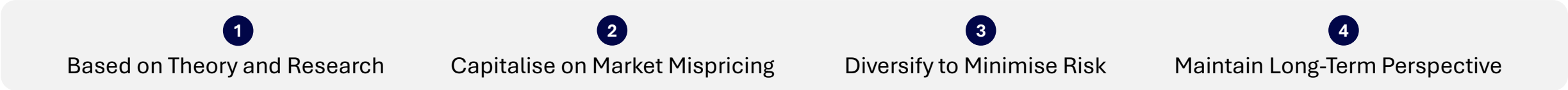
- 65%** of **INS revenue** is from supplying essential hardware to **healthcare, education** and **government** sector, buffering against market.
- Clients are unlikely to cut **core IT investments** needed for day-to-day operations, especially when moving toward **hybrid work models**.

Mitigate with Strong Negotiating Leverage

- Data#3 is a major **Microsoft partner**, enabling access to better pricing. Management also has a history of **strong negotiating strategies**.
- Clients have **limited substitutions** and **repeatedly** renew **contracts**, so maintaining strong client relationships is vital.

PIC Capital’s rigorous screening process follows a disciplined approach that aligns with SMIF’s fundamentals.

PIC’s Philosophy



Sentiment & ESG

1

Sentiment analysis conducted using a Python **ML model** and **web scraper** to assess investor sentiment.

2

ESG rankings from LSEG to filter out companies with **reputational, sustainability risks** and prepare for **Fama-French WACC**.

3

Captures **general direction** of market perception, highlighting how **investor confidence** is rising or falling.



Automated Equity Report

1

Generates **concise equity overview** in a presentable PDF format using **Python**.

2

Highlights **key financial metrics** and summarises key company details, operations.

3

Provides a deeper research layer, helping assess the company’s **operations** and **financial health**.



Valuation & Scenario Modelling

1

Forecast 3 statements and create valuation model to **calculate** a **target share price**.

2

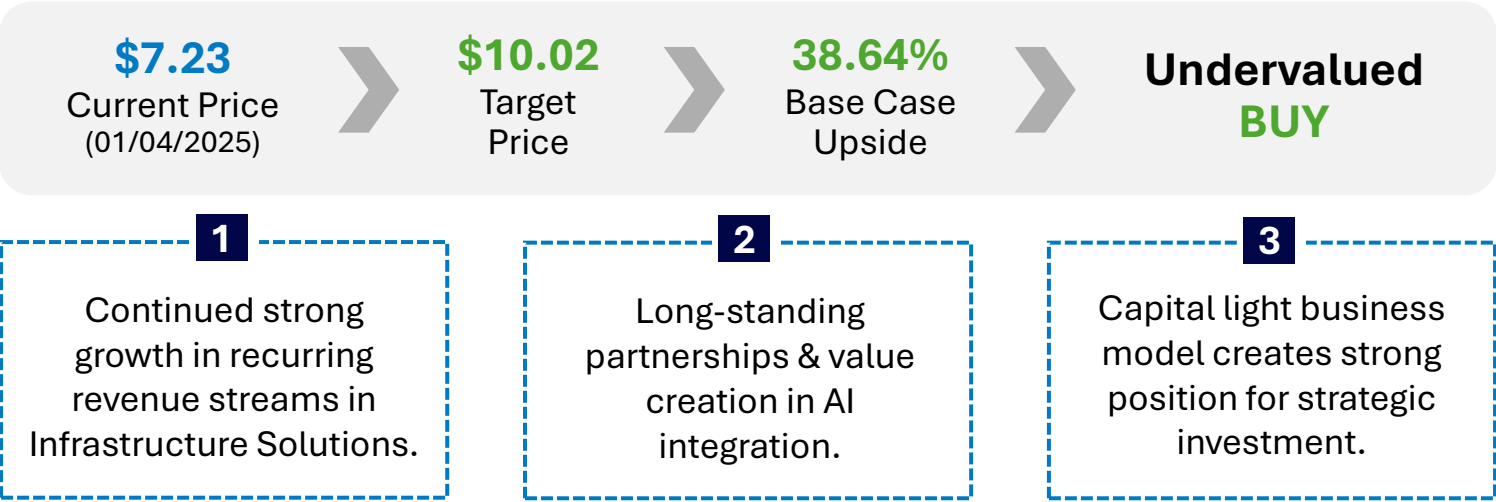
Scenario analysis (base, bull, bear) helps test assumptions and assess **downside/upside potential**.

3

Sensitivity analysis of key parameters to understand the impacts on the **share price**.

SMIF UQ should capitalise on Data#3's current undervaluation to maximise returns and improve portfolio diversification.

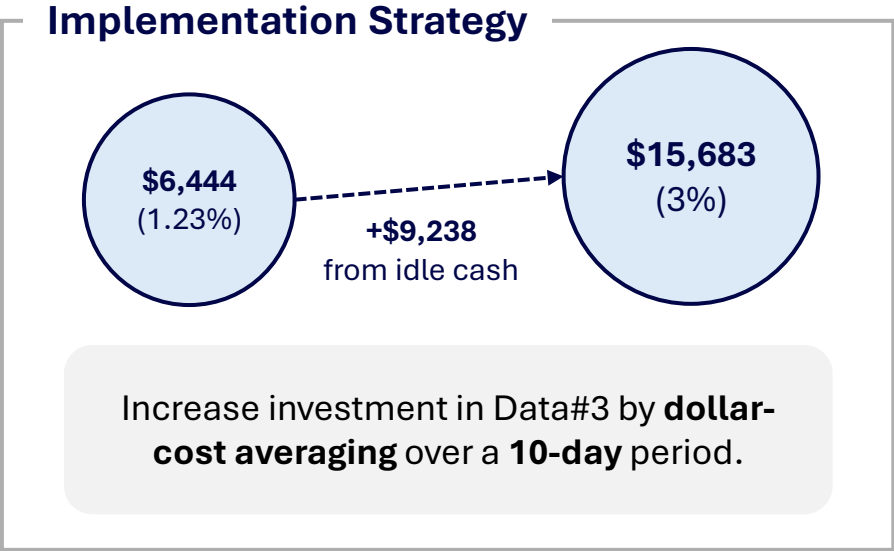
Data#3 is a High-quality Growth Business that's Undervalued



Alignment with UQ SMIF's Philosophy

- Long-term Value Creation:** Continued strong growth in recurring revenue stream, with steady expansion across segments, leveraging industry partners and AI integration opportunities.
- Portfolio Diversification:** Diversify UQ SMIF's portfolio by increasing exposure to Australia's rapidly growing technology industry.
- Impact:** Data#3 embraces innovation, integrity in its leadership and responsible ESG practices across operations.

PIC Capital's Process



- This position will be reviewed and adjusted quarterly throughout PIC Capital's one-year tenure.

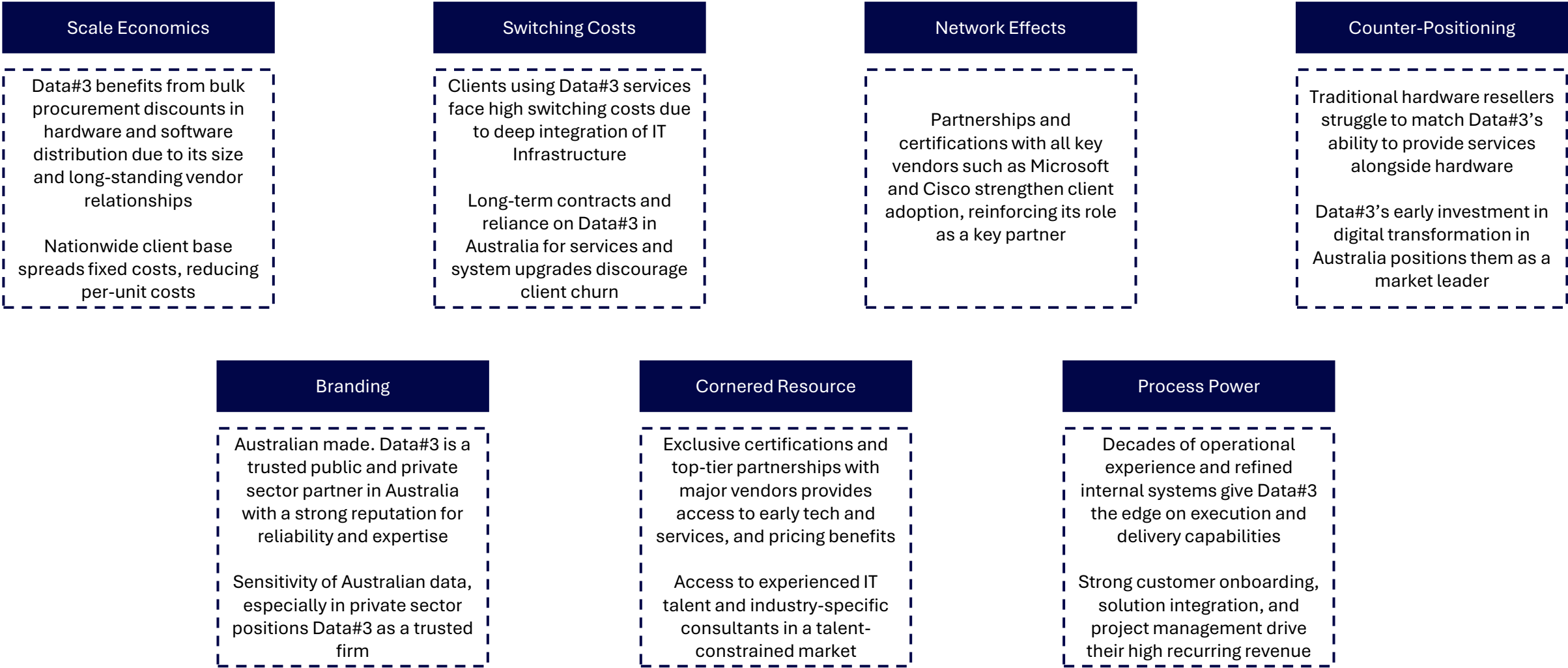
An exit strategy aligned with the entry strategy will be implemented once the **key catalysts** are **fully priced in**.

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Hamilton Helmer’s 7 Powers Analysis

Power is a relative concept; hence we assess Data#3’s current strengths against its direct competitors



Porter’s Five Forces suggest that DTL can continue to beat competitors and achieve long-term success



Competitive Rivalry	Supplier Power	Buyer Power	Threat of Substitution	Threat of New Entry
Moderate competitive rivalry in Australian IT services due to global and local firms Data#3 differentiates in: • Locality and Australian Trust • Certified vendor • End-to-end solutions	Moderate supplier power due to Data#3 suppliers being global tech giants such as Microsoft, Cisco, and HP Data#3 however benefits from strong, long-standing partnerships	Clients have moderate to high power, especially government or large corporate clients who demand: • Tailored solutions • Service-level guarantees • Competitive pricing	Clients can choose to substitute Data#3 with other IT solution providers or bring in-house IT teams However, Data#3’s Australian background and excellent service history makes them reliable for Government and Australian corporations	Low threat of new entry as Data#3 has developed a strong brand New entrants face significant barriers of entry, including need for substantial capital investments, skilled IT workers, and vendor partnerships and certifications

The IT solutions industry is a tough market to compete and survive in. Despite large growth in SaaS, cloud architecture, AI services, heavy IT infrastructure investment, and an increase in digitalisation, the market in Australia is hard to enter. New entrants require large capital investments to compete, and foreign companies receive less deal flow due to the sensitivity of data – especially in the private sector.

Why Data#3 will be able to exceed expected level of growth through their 3 key streams

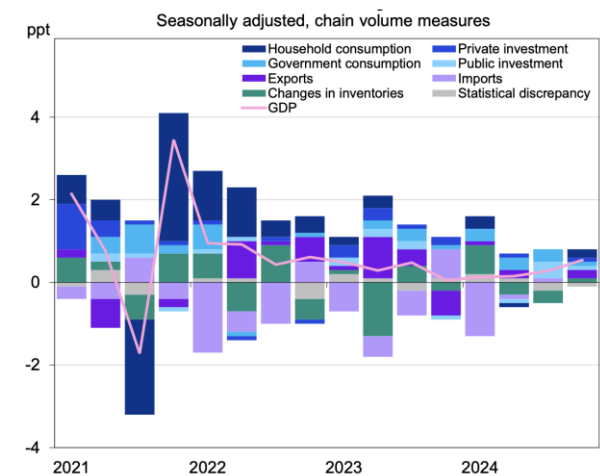
Revenue Stream	Infrastructure Solutions	Software Solutions	Services
Growth Drivers	• Windows 10/11 Upgrade • Multi-year contracts • Defensive client base • Preferred government partner • Covid-era hardware refresh	• AI integration wave • Increase in cloud-infrastructure integration • Cloud and SaaS demand • Early Industry ROI • Avoiding risk AI R&D	• Australia’s shortage of skilled IT • Recurring services contracts • Rising cybersecurity demand • Digital transformation projects • Skilled workforce & vendor
Why they will be achieved	• Thesis 1: Interest rate cuts means financing is cheaper. More infrastructure investment • Thesis 2: Large Australian infrastructure pipeline alongside growing IT budget • Thesis 3: Positioned as Australia’s top IT solutions provider	• Thesis 1: Increasing TAM due to popularity of AI services and cloud-infrastructure • Thesis 2: Data#3 are certified vendors of all major cloud infrastructure software (e.g., Microsoft, Cisco) and can leverage their reputation to capture TAM	Thesis 1: Recurring managed services contracts and long-term client relationships provide stable and predictable revenue base for Data#3’s services Thesis 2: Increasing cybersecurity threats and regulatory compliance requirements driving strong demand for local services or partners such as Data#3 Thesis 3: Accelerated shift to cloud and hybrid IT environments fuels growing demand for implementation

Interest rate cuts alongside GDP growth will help fuel investment

Macroeconomic Conditions

Strong GDP Growth through FY25-26

Contribution to Quarterly GDP Growth



All components of the economy **contributed positively** to GDP growth in Q4 2024 – first time since March 2019.



2.8% Annual Growth
Expected through to 2029

Driven by:

- 1 Private demand pick-up, with consumption growth returning to **2.5%** historical trend.
- 2 Anticipated interest rate easing, following RBA's **25 basis point** cash rate cut.
- 3 **Business profitability** recovering after 2 consecutive quarters of decline.

Inflationary Pressures Remain

Headline inflation has returned to the RBA's **2-3% target** range.

However, **trimmed mean inflation** remains **sticky at the upper end** due to several factors.

3.2% trimmed mean, as of Dec 2024



Tight labour markets and **GDP growth** could sustain upward inflationary pressures without capacity relief.



Geopolitical tensions and supply chain disruptions drive up **input costs**.



Evolving **tariff conditions** increasing **currency market volatility**, though **Data#3** is positioned **defensively** in Australia.

Macroeconomic Stance

Disciplined Fiscal Stance

- Government spending** remains a key **economic growth driver**, accounting for **28.2%** of GDP.
- 1 Achieved a Budget surplus in 2023-24, but a deficit is projected with **public investments expanding** until **mid-2026**.
 - 2 **Unlikely** to materially shift in **response to US tariffs** as the economic outlook across key regions remains strong.

Cautious Monetary Stance

Risks to economic activity and inflation remains **uncertain** and **two-sided**. Greater **confidence** can be placed in the cash rate's medium-term decline.

2.66%

2029 cash rate, projected using Monte Carlo simulations.

Aligned with:

Commonwealth, ANZ and Westpac forecasts for **3** over 2025, from May to between August and November.

NAB's bullish expectations, predicting an accommodative **2.60%** rate by February 2026.

Statistics regarding primary and secondary school enrolments

Primary and Secondary National Enrollments							
	2024	2023	2022	2021	2020	2019	2019-24 (% change)
Government	2,619,513	2,614,094	2,605,826	2,622,755	2,629,143	2,594,830	1.0
Catholic	820,222	806,323	795,368	787,181	778,605	769,719	6.6
Independent	692,271	666,581	641,318	620,781	599,226	584,262	18.5
Total	4,132,006	4,086,998	4,042,512	4,030,717	4,006,974	3,948,811	4.6

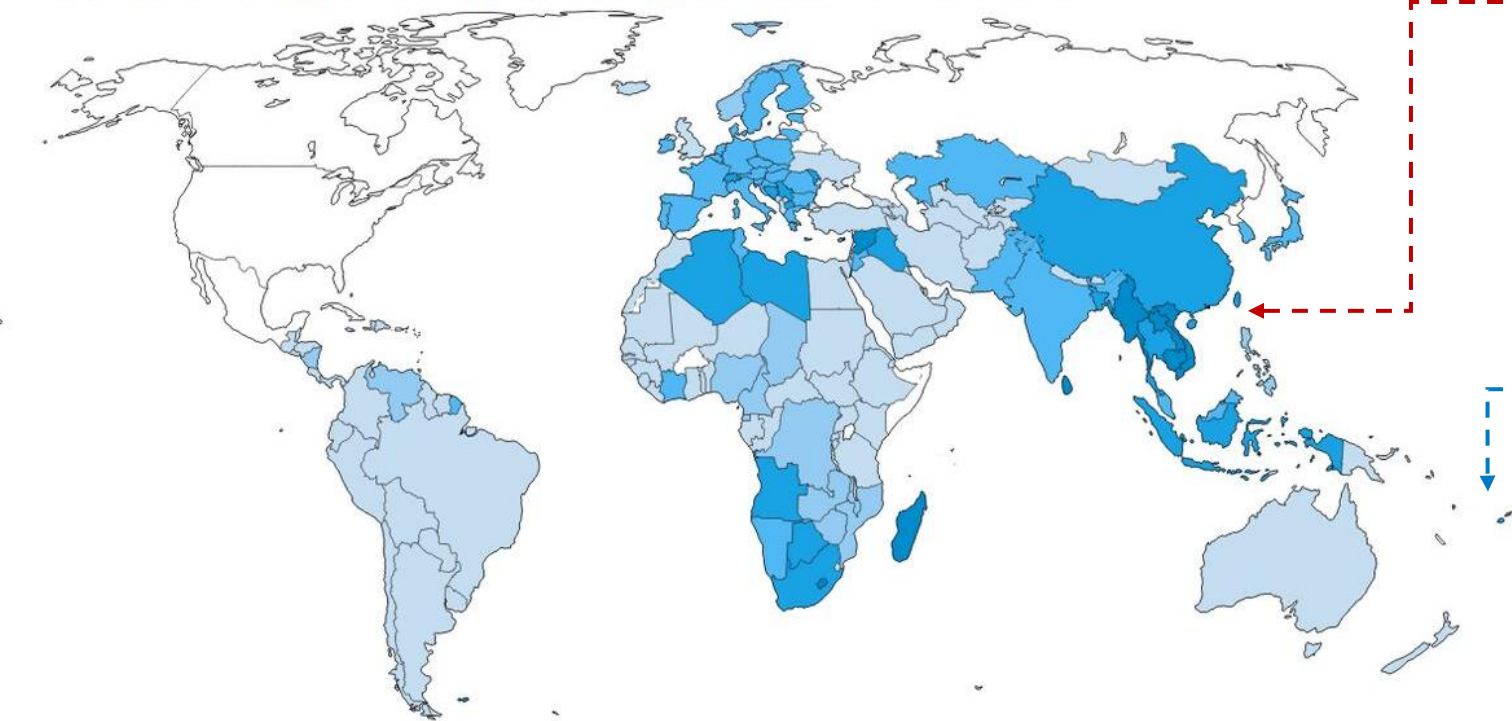
Trump’s tariffs have disturbed markets and sectors across the globe – including IT hardware

US Reciprocal Tariffs Announced April 2nd

Key Implications

Asia and Europe Hit Hardest, Australia Exposed to Universal 10%

10% 11-19 20-29 30-39 40-50% minimum tariff



Hardware componentry sourced from Southeast Asia are mainly denominated in USD – an **appreciated US dollar** could raise **local costs** for vendors.

Passing this onto **customer prices** could **reduce demand** for Data#3 procurement services.

Impact on Australia is limited to smaller export products. Fiji faces a 32% tariff, with the US a trade major destination (20%), but attributes <1% of Data#3 revenue.

Ongoing negotiations increases **uncertainty**.

Impact on key markets are likely to be limited due to Data#3’s essential role in the government, healthcare and education sectors’ operations.

Source: White House, partial list of reciprocal tariffs announced by US President Donald Trump during his April 2 press conference
Note: Canada and Mexico are subject to previously announced tariffs

Bloomberg

Australia Infrastructure Solutions Pipeline By Expenditure

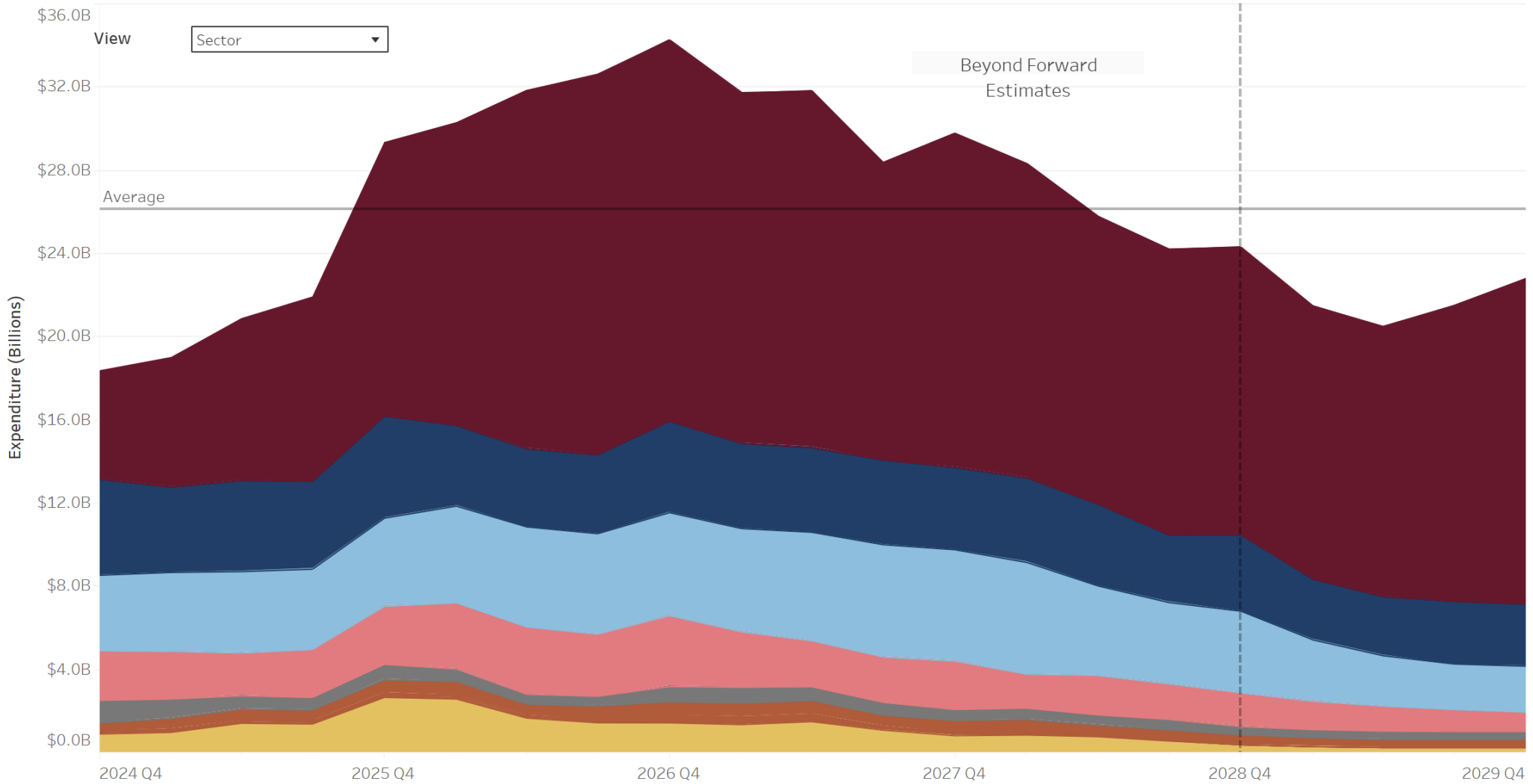
Australia’s heavy infrastructure investment and digitisation goals will drive IT solution demand

Location
(All)

Sector
(All)

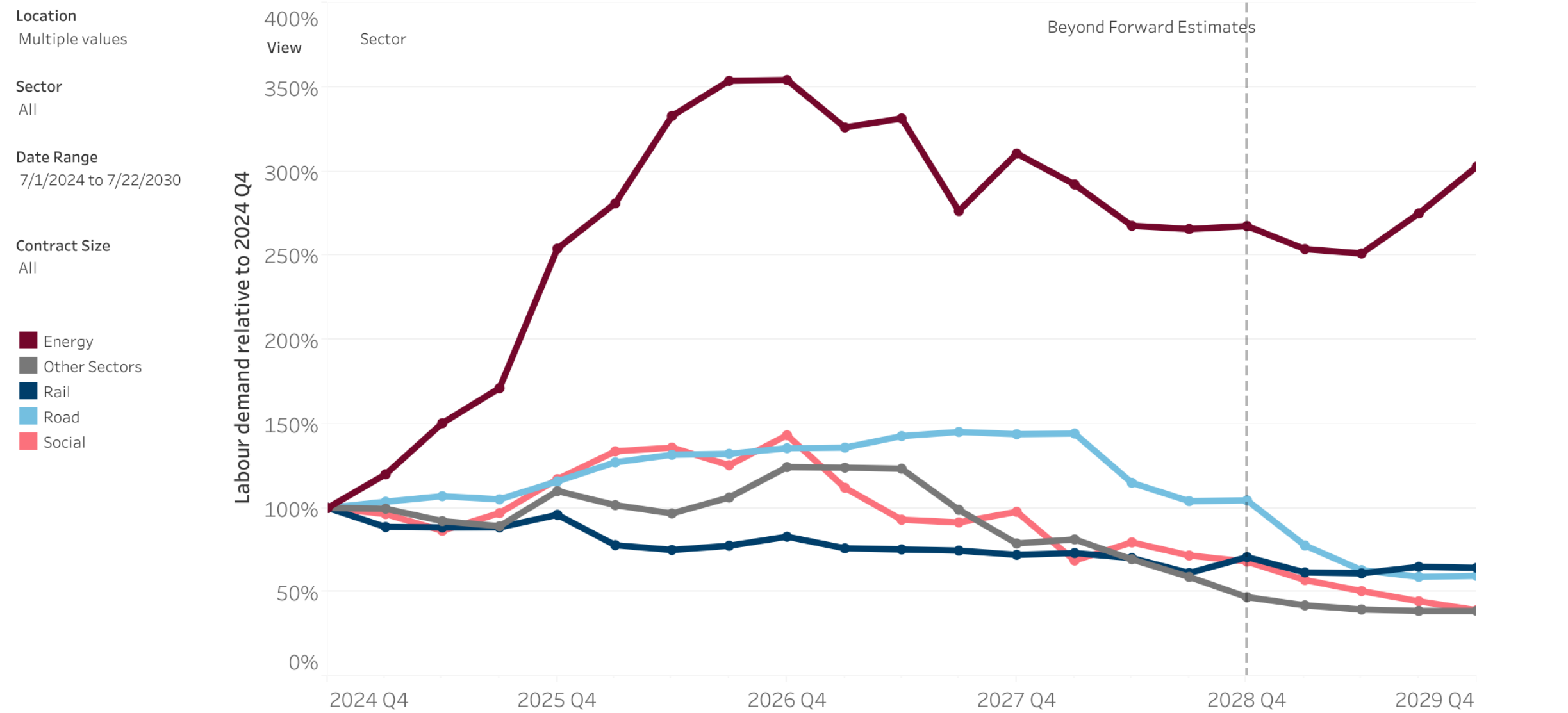
Date Range
4/1/2023 10/1/2029

- Sector (group)
- Energy
 - Rail
 - Road
 - Social
 - Other Transport
 - Other Sectors
 - Water & Sewerage



Australia Infrastructure Solutions Pipeline By Labour Demand

Australia's heavy infrastructure investment and digitisation goals will drive IT solution demand



The \$AUD Currency

Forecasted depreciation of \$AUD currency makes imports more expensive

Australian Dollar to US Dollar



Notable **depreciation** in AUD against USD in **early 2025**. Compounded with US **tariffs**, placed at the universal 10% on Australian exports in April, means FX markets have yet to recover.



Higher Hardware Procurement Costs

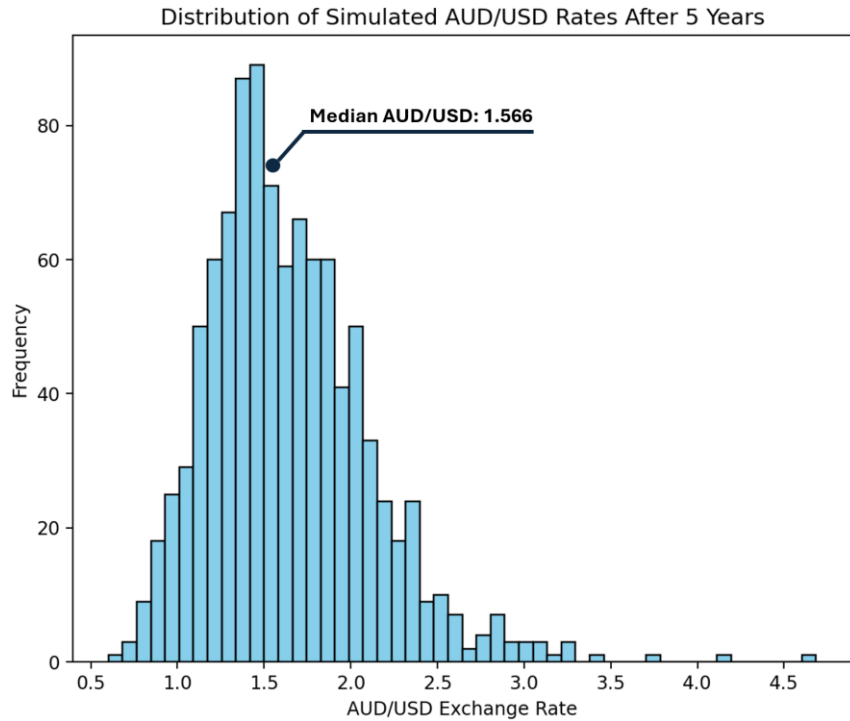
A weaker AUD means IT hardware – typically priced in USD – becomes more locally expensive for vendors. Clients may defer or reduce spending on IT upgrades, slowing growth in procurement-heavy segments.

Resilience Amidst Dampened Global Sentiment

Global economic uncertainties dampen investor confidence, though a weaker AUD tends to boost export competitiveness, buffering direct impact on Australian sectors and Data#3 clients.

Forecasted depreciation of \$AUD currency makes imports more expensive and increases USD-denominated costs.

5-year Monte Carlo Simulation



```
log_returns = np.diff(np.log(rates))
daily_drift = np.mean(log_returns)
daily_volatility = np.std(log_returns)

monthly_drift = daily_drift * 21
monthly_volatility = daily_volatility * np.sqrt(21)

for s in range(simulations):
    for m in range(1, months + 1):
        shock = np.random.normal(loc=monthly_drift, scale=monthly_volatility)
        paths[s, m] = paths[s, m - 1] * np.exp(shock)
```

AUD/USD Market Forward Rate

Expiration	Bid	Ask	Mid
------------	-----	-----	-----

Five Year	1.551	1.546	1.548
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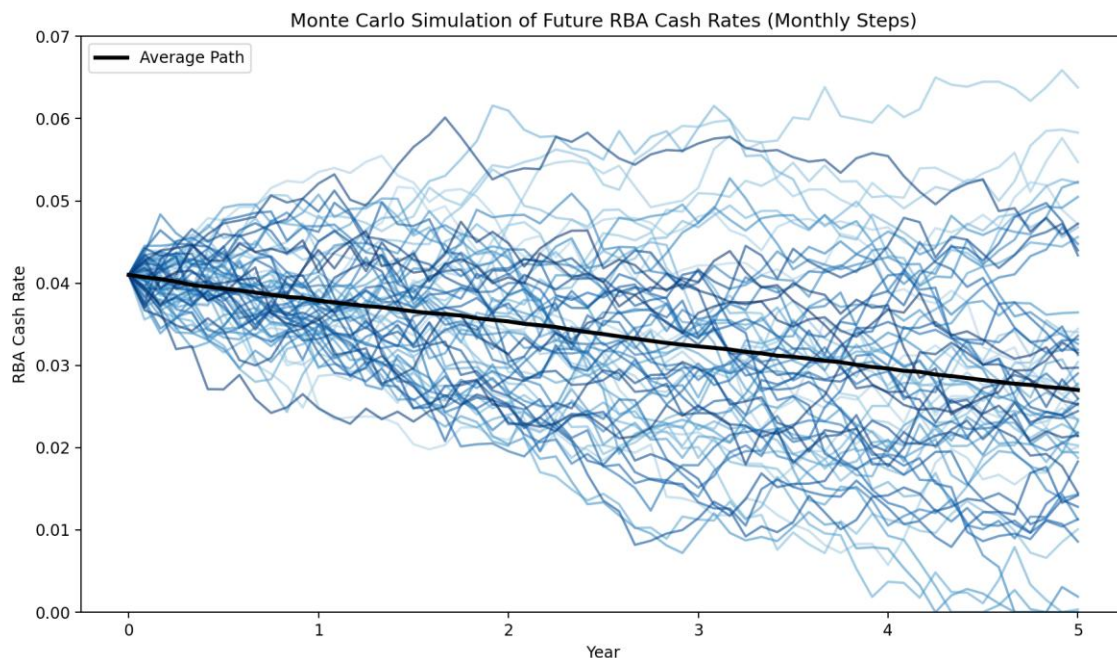
Key Takeaways:

- Monte Carlo simulation, based on twenty years of historical exchange rate fluctuations
- Median forecast for AUD/USD exchange rate after five years is 1.566 representing a slight increase aligned with historical trend.
- Despite broad distribution of potential outcomes, most predicted values centre around 1.50 AUD/USD
- **Predictions from the Monte Carlo simulation align closely with the current 5-year forward market rate at Bid/Ask spread of 1.546/1.548**

5 Year Interest Rate Monte Carlo Simulation - 2

Forecasted depreciation of \$AUD currency makes imports more expensive

5-year Monte Carlo Simulation



```
rate_changes = np.diff(rates)
drift = np.mean(rate_changes)
volatility = np.std(rate_changes)

for s in range(simulations):
    for m in range(1, months + 1):
        shock = np.random.normal(loc=drift, scale=volatility)
        paths[s, m] = max(0, paths[s, m - 1] + shock)
```

Commentary

1. Government Spending Increases

- 28.2% share of GDP
- **Effect: Sustainable and upward investment from government to boost public sectors + re-election of Labour campaign**

2. Stable Fiscal Policy Despite Global Trade Tensions

- Minimal shifts in fiscal policy due to US tariffs
- **Effect: Ongoing fiscal stability, although political events**

3 Interest Rate Expectations

- **Market View:** Commonwealth Bank, ANZ, Westpac predict **three rate cuts** in 2025, stabilising at **3.35%**.
- **NAB View:** Faster easing, forecasting a **2.6% cash rate by end of 2026**.

Uncertainty around the cash rate, but a trend towards lower rates over time

• Monte Carlo Simulation

→ Simulated cash rate forecast converges towards **2.66% by 2029**.
→ **Effect:** Confirms market expectations for lower interest rates over the medium term.

• Lower Financing Costs

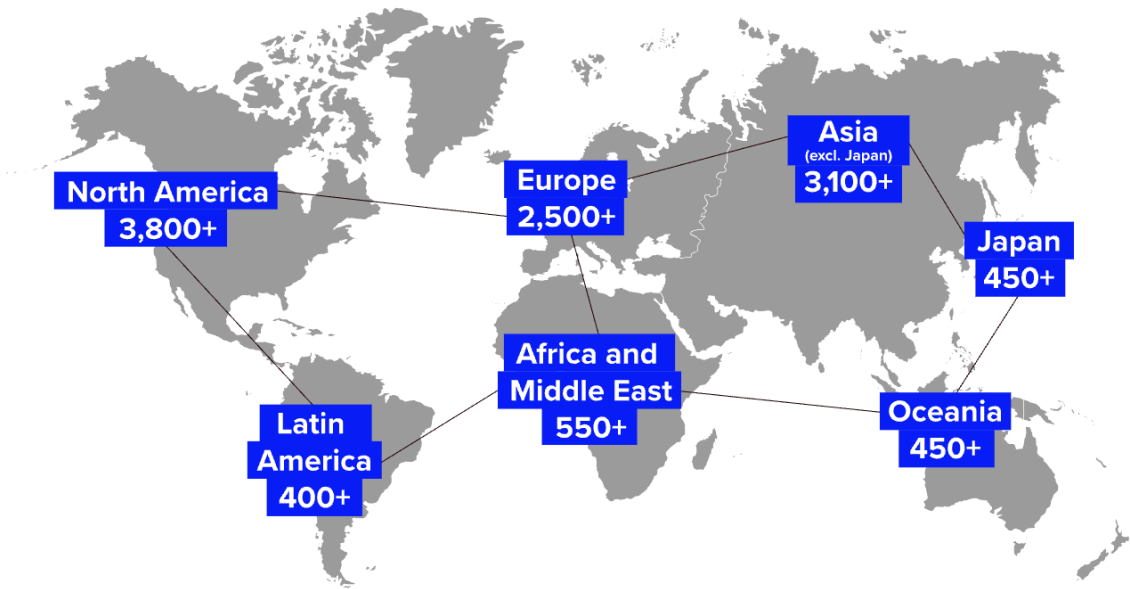
→ **Effect:** Reduced costs for financing infrastructure projects.

• Impact on Data#3

→ **Lower financing costs** → **Faster decision-making in infrastructure**
→ **Effect:** Increased demand

Fama-French three-factor model that incorporates ESG exposure

Methodology by London Stock Exch Group (LSEG)



ESG Scores are based entirely on publicly reported data, adjusted for industry materiality and company size.

Data Framework

- 870+ ESG metrics sourced from public disclosures
- 186 material & comparable measures used for scoring

Pillar Composition

Scores are grouped into 10 main themes, rolled up into three pillars

ESG Score Calculation

1. **Environmental:** Resource use, emissions, innovation
 2. **Social:** Workforce, human rights, community, product responsibility
 3. **Governance:** Management, shareholders, CSR
- Weights for Environmental and Social vary by industry; Governance weights are fixed.

Final ESG Score

The three pillar scores are aggregated into a final ESG score representing a company’s overall ESG standing.

ESG Controversy Score

An additional layer incorporates real-time **ESG controversies**, which adjusts the overall ESG score to reflect emerging risks

Data#3's Awards and Partnerships

Data#3 continues to strengthen relationship with vendors and suppliers

Data#3 Key Awards and Partnerships			
HP Amplify Partner	CISCO Global Partner	Microsoft ANZ MWP of the Year	HP Sustainable Impact
Dell Technologies Australia Award	Lenovo Infrastructure Solutions ANZ Reseller of Year	HP Services Partner of the Year	HRD Employer of Choice x9
Cisco APJC Security Partner of the Year	Cisco Global Software Partner of the Year	Palo Alto Networks' NextWave Partner	HP Amplify Partner of the Year

Key Awards Breakdown



ANZ Modern Work Partner
Reflects Data#3's commitment to providing modern work solutions and services



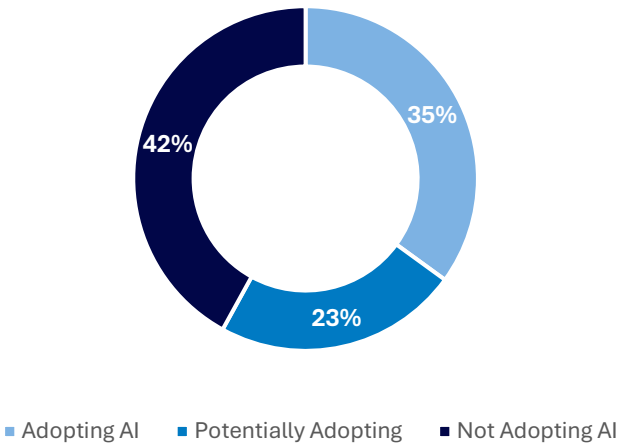
CISCO Global Partner
Recognises Data#3's success in helping customers deliver digital futures using Cisco's leading technology



HP Amplify Partner
Award underscores Data#3's commitment to excellence, innovation, and sustainable practices in delivering HP solutions

Businesses are evolving with the help of AI – increasing the demand for IT solutions

Australian Business AI Adoption



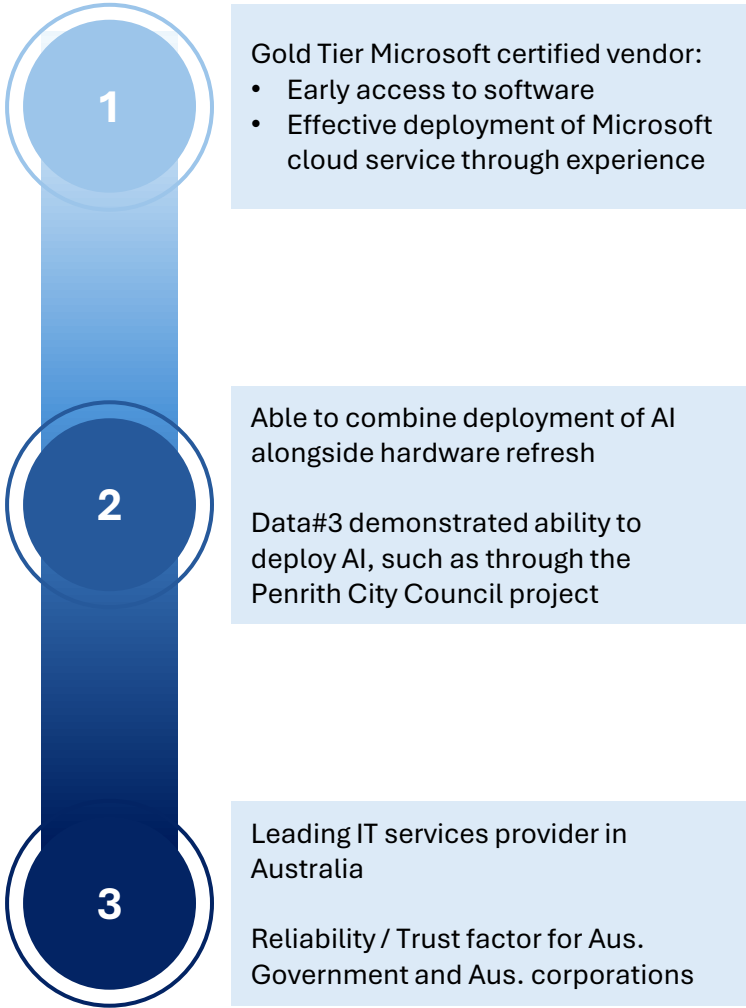
- 15.6% CAGR in Australia AI Industry
- 68% of Businesses with AI Implemented by FY2028
- \$1 billion committed by Aus. Government for AI R&D

Microsoft’s Vision

- 1 Become the world-leading AI technology firm
- 2 Liaise with vendors to enable widespread AI adoption across economies
- 3 Export AI services across the globe

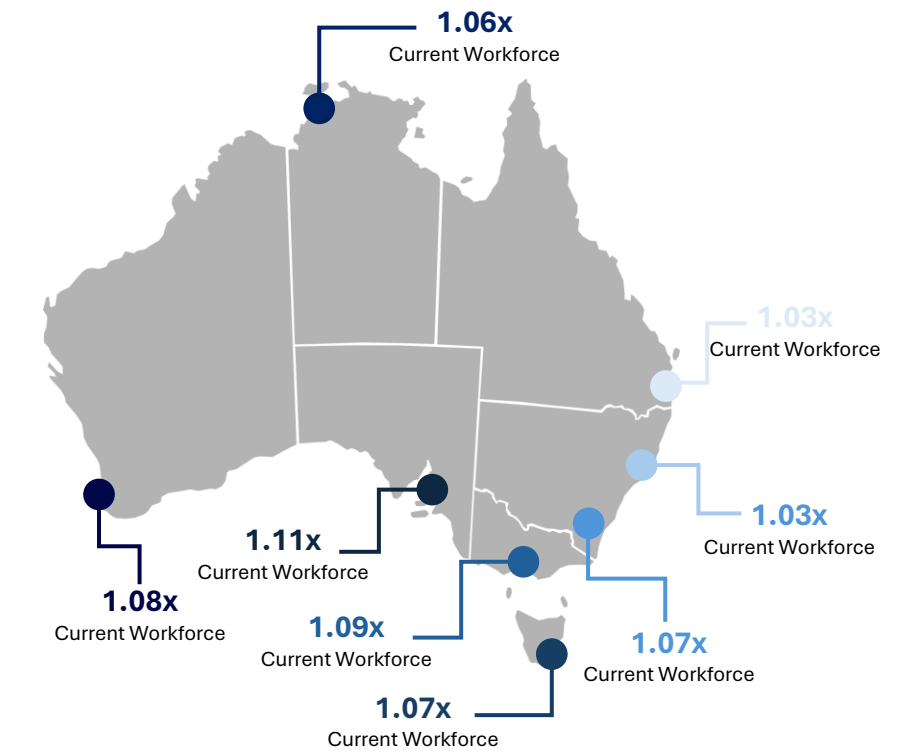
\$80B investment committed by Microsoft to develop AI models and deploy it via cloud-based applications

How is Data#3 Positioned to Capitalise?



Australia’s lack of skilled IT labor is limiting their technology and digitalisation goals

Australia Labor Demand



Every State/Territory faces labor demand that exceeds their current workforce

IT Labor Demand

\$300B+

Investment into Infrastructure – with a growing emphasis on digitalisation

66%+

Of businesses are planning on adopting AI – streamlined via IT solution companies

83%+ Increase

In cloud-spending in Australia – increasing demand for vendors

9.5% CAGR

In the IT Solutions and Services Industry

1.3 Million Additional

Tech/IT workers needed to meet 2030 labor demand

High Demand

And low supply indicates increased revenue for established IT solution firms

How Data#3 is Positioned to Capitalise

- 1**

Partnerships and Certifications

Deep and long partnerships with major providers allows Data#3 to deliver scalable and outsourced solutions
- 2**

Investments in Skills and Training

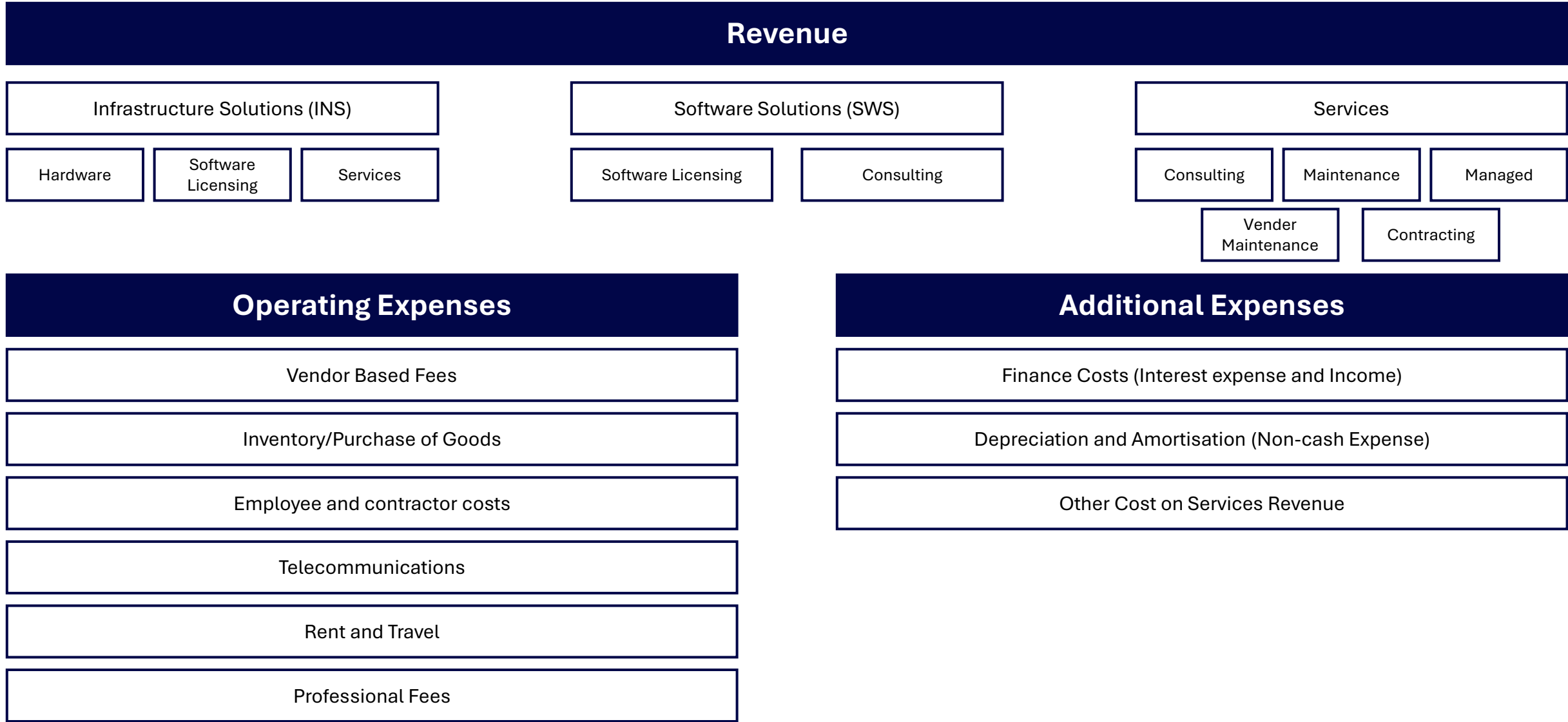
Data#3 continues to invest in skilled IT staff, enabling them to provide consulting services to enterprises and government
- 3**

National Scale

Offices in all major Australian cities allows Data#3 to deliver projects across the continent via in-person and online support

Long employee tenures indicate low churn rates and minimised costs

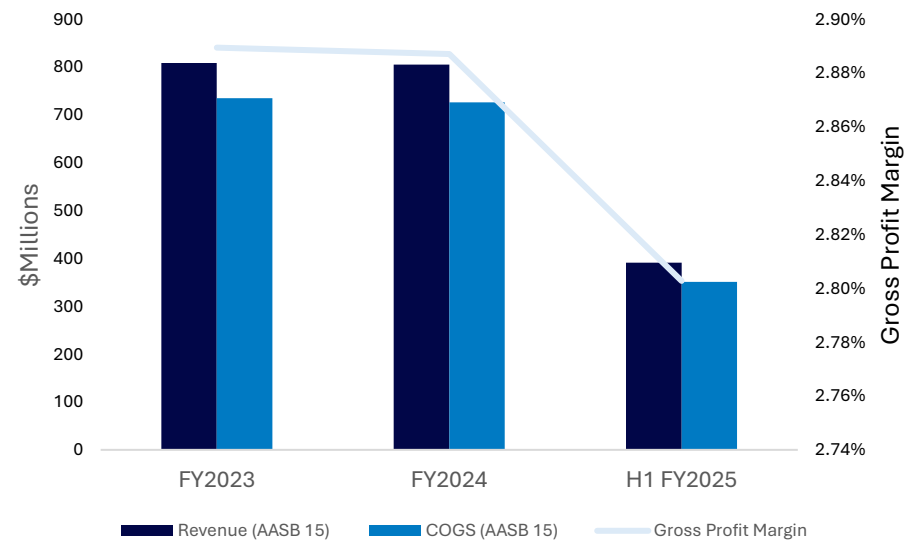




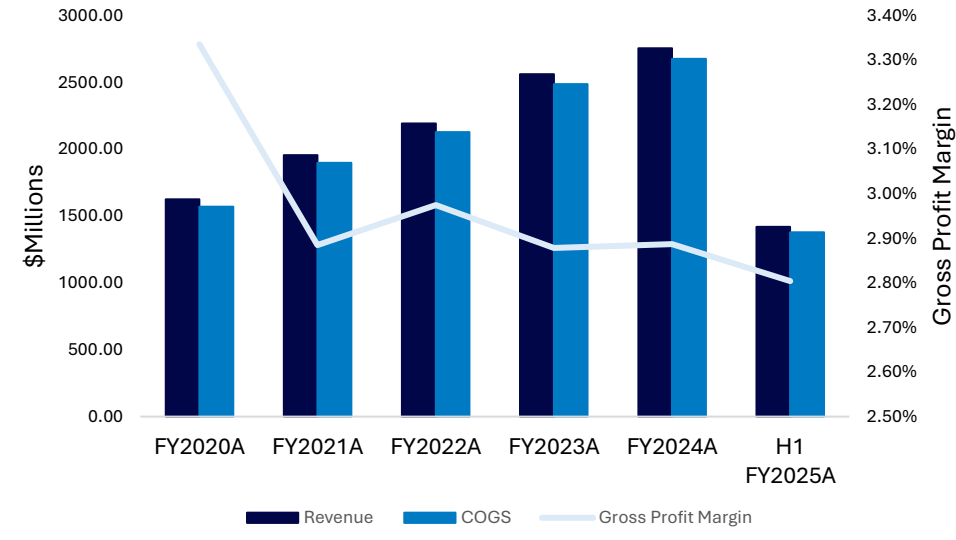
Data#3's Change to Accounting Policy (FY2023 Onwards)

Understanding AASB 15 – Revenue from Contracts with Customers

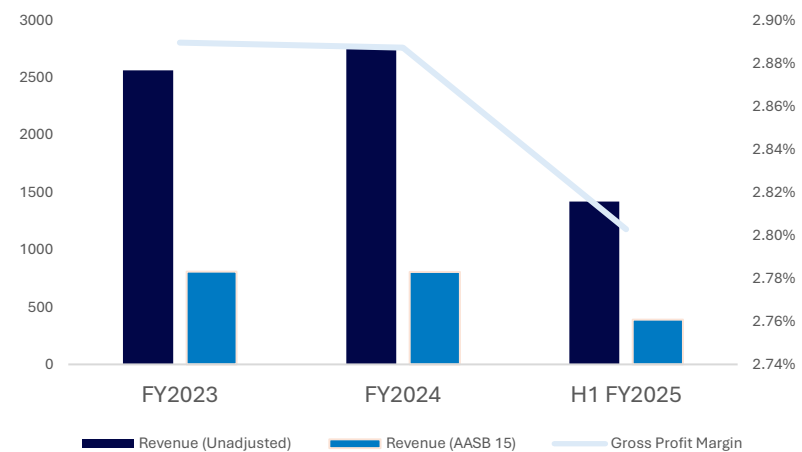
Data#3 Revenue Adjusted



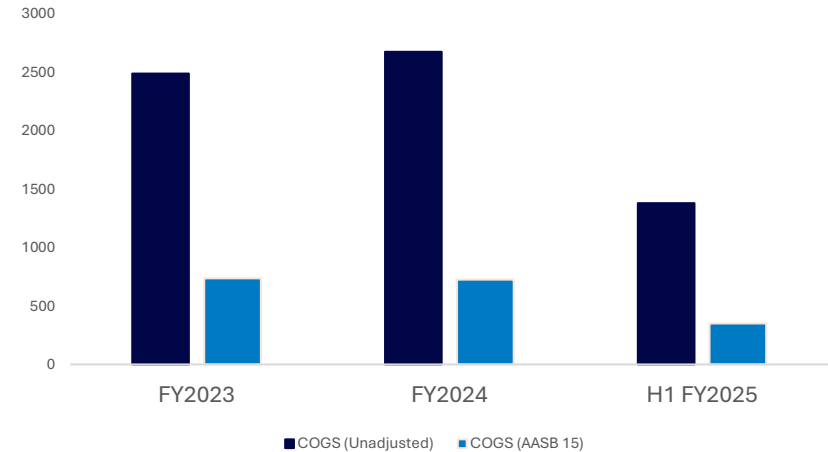
Data#3 Revenue Unadjusted



Data#3 AASB Revenue Comparison



Data#3 AASB COGS Comparison



Key Takeaways

- Data#3 additionally reports revenue unadjusted for comparability
- SWS revenue includes fees that have to be paid to vendors – AASB 15 standard removes these fees from revenue and COGS
- Gross profit and all line items after remain unaffected

IT Industry Management, People, and Culture

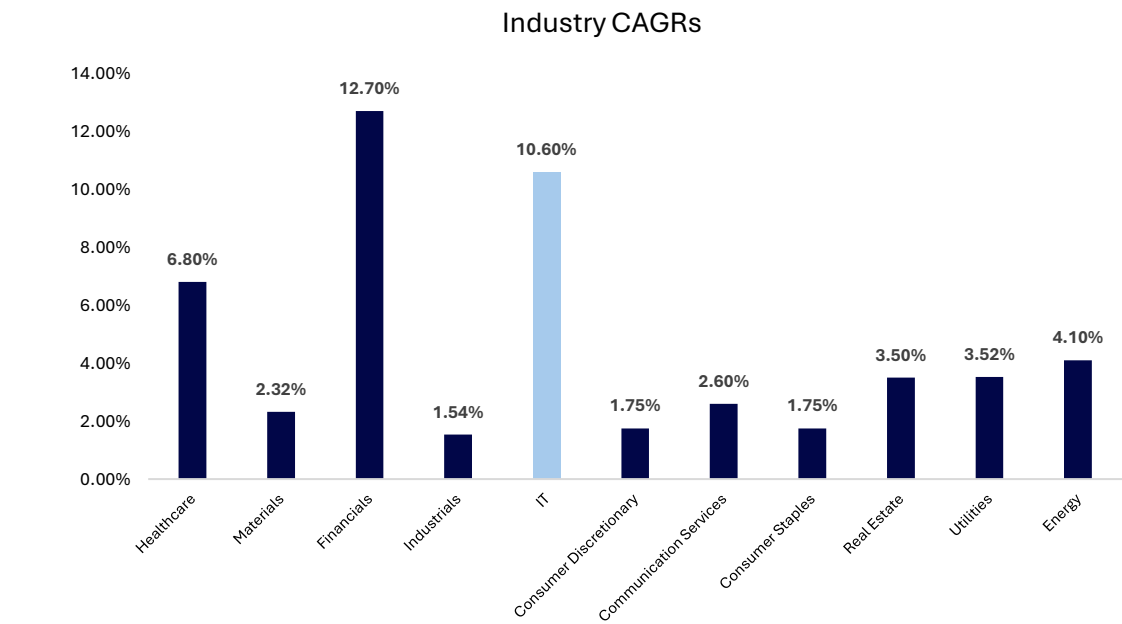
Understanding how Data#3 management and culture compares to the IT industry

Data#3	Competitors			Data#3 Rank	Data#3 Key Stats
Data#3			RPMGLOBAL		
 Culture	 Culture	 Culture	 Culture	1	3.8/5 Stars on Glassdoor
 Diversity	 Diversity	 Diversity	 Diversity	1	82% Would recommend to a friend
 Work Life Balance	 Work Life Balance	 Work Life Balance	 Work Life Balance	1	40+ Employee benefits
 Senior Management	 Senior Management	 Senior Management	 Senior Management	1	
 Compensation	 Compensation	 Compensation	 Compensation	1	5.11 Years Average Tenure

Breaking down the industry growth rates of SMIF

Sector Breakdown

Sector Breakdown	% Weight	Sector Breakdown	% Weight
Healthcare	12.44%	Communication Services	3.34%
Materials	10.82%	Consumer Staples	3.42%
Financials	10.93%	Real Estate	3.12%
Industrials	9.35%	Utilities	1.18%
IT	5.81%	Energy	0.00%
Consumer Discretionary	3.63%	Cash	35.96%
Total			100.00%



Key Highlights

- 1

Underweight in IT Despite High Growth

IT currently makes up 5.81% of the portfolio – one of the smallest allocations among major sectors. Yet it has one of the highest CAGRs at 10.60%. This presents a clear opportunity to increase exposure to a high-growth sector
- 2

Strong Strategic Fit

Cash currently accounts for nearly 36% of the portfolio. Deploying a portion of this into a resilient, high growth IT stock like Data#3 helps reduce cash drag while maintain quality and liquidity.
- 3

Diversification

Healthcare, materials, financials, industrials, and cash constitute nearly 80% of the portfolio. Adding Data#3 allows SMIF to rebalance the portfolio in line with future-facing industries like cloud, SaaS, and AI, without compromising diversification.
- 4

SMIF's Focus on Dividends

SMIF is placing an increasing focus on dividend-generating assets. The IT sector has emerged as one of the most consistent dividend-paying industries – making Data#3 an attractive equity investment

Sentiment Analysis conducted using Machine Learning model and web scraper built in python

```
# Initialise machine learning model from HuggingFace
pipe = pipeline("text-classification", model="ProsusAI/finbert", truncation=True, device=-1)

def analyze_market_sentiment(query, start_date, end_date):
    # Construct the SerpAPI query parameters
    params = {
        "engine": "google", # Use Google News search
        "tbn": "nws", # Search for news articles
        "q": query, # The search query
        "api_key": serpapi_key,
        "tbs": f"cdr:1,cd_min:{start_date},cd_max:{end_date}", # Filter by date range
        "num": 100, # Maximum Number of Articles
        "location": "au", # Search in Australia
        "hl": "en" # Language: English
    }
    # Fetch news articles from SerpAPI
    reqs = requests.get("https://serpapi.com/search", params=params).json()
    articles = reqs.get("news_results", []) # Extract the article results
    print(f"Fetchd {len(articles)} market articles")

    seen, texts = set(), []
    # Iterate through the articles
    for art in articles:
        url = art.get("link"); date_str = art.get("date","") # Extracts URL and Date
        if not url or url in seen: # Check for duplicate articles
            continue
        seen.add(url)
        dt = parse_date(date_str).strftime("%Y-%m-%d") # Parse the date into date_time object
        txt = safe_download_article(url) or "" # Download article text
        if len(txt.split()) < 30: # Filter short articles
            continue
        texts.append((txt[:512], dt)) # Truncate text to 512 characters

    print(f"After filtering: {len(texts)} articles")
    if not texts:
        return pd.DataFrame(columns=['date','score','confidence']) # Return empty DF if no articles
    excerpts, dates = zip(*texts) # Transpose text and date tuples and groups them all into excerpts
    results = pipe(list(excerpts), batch_size=8) # Analyze sentiment in batches of 8 for efficiency

    rows = []
    # Process the sentiment analysis results
    for (excerpt, dt), res in zip(texts, results):
        score = 1 if res['label']=="positive" else -1 if res['label']=="negative" else 0 #Assign score
        rows.append({'date': dt, 'score': score, 'confidence': res['score']}) #Append to results
    df = pd.DataFrame(rows) #Convert to dataframe
    df['date'] = pd.to_datetime(df['date']) #Convert date to datetime
    return df #Return the dataframe
```

```
# Define list of key words to search using webscraper
market_query = (
    "cybersecurity Australia" OR "cyber security Australia" OR '
    "information security Australia" OR "network security Australia" OR '
    "application security Australia" OR "cloud security Australia" OR '
    "data breach Australia" OR "threat intelligence Australia" OR '
    "vulnerability assessment Australia" OR "penetration testing Australia" OR '
    "security operations center Australia" OR "SOC Australia" OR '
    "incident response Australia" OR "cyber risk Australia"
)

# Define date range
start = datetime(2023,4,24).strftime('%m/%d/%Y')
end = datetime(2025,4,24).strftime('%m/%d/%Y')

# Perform Sentiment Analysis
df = analyze_market_sentiment(market_query, start, end)
```

- 1 Retrieve related articles using **SerpAPI webscraper**
- 2 Narrow search scope using key words and date range
- 3 For each article, calculate polarity scores using ML model
- 4 Aggregate polarity scores to get market sentiment

Screening Process (2) – Automated Equity Report

Automated Equity Report Generation Created Through Python

```
# Load analyst price targets from a CSV file
try:
    analyst_price_targets = pd.read_csv("Example Stock")
except FileNotFoundError:
    print("Error: Example Stock CSV file not found.")
    analyst_price_targets = None

# Load DCF model output from an Excel file
try:
    dcf_model = pd.read_excel("Stock Model.xlsx", sheet_name="DCF", header=None)
    dcf_price_target = dcf_model.iat[46, 3] # Extract the DCF price target from cell
except FileNotFoundError:
    print("Error: DCF model Excel file not found.")
    dcf_price_target = None # Set to None if the file is not found
except (KeyError, IndexError):
    print("Error: Could not extract DCF price target from the Excel file.")
    dcf_price_target = None # Set to None if there's an issue accessing the cell

ticker = "DTL.AX" # Define the ticker symbol for the stock
stock = yf.Ticker(ticker) # Create a yfinance Ticker object for the stock

info = stock.info # Get general information about the stock
financials = stock.financials # Get the company's financial statements
balance_sheet = stock.balance_sheet # Get the company's balance sheet
cashflow = stock.cashflow # Get the company's cash flow statement
historical_stock = stock.history(
    period="5y"
) # Get historical stock price data for the past 5 years
```

```
# Example Calcs (short for calculations)

def gross_margin(gross_profit, revenue):
    if gross_profit is None or revenue is None or revenue == 0:
        return None
    return round(gross_profit / revenue, 3)

def operating_margin(operating_income, revenue):
    if operating_income is None or revenue is None or revenue == 0:
        return None
    return round(operating_income / revenue, 3)

def net_margin(net_income, revenue):
    if net_income is None or revenue is None or revenue == 0:
        return None
    return round(net_income / revenue, 3)
```

1

Financial metrics data pulled from y-Finance API

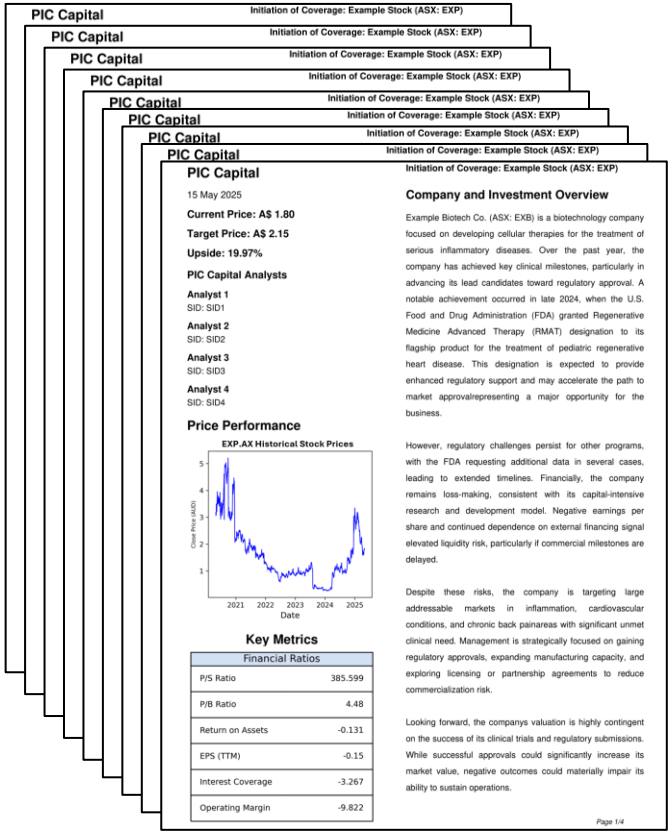
2

Key financial metrics and ratios were calculated programmatically within the Python script.

3

The use of Python allows for a highly customisable, extensible and scalable report generation process.

Example Equity Report



Trading Comparators

Summary of comparable companies used for valuation purposes

Company	Country	Market Cap	EV	LTM EV/EBITDA	NTM EV/EBITDA	LTM P/E	NTM P/E
Macquarie Technology Group	Australia	1654	1662	22.43x	13.55x	50.31x	45.89x
Dicker Data Limited	Australia	1488	1811	12.25x	10.69x	18.91x	16.58x
Objective Corporation Limited	Australia	1450	1368	25.08x	28.17x	46.97x	43.59x
Bravura Solutions Limited	Australia	986	914	14.69x	33.09x	113.58x	12.48x
Technology One Limited	Australia	9291	9296	36.10x	53.07x	79.20x	66.90x
WiseTech Global	Australia	27696	27684	66.98x	87.79x	161.80x	124.23x
RPMGlobal Holdings	Australia	643	616	41.35x	35.08x	75.71x	70.82x
Iress Limited	Australia	1501	1668	12.33x	12.63x	17.58x	30.69x

MCAP Deviation %	Total Revenue	Revenue Same as DTL	Similar Rev Deviation %	Revenue from AUS	AUS Rev Deviation %	Weighted Strength of Comp Score	Weighting
46.35%	363	287	21%	363	0%	5.71	22%
31.69%	2273	2242.697	1%	1882	17%	7.36	28%
28.34%	118	80.283	32%	91	22%	3.66	14%
12.70%	250	150.935	40%	104	58%	2.40	9%
722.25%	515	506.536	2%	416	19%	0.65	2%
2350.93%	1042	1,041.70	0%	292	72%	0.20	1%
43.09%	113	112.7	1%	39	65%	2.86	11%
32.79%	605	527	13%	331	45%	3.37	13%

1 Percentage difference between Data#3's MCAP and the comparator's MCAP, ensuring greater weight given to companies closer in size to Data#3.

2 The share of the comparator's revenue that closely aligns with Data#3's revenue streams, with greater weight given to comparators having similar revenue profiles.

3 The share of revenue from outside Australia, focusing on revenue attributable to Australian operations, with greater weight on comparators with less revenue generated overseas.

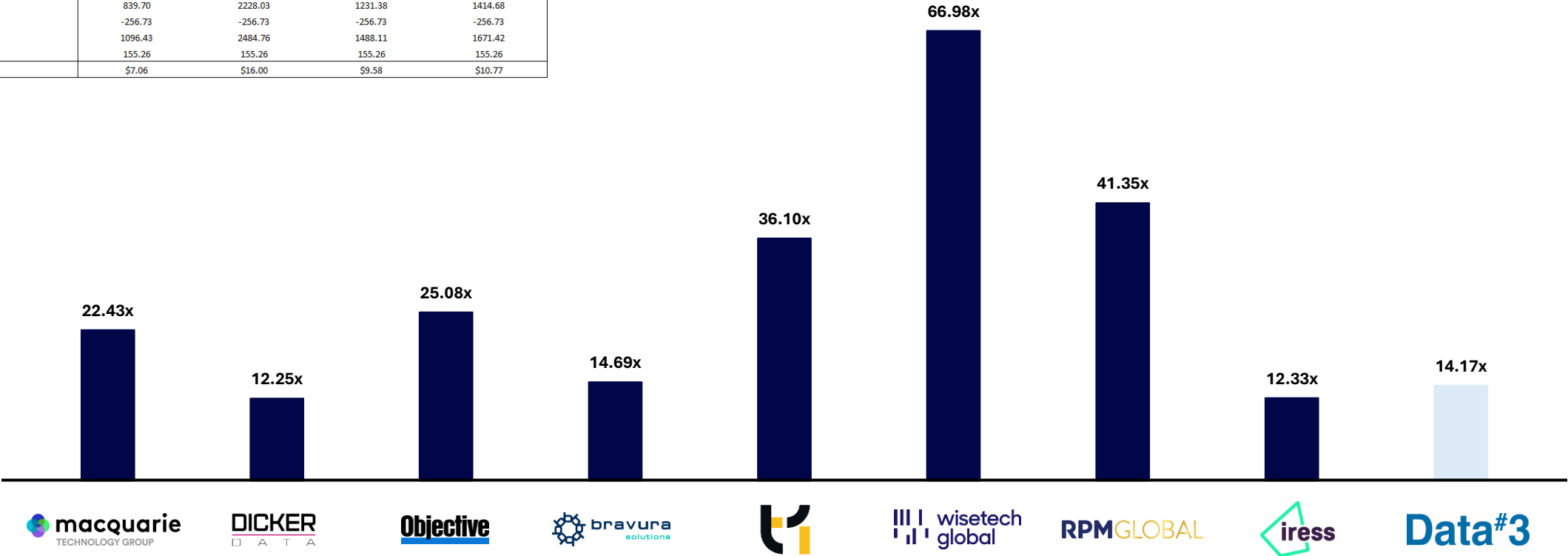
4 **MCAP - 20%** **Revenue Similarity - 40%** **Australian Operations - 40%**
Inverted the deviations and calculated a weighted average to derive a similarity score, reflecting how closely the comparator's operations align with Data#3.

5 Weights based on comparator strength were applied to all relative valuations to arrive at a final valuation.

Understanding Relative Valuation – LTM EV/EBITDA

Summary of comparable companies used for valuation purposes

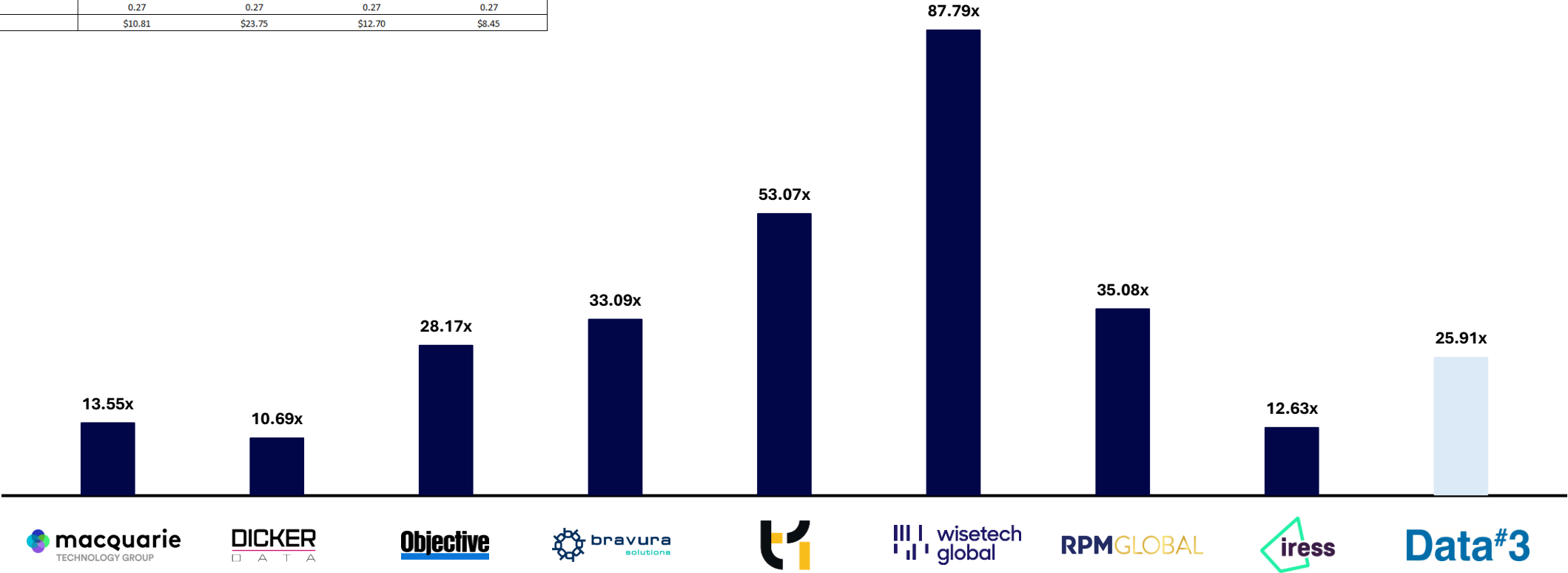
All Trading LTM EV/EBITDA				
	Low	High	Mean	Median
EV/EBITDA	14.10x	37.41x	20.68x	23.76x
EBITDA 2024A	59.55	59.55	59.55	59.55
Enterprise Value	839.70	2228.03	1231.38	1414.68
(-) Net Debt	-256.73	-256.73	-256.73	-256.73
Equity Value	1096.43	2484.76	1488.11	1671.42
Shares Outstanding	155.26	155.26	155.26	155.26
Share Price	\$7.06	\$16.00	\$9.58	\$10.77



Market Cap	1654	1488	1450	986	9291	27696	643	1501	1120
EV	1662	1811	1368	914	9296	27684	643	1501	843.62
LTM EV/EBITDA	13.55x	10.69x	28.17x	33.09x	53.07x	87.89x	35.08x	12.53x	24.92x
LTM P/E	45.89x	16.58x	43.59x	12.48x	66.90x	124.23x	70.82x	30.69x	13.82x

Summary of comparable companies used for valuation purposes

All LTM P/E				
	Low	High	Mean	Median
P/E	39.96x	87.79x	46.95x	31.23x
EPS (2024)	0.27	0.27	0.27	0.27
Share Price	\$10.81	\$23.75	\$12.70	\$8.45

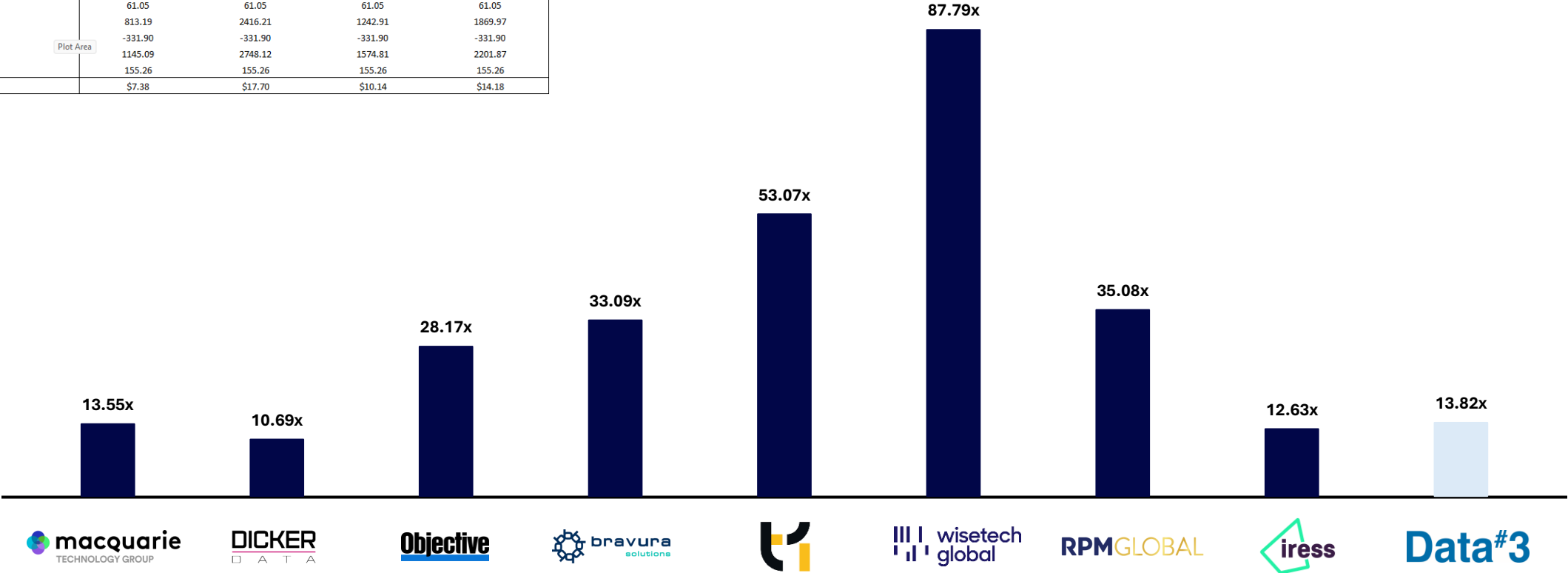


Market Cap	1654	1488	1450	986	9291	27696	643	1501	1120
EV	1662	1811	1368	914	9296	27684	643	1501	843.62
LTM EV/EBITDA	13.55x	10.69x	28.17x	33.09x	53.07x	87.89x	35.08x	12.53x	24.92x
LTM P/E	45.89x	16.58x	43.59x	12.48x	66.90x	124.23x	70.82x	30.69x	13.82x

Understanding Relative Valuation – NTM EV/EBITDA

Summary of comparable companies used for valuation purposes

All Trading NTM EV/EBITDA				
	Low	High	Mean	Median
EV/EBITDA	13.32x	39.58x	20.36x	30.63x
EBITDA 2025E	61.05	61.05	61.05	61.05
Enterprise Value	813.19	2416.21	1242.91	1869.97
(-) Net Debt	-331.90	-331.90	-331.90	-331.90
Equity Value	1145.09	2748.12	1574.81	2201.87
Shares Outstanding	155.26	155.26	155.26	155.26
Share Price	\$7.38	\$17.70	\$10.14	\$14.18

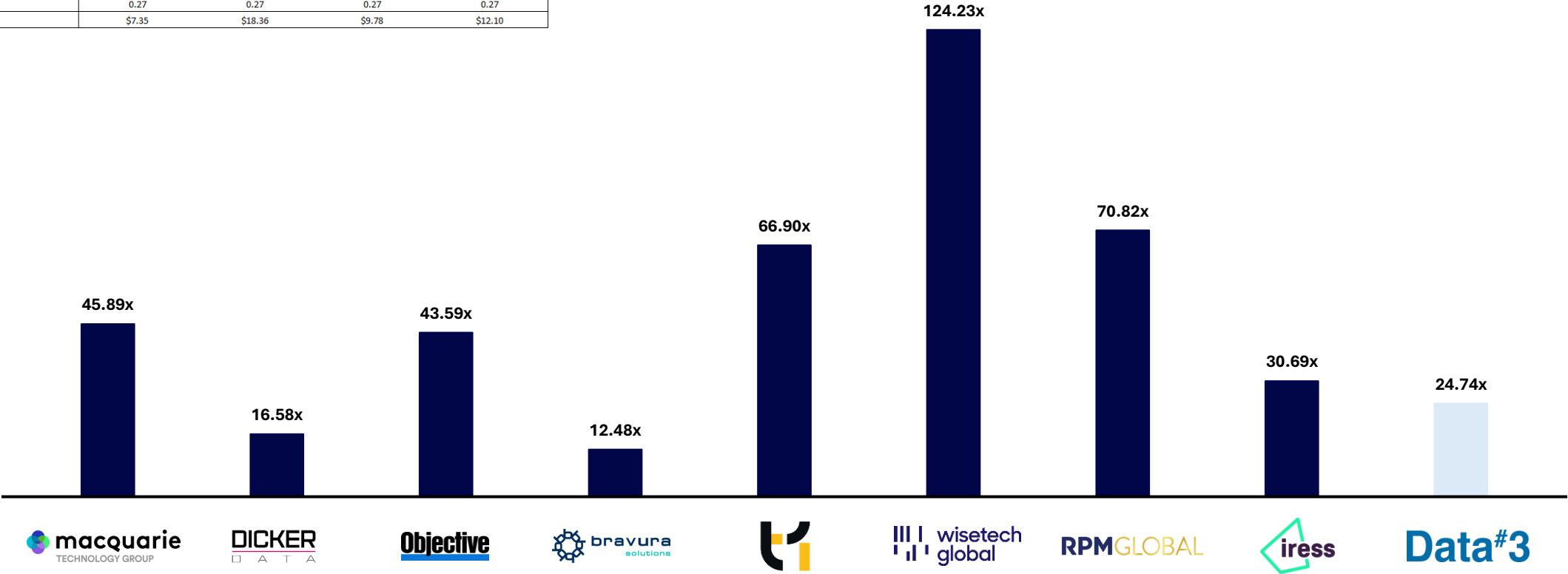


Market Cap	1654	1488	1450	986	9291	27696	643	1501	1120
EV	1662	1811	1368	914	9296	27684	643	1501	843.62
NTM EV/EBITDA	13.55x	10.69x	28.17x	33.09x	53.07x	87.89x	35.08x	12.53x	24.74x
NTM P/E	45.89x	16.58x	43.59x	12.48x	66.90x	124.23x	70.82x	30.69x	13.82x

Understanding Relative Valuation – NTM P/E

Summary of comparable companies used for valuation purposes

	All NTM P/E			
	Low	High	Mean	Median
P/E	27.16x	67.88x	36.16x	44.74x
EPS (2025E)	0.27	0.27	0.27	0.27
Share Price	\$7.35	\$18.36	\$9.78	\$12.10



Market Cap	1654	1488	1450	986	9291	27696	643	1501	1120
EV	1662	1811	1368	914	9296	27684	643	1501	843.62
NTM EV/EBITDA	13.55x	10.69x	28.17x	33.09x	53.07x	87.89x	35.08x	12.53x	24.92x
NTM P/E	45.89x	16.58x	43.59x	12.48x	66.90x	124.23x	70.82x	30.69x	13.82x

DCF Valuation (CAPM WACC) – Base Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach		EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	380.17	Present Value of Stage 1 Cash Flows	380.17
Terminal Value	1293.18	Terminal year EBITDA	92.91
Present Value of Terminal Value	899.66	EBITDA Multiple	20.68x
Total Enterprise Value	1279.83	Terminal Value in 2029	1,921.04
(+) Cash	131.00	Present Value of Terminal Value	1336.46
(-) Debt and Minority Interest	18.70	Total Enterprise Value	1716.63
Implied Equity Value	1392.13	(+) Cash	131.00
Shares Outstanding (mm)	155.26	(-) Debt and Minority Interest	18.70
Share Price	\$8.97	Implied Equity Value	1828.93
		Shares Outstanding (m)	155.26
		Share Price	\$11.78
Current price		Current price	\$7.23
Discount to intrinsic value		Discount to intrinsic value	62.9%

FCFF Summary

Financial Year	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,493.12	3,189.66	3,413.87	3,563.86	3,726.47
EBITDA	31.92	72.92	80.57	86.50	92.91
EBIT	28.37	69.65	77.83	84.16	90.91
Tax Expense	-8.51	-20.90	-23.35	-25.25	-27.27
Tax Rate	0.30	0.30	0.30	0.30	0.30
EBIAT	19.86	48.76	54.48	58.91	63.64
Adjustments Non-Cash Expenses:					
D&A	3.55	3.27	2.74	2.34	2.00
Change in NWC	62.46	8.52	6.90	4.53	4.91
Other Assets / Liabilities	21.98	62.21	8.29	5.54	6.01
Capex	-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)	106.92	121.98	71.77	70.80	76.12
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2029
Discount Period		0.25	1.25	2.25	3.25
Discounted Free Cash Flow (WACC)		104.69	109.65	59.24	53.64
Discounted Free Cash Flow (Fama-French ESG WACC)		104.84	110.48	60.05	54.33

Scenario Assumptions

1

Consumer Decision Making

- INS expected to increase due to reversal of slow decision making in FY2024
- Interest rates cuts makes financing cheaper – hence more projects
- Higher demand for digitalisation will increase revenues to Data#3

2

Increase in Cloud Architecture

- With the demand for Cloud and AI software in this age of digitalisation, revenue is forecasted to increase
- More companies are adopting a cloud-architecture for improved efficiency and teamwork
- AI-boom is increasing due to its accessibility

3

Lack of Skilled IT Workers

- Australia is facing a lack of labor – especially in the skilled IT worker's portion
- Data#3 has a large pool of talent that is able to service these companies
- Low supply and high demand will increase revenue for Data#3

DCF Valuation (CAPM WACC) – Bear Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach		EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	328.88	Present Value of Stage 1 Cash Flows	328.88
Terminal Value	904.49	Terminal year EBITDA	61.85
Present Value of Terminal Value	629.25	EBITDA Multiple	20.68x
Total Enterprise Value	958.13	Terminal Value in 2029	1,278.88
(+) Cash	131.00	Present Value of Terminal Value	889.71
(-) Debt and Minority Interest	18.70	Total Enterprise Value	1218.59
Implied Equity Value	1070.43	(+) Cash	131.00
Shares Outstanding (mm)	155.26	(-) Debt and Minority Interest	18.70
Share Price	\$6.89	Implied Equity Value	1330.89
		Shares Outstanding (m)	155.26
Current price	\$7.23	Share Price	\$8.57
Discount to intrinsic value	-4.6%		
		Current price	\$7.23
		Discount to intrinsic value	18.6%

FCFF Summary

Financial Year	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,481.64	3,138.24	3,330.64	3,455.51	3,589.69
EBITDA	29.38	62.05	63.19	62.56	61.85
EBIT	25.82	58.78	60.46	60.23	59.85
Tax Expense	-7.75	-17.63	-18.14	-18.07	-17.96
Tax Rate	0.30	0.30	0.30	0.30	0.30
EBIAT	18.08	41.15	42.32	42.16	41.90
Adjustments Non-Cash Expenses:					
D&A	3.55	3.27	2.74	2.34	2.00
Change in NWC	62.34	8.06	6.52	4.39	4.72
Other Assets / Liabilities	21.59	60.86	7.21	4.71	5.06
Capex	-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)	104.64	112.56	58.15	53.07	53.24
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028
Discount Period	0.25	1.25	2.25	3.25	4.25
Discounted Free Cash Flow (WACC)	102.45	101.19	48.00	40.21	37.04
Discounted Free Cash Flow (Fama-French ESG)	102.61	101.95	48.65	41.01	38.00

Scenario Assumptions

1

Infrastructure Delays

- All infrastructure projects reduced due to changes in government policies, with a reduction proportional to the ratio of 'proposed' infrastructure projects (80/381)
- Reduction in government expenditure on IT systems due to post-election changes and uncertainty.

2

Slow AI Adoption

- Slow AI adoption limits the ability to integrate AI into SWS, impacting SWS market growth potential

3

Services Competition

- The IT services market in Australia is highly fragmented, with less than 3.5% of total revenue captured by the largest players, including IBM, HP, and Accenture. This intense competition poses a risk of revenue dilution as market share becomes more dispersed

DCF Valuation (CAPM WACC) – Bull Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach	
Present Value of Stage 1 Cash Flows	416.87
Terminal Value	1442.98
Present Value of Terminal Value	1003.88
Total Enterprise Value	1420.75
(+) Cash	131.00
(-) Debt and Minority Interest	18.70
Implied Equity Value	1533.05
Shares Outstanding (mm)	155.26
Share Price	\$9.87
Current price	\$7.23
Discount to intrinsic value	36.6%

EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	416.87
Terminal year EBITDA	101.68
EBITDA Multiple	20.68x
Terminal Value in 2029	2,102.50
Present Value of Terminal Value	1462.70
Total Enterprise Value	1879.58
(+) Cash	131.00
(-) Debt and Minority Interest	18.70
Implied Equity Value	1991.88
Shares Outstanding (m)	155.26
Share Price	\$12.83
Current price	\$7.23
Discount to intrinsic value	77.4%

FCFF Summary

Financial Year	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,553.45	3,343.65	3,609.41	3,792.23	3,990.82
EBITDA	34.14	80.12	91.07	96.17	101.68
EBIT	30.58	76.85	88.33	93.83	99.69
Tax Expense	-9.18	-23.05	-26.50	-28.15	-29.91
Tax Rate	0.30	0.30	0.30	0.30	0.30
EBIAT	21.41	53.79	61.83	65.68	69.78
Adjustments Non-Cash Expenses:					
D&A	3.55	3.27	2.74	2.34	2.00
Change in NWC	64.28	11.18	7.96	5.74	6.24
Other Assets / Liabilities	24.17	65.61	9.78	6.77	7.35
Capex	-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)	112.49	133.07	81.67	80.01	84.93
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028
Discount Period		0.25	1.25	2.25	3.25
Discounted Free Cash Flow (WACC)		110.14	119.62	67.40	60.62
Discounted Free Cash Flow (Fama-French ESG WACC)		110.31	120.52	68.32	60.62

Scenario Assumptions

1

Infrastructure Solutions

- Interest rate decreases fuels IT infrastructure spending across all sectors by accelerating decision-making and encouraging IT capex.

2

Software Solutions

- Enterprises shift large portions of their operations to cloud-based platforms, driving increased demand for cloud-based software solutions and software-as-a-service (SaaS) offerings.

3

Services

- Rising cybersecurity threats, including high-profile breaches like the Superfund incident, will drive increased demand for robust solutions from trusted providers in a security-conscious market.

CAPM WACC

Perpetuity Method

Sensitivity Analysis		WACC							
TGR		\$8.97	8.62%	8.72%	8.82%	8.92%	9.02%	9.12%	9.22%
	2.56%		\$9.03	\$8.91	\$8.79	\$8.68	\$8.57	\$8.46	\$8.36
	2.66%		\$9.13	\$9.01	\$8.89	\$8.77	\$8.66	\$8.55	\$8.44
	2.76%		\$9.24	\$9.11	\$8.99	\$8.87	\$8.75	\$8.64	\$8.53
	2.86%		\$9.35	\$9.22	\$9.09	\$8.97	\$8.85	\$8.73	\$8.62
	2.96%		\$9.47	\$9.33	\$9.20	\$9.07	\$8.95	\$8.83	\$8.71
	3.06%		\$9.59	\$9.45	\$9.31	\$9.18	\$9.05	\$8.92	\$8.80
	3.16%		\$9.71	\$9.56	\$9.42	\$9.29	\$9.15	\$9.03	\$8.90

Exit-Multiple Method

Sensitivity Analysis		WACC						
EV/EBITDA	\$11.78	7.42%	7.92%	8.42%	8.92%	9.42%	9.92%	10.42%
	17.68	\$11.04	\$10.87	\$10.70	\$10.53	\$10.37	\$10.21	\$10.06
	18.68	\$11.48	\$11.30	\$11.12	\$10.95	\$10.78	\$10.61	\$10.45
	19.68	\$11.92	\$11.73	\$11.55	\$11.36	\$11.19	\$11.01	\$10.84
	20.68	\$12.37	\$12.17	\$11.97	\$11.78	\$11.59	\$11.41	\$11.23
	21.68	\$12.81	\$12.60	\$12.39	\$12.20	\$12.00	\$11.81	\$11.63
	22.68	\$13.25	\$13.03	\$12.82	\$12.61	\$12.41	\$12.21	\$12.02
	23.68	\$13.69	\$13.46	\$13.24	\$13.03	\$12.82	\$12.61	\$12.41

DCF Valuation (ESG WACC) – Base Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach		EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	384.40	Present Value of Stage 1 Cash Flows	384.40
Terminal Value	1450.32	Terminal year EBITDA	92.91
Present Value of Terminal Value	1035.20	EBITDA Multiple	20.68x
Total Enterprise Value	1419.61	Terminal Value in 2029	1,921.04
(-) Cash	131.00	Present Value of Terminal Value	1371.19
(+) Debt and Minority Interest	18.70	Total Enterprise Value	1755.60
Implied Equity Value	1531.91	(-) Cash	131.00
Shares Outstanding (mm)	155.26	(+) Debt and Minority Interest	18.70
Share Price	\$9.87	Implied Equity Value	1867.90
		Shares Outstanding (m)	155.26
		Share Price	\$12.03
Current price	\$7.23	Current price	\$7.23
Discount to intrinsic value	36.5%	Discount to intrinsic value	66.4%

FCFF Summary

Financial Year		H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue		1,493.12	3,189.66	3,413.87	3,563.86	3,726.47
EBITDA		31.92	72.92	80.57	86.50	92.91
EBIT		28.37	69.65	77.83	84.16	90.91
Tax Expense		-8.51	-20.90	-23.35	-25.25	-27.27
Tax Rate		0.30	0.30	0.30	0.30	0.30
EBIAT		19.86	48.76	54.48	58.91	63.64
Adjustments Non-Cash Expenses:						
D&A		3.55	3.27	2.74	2.34	2.00
Change in NWC		62.46	8.52	6.90	4.53	4.91
Other Assets / Liabilities		21.98	62.21	8.29	5.54	6.01
Capex		-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)		106.92	121.98	71.77	70.80	76.12
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Discount Period		0.25	1.25	2.25	3.25	4.25
Discounted Free Cash Flow (WACC)		104.69	109.65	59.24	53.64	52.95
Discounted Free Cash Flow (Fama-French ESG WACC)		104.84	110.48	60.05	54.71	54.33

Scenario Assumptions

1

Consumer Decision Making

- INS expected to increase due to reversal of slow decision making in FY2024
- Interest rates cuts makes financing cheaper – hence more projects
- Higher demand for digitalisation will increase revenues to Data#3

2

Increase in Cloud Architecture

- With the demand for Cloud and AI software in this age of digitalisation, revenue is forecasted to increase
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Lack of Skilled IT Workers

- Australia is facing a lack of labor – especially in the skilled IT worker's portion
- Data#3 has a large pool of talent that is able to service these companies
- Low supply and high demand will increase revenue for Data#3

DCF Valuation (ESG WACC) – Bear Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach		EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	332.22	Present Value of Stage 1 Cash Flows	332.22
Terminal Value	1014.39	Terminal year EBITDA	61.85
Present Value of Terminal Value	724.05	EBITDA Multiple	20.68x
Total Enterprise Value	1056.27	Terminal Value in 2029	1,278.88
(-) Cash	131.00	Present Value of Terminal Value	912.83
(+) Debt and Minority Interest	18.70	Total Enterprise Value	1245.05
Implied Equity Value	1168.57	(-) Cash	131.00
Shares Outstanding (mm)	155.26	(+) Debt and Minority Interest	18.70
Share Price	\$7.53	Implied Equity Value	1357.35
		Shares Outstanding (m)	155.26
		Share Price	\$8.74
Current price	\$7.23	Current price	\$7.23
Discount to intrinsic value	4.1%	Discount to intrinsic value	20.9%

FCFF Summary

Financial Year	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,481.64	3,138.24	3,330.64	3,455.51	3,589.69
EBITDA	29.38	62.05	63.19	62.56	61.85
EBIT	25.82	58.78	60.46	60.23	59.85
Tax Expense	-7.75	-17.63	-18.14	-18.07	-17.96
Tax Rate	0.30	0.30	0.30	0.30	0.30
EBIAT	18.08	41.15	42.32	42.16	41.90
Adjustments Non-Cash Expenses:					
D&A	3.55	3.27	2.74	2.34	2.00
Change in NWC	62.34	8.06	6.52	4.39	4.72
Other Assets / Liabilities	21.59	60.86	7.21	4.71	5.06
Capex	-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)	104.64	112.56	58.15	53.07	53.24
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028
Discount Period	0.25	1.25	2.25	3.25	4.25
Discounted Free Cash Flow (WACC)	102.45	101.19	48.00	40.21	37.04
Discounted Free Cash Flow (Fama-French ESG)	102.61	101.95	48.65	41.01	38.00

Scenario Assumptions

1

Infrastructure Delays

- All infrastructure projects reduced due to changes in government policies, with a reduction proportional to the ratio of 'proposed' infrastructure projects (80/381)
- Reduction in government expenditure on IT systems due to post-election changes and uncertainty.

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Slow AI Adoption

- Slow AI adoption limits the ability to integrate AI into SWS, impacting SWS market growth potential

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Services Competition

- The IT services market in Australia is highly fragmented, with less than 3.5% of total revenue captured by the largest players, including IBM, HP, and Accenture. This intense competition poses a risk of revenue dilution as market share becomes more dispersed

DCF Valuation (ESG WACC) – Bull Case Summary

Perpetuity Method and Exit-Multiple Method

Valuation Summary

Perpetuity Approach	
Present Value of Stage 1 Cash Flows	421.60
Terminal Value	1618.32
Present Value of Terminal Value	1155.12
Total Enterprise Value	1576.72
(-) Cash	131.00
(+) Debt and Minority Interest	18.70
Implied Equity Value	1689.02
Shares Outstanding (mm)	155.26
Share Price	\$10.88
Current price	\$7.23
Discount to intrinsic value	50.5%

EBITDA Multiple Approach	
Present Value of Stage 1 Cash Flows	421.60
Terminal year EBITDA	101.68
EBITDA Multiple	20.68x
Terminal Value in 2029	2,102.50
Present Value of Terminal Value	1500.72
Total Enterprise Value	1922.32
(-) Cash	131.00
(+) Debt and Minority Interest	18.70
Implied Equity Value	2034.62
Shares Outstanding (m)	155.26
Share Price	\$13.10
Current price	\$7.23
Discount to intrinsic value	81.3%

FCFF Summary

Financial Year	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,553.45	3,343.65	3,609.41	3,792.23	3,990.82
EBITDA	34.14	80.12	91.07	96.17	101.68
EBIT	30.58	76.85	88.33	93.83	99.69
Tax Expense	-9.18	-23.05	-26.50	-28.15	-29.91
Tax Rate	0.30	0.30	0.30	0.30	0.30
EBIAT	21.41	53.79	61.83	65.68	69.78
Adjustments Non-Cash Expenses:					
D&A	3.55	3.27	2.74	2.34	2.00
Change in NWC	64.28	11.18	7.96	5.74	6.24
Other Assets / Liabilities	24.17	65.61	9.78	6.77	7.35
Capex	-0.92	-0.78	-0.64	-0.53	-0.43
Unlevered Free Cash Flow (FCF)	112.49	133.07	81.67	80.01	84.93
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028
Discount Period		0.25	1.25	2.25	3.25
Discounted Free Cash Flow (WACC)		110.14	119.62	67.40	60.62
Discounted Free Cash Flow (Fama-French ESG WACC)		110.31	120.52	68.32	60.62

Scenario Assumptions

1

Infrastructure Solutions

- Interest rate decreases fuels IT infrastructure spending across all sectors by accelerating decision-making and encouraging IT capex.

2

Software Solutions

- Enterprises shift large portions of their operations to cloud-based platforms, driving increased demand for cloud-based software solutions and software-as-a-service (SaaS) offerings.

3

Services

- Rising cybersecurity threats, including high-profile breaches like the Superfund incident, will drive increased demand for robust solutions from trusted providers in a security-conscious market.

Fama-French WACC

Perpetuity Method

Sensitivity Analysis		ESG WACC							
TGR		\$9.87	7.96%	8.06%	8.16%	8.26%	8.36%	8.46%	8.56%
	2.56%		\$9.94	\$9.79	\$9.64	\$9.50	\$9.36	\$9.23	\$9.10
	2.66%		\$10.07	\$9.91	\$9.76	\$9.62	\$9.47	\$9.34	\$9.21
	2.76%		\$10.21	\$10.05	\$9.89	\$9.74	\$9.59	\$9.45	\$9.32
	2.86%		\$10.36	\$10.19	\$10.02	\$9.87	\$9.72	\$9.57	\$9.43
	2.96%		\$10.51	\$10.33	\$10.16	\$10.00	\$9.84	\$9.69	\$9.55
	3.06%		\$10.66	\$10.48	\$10.30	\$10.14	\$9.97	\$9.82	\$9.67
	3.16%		\$10.82	\$10.64	\$10.45	\$10.28	\$10.11	\$9.95	\$9.80

Exit-Multiple Method

Sensitivity Analysis		ESG WACC							
EV/EBITDA		\$12.03	6.76%	7.26%	7.76%	8.26%	8.76%	9.26%	9.76%
	17.68		\$11.28	\$11.10	\$10.92	\$10.75	\$10.58	\$10.42	\$10.26
	18.68		\$11.73	\$11.54	\$11.36	\$11.18	\$11.00	\$10.83	\$10.66
	19.68		\$12.18	\$11.98	\$11.79	\$11.60	\$11.42	\$11.24	\$11.07
	20.68		\$12.63	\$12.43	\$12.23	\$12.03	\$11.84	\$11.65	\$11.47
	21.68		\$13.09	\$12.87	\$12.66	\$12.46	\$12.26	\$12.06	\$11.87
	22.68		\$13.54	\$13.32	\$13.10	\$12.89	\$12.68	\$12.47	\$12.27
	23.68		\$13.99	\$13.76	\$13.53	\$13.31	\$13.10	\$12.88	\$12.68

Valuation Summary

Value per Share (\$)	
PV of Stage 1 Dividends	\$1.28
Period 5 Dividend x (1 + TGR)	\$0.30
Stage 2 Terminal Value	\$4.81
PV of Stage 2 Terminal Value	\$6.09
Value per Share (\$)	\$7.37
Current price	\$7.23
Discount to intrinsic value	1.9%

Consistent Dividend
Payout Ratio of ~90%

Scenario Assumptions

- 1

Consumer Decision Making
 - INS expected to increase due to reversal of slow decision making in FY2024
 - Interest rates cuts makes financing cheaper – hence more projects
 - Higher demand for digitalisation will increase revenues to Data#3
- 2

Increase in Cloud Architecture
 - With the demand for Cloud and AI software in this age of digitalisation, revenue is forecasted to increase
 - More companies are adopting a cloud-architecture for improved efficiency and teamwork
 - AI-boom is increasing due to its accessibility
- 3

Lack of Skilled IT Workers
 - Australia is facing a lack of labor – especially in the skilled IT worker's portion
 - Data#3 has a large pool of talent that is able to service these companies
 - Low supply and high demand will increase revenue for Data#3

Dividend Summary

Financial Year					
	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,493.12	3,189.66	3,413.87	3,563.86	3,726.47
EBITDA	31.92	72.92	80.57	86.50	92.91
EBIT	28.37	69.65	77.83	84.16	90.91
EBT	32.78	77.69	89.12	96.48	104.08
Tax Expense	-9.83	-23.31	-26.74	-28.95	-31.22
Tax Rate	0.30	0.30	0.30	0.30	0.30
Net Income	22.94	54.38	62.39	67.54	72.85
Dividends per Share	0.13	0.31	0.35	0.38	0.41
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2029
Discount Period	0.25	1.25	2.25	3.25	4.25
Present Value of Dividend (CAPM)	0.13	0.28	0.29	0.29	0.29
Present Value of Dividend (Fama-French)	0.13	0.28	0.30	0.30	0.29

Valuation Summary

Value per Share (\$)	
PV of Stage 1 Dividends	\$1.30
Period 5 Dividend x (1 + TGR)	\$0.30
Stage 2 Terminal Value	\$5.39
PV of Stage 2 Terminal Value	\$6.69
Value per Share (\$)	\$7.98
Current price	\$7.23
Discount to intrinsic value	10.4%

Consistent Dividend
Payout Ratio of ~90%

Dividend Summary

Financial Year	H2 FY2025E		FY2026E	FY2027E	FY2028E	FY2029E
Revenue	1,493.12		3,189.66	3,413.87	3,563.86	3,726.47
EBITDA	31.92		72.92	80.57	86.50	92.91
EBIT	28.37		69.65	77.83	84.16	90.91
EBT	32.78		77.69	89.12	96.48	104.08
Tax Expense	-9.83		-23.31	-26.74	-28.95	-31.22
Tax Rate	0.30		0.30	0.30	0.30	0.30
Net Income	22.94		54.38	62.39	67.54	72.85
Dividends per Share	0.13		0.31	0.35	0.38	0.41
Date	1/04/2025	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Discount Period	0.25		1.25	2.25	3.25	4.25
Present Value of Dividend (CAPM)	0.13		0.28	0.29	0.29	0.29
Present Value of Dividend (Fama-French)	0.13		0.28	0.30	0.30	0.29

Scenario Assumptions

- 1

Consumer Decision Making
 - INS expected to increase due to reversal of slow decision making in FY2024
 - Interest rates cuts makes financing cheaper – hence more projects
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 - With the demand for Cloud and AI software in this age of digitalisation, revenue is forecasted to increase
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 - Australia is facing a lack of labor – especially in the skilled IT worker's portion
 - Data#3 has a large pool of talent that is able to service these companies
 - Low supply and high demand will increase revenue for Data#3

CAPM R_e

Sensitivity Analysis		Re (CAPM)							
TGR		\$7.37	8.70%	8.80%	8.90%	9.00%	9.10%	9.20%	9.30%
	2.56%	\$7.43	\$7.32	\$7.23	\$7.13	\$7.04	\$6.95	\$6.86	
	2.66%	\$7.51	\$7.41	\$7.30	\$7.21	\$7.11	\$7.02	\$6.93	
	2.76%	\$7.60	\$7.49	\$7.39	\$7.28	\$7.19	\$7.09	\$7.00	
	2.86%	\$7.69	\$7.58	\$7.47	\$7.37	\$7.27	\$7.17	\$7.07	
	2.96%	\$7.79	\$7.67	\$7.56	\$7.45	\$7.35	\$7.25	\$7.15	
	3.06%	\$7.88	\$7.76	\$7.65	\$7.54	\$7.43	\$7.33	\$7.23	
	3.16%	\$7.98	\$7.86	\$7.74	\$7.63	\$7.52	\$7.41	\$7.31	

ESG R_e

Sensitivity Analysis		Re (Fama-French Model)							
		\$7.98	8.05%	8.15%	8.25%	8.35%	8.45%	8.55%	8.65%
TGR	2.56%	\$7.98	\$7.88	\$7.78	\$7.69	\$7.59	\$7.50	\$7.42	
	2.66%	\$8.09	\$7.98	\$7.88	\$7.78	\$7.69	\$7.59	\$7.50	
	2.76%	\$8.20	\$8.09	\$7.98	\$7.88	\$7.78	\$7.68	\$7.59	
	2.86%	\$8.31	\$8.20	\$8.09	\$7.98	\$7.88	\$7.78	\$7.68	
	2.96%	\$8.43	\$8.31	\$8.20	\$8.09	\$7.98	\$7.88	\$7.78	
	3.06%	\$8.55	\$8.43	\$8.31	\$8.20	\$8.09	\$7.98	\$7.88	
	3.16%	\$8.68	\$8.55	\$8.43	\$8.31	\$8.20	\$8.08	\$7.98	

Income Statement											
(S'000,000s)	Historical Data						Forecast Period				
Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiscal Year End Date	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	31/12/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Revenue											
Revenue	1,624	1,955	2,192	2,561	2,754	1,419	1,493	3,190	3,414	3,564	3,726
Total Revenue	1,624	1,955	2,192	2,561	2,754	1,419	1,493	3,190	3,414	3,564	3,726
COGS	(1,570)	(1,899)	(2,127)	(2,487)	(2,675)	(1,380)	(1,450)	(3,097)	(3,313)	(3,456)	(3,612)
Gross Profit	54	56	65	74	80	40	43	93	101	107	114
Gross Profit Margin	3.34%	2.88%	2.97%	2.88%	2.89%	2.80%	2.86%	2.91%	2.96%	3.02%	3.07%
Gross Profit Growth		4.14%	15.64%	13.01%	7.89%		7.15%	12.56%	8.99%	6.27%	6.41%
Operating Expenses											
Travel	(1.46)	(0.18)	(0.26)	(1.30)	(1.47)	(0.80)	(0.80)	(1.71)	(1.83)	(1.91)	(1.99)
Telecommunications	(2.26)	(2.29)	(2.22)	(2.07)	(2.24)	(1.14)	(1.21)	(2.58)	(2.76)	(2.88)	(3.01)
Rent	(2.93)	(2.03)	(1.72)	(1.78)	(1.78)	(0.87)	(0.79)	(0.69)	(0.51)	(0.38)	(0.24)
Professional Fees	(0.86)	(1.03)	(1.02)	(1.30)	(1.02)	(0.71)	(0.72)	(1.54)	(1.65)	(1.72)	(1.80)
Total Operating Expenses	(7.51)	(5.53)	(5.21)	(6.46)	(6.51)	(3.53)	(3.52)	(6.52)	(6.75)	(6.89)	(7.04)
Other Operating Expenses											
Other Revenue	2.07	0.99	-	-	-	-	-	-	-	-	-
Other Expenses	(9.73)	(9.02)	(9.52)	(10.36)	(13.46)	(7.14)	(7.20)	(13.35)	(13.81)	(14.09)	(14.41)
Total Other Operating Expenses	(7.66)	(8.04)	(9.52)	(10.36)	(13.46)	(7.14)	(7.20)	(13.35)	(13.81)	(14.09)	(14.41)
EBITDA	39	43	50	57	60	29	32	73	81	86	93
EBITDA Margin	2.40%	2.19%	2.30%	2.22%	2.16%	2.05%	2.14%	2.29%	2.36%	2.43%	2.49%
EBITDA Growth		9.88%	17.85%	12.69%	4.68%		9.57%	19.44%	10.50%	7.35%	7.41%
Depreciation and Amortisation	(4.91)	(5.17)	(5.29)	(6.28)	(6.30)	(3.22)	(3.55)	(3.27)	(2.74)	(2.34)	(2.00)
EBIT	34.1	37.7	45.2	50.6	53.3	25.9	28	70	78	84	91
EBIT Margin	2.10%	1.93%	2.06%	1.98%	1.93%	1.83%	1.90%	2.18%	2.28%	2.36%	2.44%
EBIT Growth		10.52%	20.00%	11.98%	5.21%		9.46%	28.31%	11.75%	8.13%	8.02%
Finance Costs											
Interest Income	1.13	0.72	0.27	3.51	9.69	0.00	5.24	8.74	11.75	12.60	13.26
Interest Expense	(1.10)	(1.40)	(1.30)	(1.20)	(1.10)	(0.53)	(1.05)	(0.92)	(0.68)	(0.50)	(0.32)
Net Finance Costs	0.07	(0.70)	(1.10)	2.29	8.60	(0.53)	4.19	7.82	11.07	12.10	12.95
Other Non-Operating Expenses	(0.10)	0.00	0.00	0.33	0.22	6.70	0.22	0.22	0.22	0.22	0.22
Earnings Before Tax	34	37	44	53	62	32	33	78	89	96	104
Income Tax Expense	(10.34)	(11.54)	(13.83)	(16.20)	(18.76)	(9.68)	(9.83)	(23.31)	(26.74)	(28.95)	(31.22)
Net Income	24	25	30	37	43	22	23	54	62	68	73
EPS											
Basic (Cents / Share)	(0.15)	(0.17)	(0.20)	(0.24)	(0.28)	(0.14)	(0.15)	(0.35)	(0.40)	(0.44)	(0.47)
Diluted (Cents / Share)	(0.15)	(0.16)	(0.20)	(0.24)	(0.28)	(0.14)	(0.15)	(0.35)	(0.40)	(0.44)	(0.47)

Balance Sheet											
(S000,000s)	Historical Data						Forecast Period				
Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiscal Year End Date	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	31/12/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Assets											
Current Assets											
Cash and Cash Equivalents	255.15	204.32	149.46	404.77	276.38	131.00	218.46	293.73	315.10	331.62	349.32
Trade and Other Receivables	261.10	419.35	533.66	460.64	522.50	206.03	219.43	240.31	257.20	268.50	280.75
Inventory	21.16	13.87	33.08	19.41	19.10	33.40	20.21	22.11	23.66	24.68	25.79
Prepaid Expenses	4.35	3.93	3.87	5.13	6.03	0.00	2.02	3.74	3.87	3.95	4.04
Other Current Assets	0.11	0.09	0.09	0.09	0.10	11.00	1.98	4.24	4.54	4.74	4.95
Total Current Assets	542	642	720	890	824	381	462	564	604	633	665
Non-Current Assets											
Property, Plant and Equipment	4.50	3.38	3.39	3.20	2.61	2.41	1.88	1.37	0.99	0.67	0.40
Right-of-use Assets	17.53	25.70	23.59	21.06	17.40	15.37	13.79	12.26	10.92	9.72	8.66
Goodwill	10.06	10.06	10.06	10.06	10.06	10.06	10.06	10.06	10.06	10.06	10.06
Other Intangibles	5.17	5.90	7.34	5.15	3.20	2.59	2.07	1.61	1.24	0.94	0.70
Accounts Receivable Long-Term	3.69	2.34	1.07	0.22	0.74	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets, LT	4.63	5.90	5.29	5.88	8.03	6.00	6.00	6.00	6.00	6.00	6.00
Total Non-Current Assets	46	53	51	46	42	36	34	31	29	27	26
Total Assets	587	695	771	936	866	418	496	595	634	661	691
Liabilities											
Current Liabilities											
Accounts Payable	437.16	526.16	591.73	728.72	679.62	269.40	332.07	363.37	388.70	405.55	423.82
Accrued Exp.	32.97	40.80	37.98	54.67	32.74	0.00	22.86	48.81	52.21	54.47	56.93
Curr. Port. of Leases	2.40	2.76	3.00	3.59	3.99	4.10	3.60	2.66	1.96	1.25	0.53
Curr. Income Taxes Payable	4.65	1.33	0.71	4.16	7.22	0.00	0.00	0.00	0.00	0.00	0.00
Unearned Revenue, Current	36.46	39.31	49.71	52.12	46.79	38.90	32.34	69.09	73.95	77.20	80.72
Other Current Liabilities	0.81	-	0.23	-	0.02	8.50	8.50	8.50	8.50	8.50	8.50
Total Current Liabilities	514	610	683	843	770	321	399	492	525	547	570
Non-Current Liabilities											
Long-Term Leases	15.86	24.11	22.64	20.30	16.61	14.60	12.82	9.47	6.97	4.44	1.87
Pension & Other Post-Retire. Benefits	2.47	2.50	2.42	2.68	3.19	0.00	1.52	3.25	3.48	3.63	3.79
Other Non-Current Liabilities	1.97	1.55	0.77	1.03	1.07	4.40	1.55	3.32	3.55	3.71	3.88
Total Non-Current Liabilities	20	28	26	24	21	19	16	16	14	12	10
Total Liabilities	535	639	709	867	791	340	415	508	539	559	580
Net Assets	53	56	62	68	75	78	81	87	94	102	111
Equity											
Common Stock	8.28	8.28	10.31	11.86	12.58	12.58	12.58	12.58	12.58	12.58	12.58
Retained Earnings	43.15	46.86	51.27	56.37	61.78	64.10	66.78	73.12	80.40	88.28	96.78
Comprehensive Inc. and Other	0.81	1.17	0.12	0.11	0.56	0.56	0.57	0.69	0.79	0.86	0.92
Total Equity	52	56	62	68	75	77	80	86	94	102	110
Total Liabilities and Equity	587	695	771	936	866	417	495	595	633	660	690
Balance Check	0	0	0	0	0	0	0	0	0	0	0

Cash Flow Statement											
(S000,000s)	Historical Data						Forecast Period				
Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiscal Year End Date	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	31/12/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Operating Activities											
Net Income							22.94	54.38	62.39	67.54	72.85
Add: Depreciation and Amortisation							3.55	3.27	2.74	2.34	2.00
Less: Increase in NWC							62.46	8.52	6.90	4.53	4.91
Less: Increase in Other Assets / Liabilities							21.98	62.21	8.29	5.54	6.01
Operating Cash Flow							110.93	128.38	80.31	79.95	85.76
Investing Activities											
Less: CAPEX (PP&E)							(0.42)	(0.33)	(0.24)	(0.17)	(0.12)
Less: CAPEX (ROU Assets)							(0.50)	(0.45)	(0.40)	(0.35)	(0.32)
Investing Cash Flow							(0.92)	(0.78)	(0.64)	(0.53)	(0.43)
Financing Activities											
Change in Borrowings							(2.28)	(4.30)	(3.20)	(3.24)	(3.28)
Dividends paid							(20.27)	(48.04)	(55.11)	(59.66)	(64.35)
Change in Share Capital							0.00	0.00	0.00	0.00	0.00
Finance Cash Flow							(22.54)	(52.34)	(58.31)	(62.90)	(67.64)
Net Increase (Decrease) in Cash							87.46	75.27	21.37	16.52	17.70
Net Cash and Cash Equivalents at BOP							131.00	218.46	293.73	315.10	331.62
Net Cash and Cash Equivalents at EOP							218.46	293.73	315.10	331.62	349.32

Income Statement Items												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
COGS % Revenue	-97.04%	-96.66%	-97.12%	-97.03%	-97.11%	-97.11%	-97.20%	-97.14%	-97.09%	-97.04%	-96.98%	-96.93%
Base COGS % Revenue	0.05%							-97.14%	-97.09%	-97.04%	-96.98%	-96.93%
Bull COGS % Revenue	0.11%							-97.09%	-96.98%	-96.88%	-96.88%	-96.83%
Bear COGS % Revenue	-0.10%							-97.30%	-97.40%	-97.50%	-97.60%	-97.70%
Travel % COGS	0.06%	0.09%	0.01%	0.01%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%
TeleCom % COGS	0.08%	0.14%	0.12%	0.10%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Rent % BOP Lease Liabilities	-4.22%	-	-11.14%	-6.39%	-6.94%	-7.44%	-4.22%	-4.22%	-4.22%	-4.22%	-4.22%	-4.22%
Professional Fees % Revenue	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%	-0.04%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%	-0.05%
Other Expense % OPEX	204.67%	129.60%	163.22%	182.66%	160.52%	206.66%	202.67%	204.67%	204.67%	204.67%	204.67%	204.67%
Tax Rate (Income Tax Exp % EBT)	30.00%	-30.35%	-31.24%	-31.37%	-30.44%	-30.23%	-30.15%	30.00%	30.00%	30.00%	30.00%	30.00%

Current Assets												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Trade and Other Receivables % Revenue	7.53%	16.08%	21.45%	24.34%	17.99%	18.97%	7.53%	7.53%	7.53%	7.53%	7.53%	7.53%
Inventory % COGS	-1.26%	-1.35%	-0.73%	-1.56%	-0.78%	-0.71%	-2.42%	-1.26%	-1.26%	-1.26%	-1.26%	-1.26%
Prepaid Expenses % OPEX	-57.33%	-57.95%	-71.07%	-74.15%	-79.38%	-92.60%	0.00%	-57.33%	-57.33%	-57.33%	-57.33%	-57.33%
Other Current Assets % Revenue	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.77%	0.13%	0.13%	0.13%	0.13%	0.13%

Accounts Receivable												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period			261.10	419.35	533.66	460.64	522.50	206.03	219.43	240.31	257.20	268.50
Increases / (Decreases)	2		158.24	114.32	-73.02	61.86	-316.47	13.40	20.88	16.89	11.30	12.25
End of Period		261.10	419.35	533.66	460.64	522.50	206.03	219.43	240.31	257.20	268.50	280.75
Accounts Receivable Days	27 Days	59 Days	78 Days	89 Days	66 Days	69 Days	27 Days					

Inventory												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period			21.16	13.87	33.08	19.41	19.10	33.40	20.21	22.11	23.66	24.68
Increases / (Decreases)	3		-7.29	19.21	-13.67	-0.31	14.30	-13.19	1.90	1.54	1.03	1.11
End of Period		21.16	13.87	33.08	19.41	19.10	33.40	20.21	22.11	23.66	24.68	25.79
Inventory Days	3 Days	5 Days	3 Days	6 Days	3 Days	3 Days	9 Days					

1

COGS Forecast

- Management advised want to increase GP margin to Pre-2020 financial year in 5 years
 - Bull Case: 3 years
 - Bear Case: Vendor price increases and unfavourable Forex market

2

A/R Days

- Management advised aims to maintain H1 FY2025 Account receivable days of 27 days

3

Inventory Days

- Management advised aims to reduce inventory days to Pre H1 FY2025
 - Increase due to slower decision making in Infrastructure Solutions in last 12 months

Supporting Schedules (2)

PIC

Property, Plant, and Equipment												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period	1		4.50	3.38	3.39	3.20	2.61	2.41	1.88	1.37	0.99	0.67
Plus: Capex			1.70	0.99	0.98	0.60	0.43	0.42	0.33	0.24	0.17	0.12
Less: PP&E Sold			-1.68	-	-	-	-0.05	-	-	-	-	-
Less: Depreciation			-1.12	-1.00	-1.16	-1.20	-0.58	-0.95	-0.84	-0.63	-0.50	-0.38
End of Period		4.50	3.38	3.39	3.20	2.61	2.41	1.88	1.37	0.99	0.67	0.40
Capex % BOP	17.60%		37.78%	29.33%	28.96%	18.74%	16.47%					
Depreciation Waterfall												
Items	Assumption	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Useful Life	6 Years											
Depreciation from existing PP&E	2							0.87	0.70	0.44	0.28	0.18
Depreciation from capex purchased in H2 2025								0.08	0.08	0.08	0.08	0.08
Depreciation from capex purchased in 2026									0.06	0.06	0.06	0.06
Depreciation from capex purchased in 2027										0.04	0.04	0.04
Depreciation from capex purchased in 2028											0.03	0.03
Depreciation from capex purchased in 2029												0.02
Total depreciation								0.95	0.84	0.63	0.50	0.38
Right-of-Use Assets												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period	3		17.533	25.698	23.585	21.064	17.399	15.37	13.79	12.26	10.92	9.72
Plus: Capex			11.93	1.63	1.29	0.25	0.00	0.50	0.45	0.40	0.35	0.32
Less: Depreciation			-3.76	-3.74	-3.81	-3.91	-2.03	-2.08	-1.97	-1.74	-1.55	-1.38
End of Period		17.533	25.698	23.585	21.064	17.399	15.37	13.79	12.26	10.92	9.72	8.66
Capex % BOP	3.24%		68.04%	6.34%	5.45%	1.17%	0.00%					
Depreciation Waterfall												
Items	Assumption	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Useful Life	15 Years											
Depreciation from existing PP&E	4							2.05	1.91	1.65	1.43	1.24
Depreciation from capex purchased in H2 2025								0.03	0.03	0.03	0.03	0.03
Depreciation from capex purchased in 2026									0.03	0.03	0.03	0.03
Depreciation from capex purchased in 2027										0.03	0.03	0.03
Depreciation from capex purchased in 2028											0.02	0.02
Depreciation from capex purchased in 2029												0.02
Total depreciation								2.08	1.97	1.74	1.55	1.38
Intangible Assets												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period	5		5.166	5.903	7.338	5.151	3.196	2.59	2.072	1.61	1.24	0.94
Plus: Capex				2.878	0	0	0	0	0	0	0	0
Less: Amortisation (Software)				-0.568	-1.313	-1.197	-0.606	-0.52	-0.46	-0.37	-0.30	-0.24
Less: Amortisation (Internal Software)				-0.875	-0.874	-0.758	0	0	0	0	0	0
End of Period		5.166	5.903	7.338	5.151	3.196	2.59	2.07	1.61	1.24	0.94	0.70
Capex % BOP	0.00%			48.75%	0.00%	0.00%	0.00%					
Depreciation Waterfall												
Items	Assumption	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Useful Life	10 Years											
Amortisation from existing Software Assets	5							0.52	0.46	0.37	0.30	0.24
Amortisation from capex purchased in 2025								-	-	-	-	-
Amortisation from capex purchased in 2026									-	-	-	-
Amortisation from capex purchased in 2027										-	-	-
Amortisation from capex purchased in 2028											-	-
Amortisation from capex purchased in 2029												-
Total Amortisation								0.52	0.46	0.37	0.30	0.24

- 1 • PP&E includes hardware, equipment, some property
 - Capex addition as an average of % of BOP

- 2 • Data#3 state average life is 6 years according to FY2024 report
 - Depreciation greater than Capex in forecasted period – follows trend from historical data

- 3 • Right-of-use assets includes mainly offices, warehouses and equipment
 - Capex addition as an average of % of BOP
 - Links to additional Leases

- 4 • Average useful life is 15 years according to FY2024 report
 - Mainly property
 - Depreciation greater than additions – follows historical trend

- 5 • FY2024 onwards only Software remaining
 - Assume no Capex based on H1FY2025 earnings call
 - 10 Years useful life according to FY2024 report

Supporting Schedules (3)

Total Capex												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Total Capex				5.50	2.27	0.85	0.43	0.92	0.78	0.64	0.53	0.43
PP&E Capex				0.99	0.98	0.60	0.43	0.42	0.33	0.24	0.17	0.12
ROU Asset Capex				1.63	1.29	0.25	0.00	0.50	0.45	0.40	0.35	0.32
Intangible Assets Capex				2.878	0	0	0	0	0	0	0	0

Total Depreciation and Amortisation												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Total Depreciation				-6.18	-7.15	-7.06	-3.22	-3.55	-3.27	-2.74	-2.34	-2.00
PP&E Depreciation				-1.00	-1.16	-1.20	-0.58	-0.95	-0.84	-0.63	-0.50	-0.38
ROU Asset Depreciation				-3.74	-3.81	-3.91	-2.03	-2.08	-1.97	-1.74	-1.55	-1.38
Intangible Assets Depreciation				-1.443	-2.187	-1.955	-0.606	-0.518	-0.46	-0.37	-0.30	-0.24

Non-Current Assets												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Accounts Receivable % Revenue	0.00%	0.23%	0.12%	0.05%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Current Liabilities												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Accounts Payable % COGS	-11.73%	-27.85%	-27.71%	-27.82%	-29.30%	-25.41%	-11.73%	-11.73%	-11.73%	-11.73%	-11.73%	-11.73%
Accrued Exp. % COGS	-1.58%	-2.10%	-2.15%	-1.79%	-2.20%	-1.22%	0.00%	-1.58%	-1.58%	-1.58%	-1.58%	-1.58%
Curr. Port. of Leases % Total Leases	21.93%	13.13%	10.28%	11.71%	15.02%	19.37%	21.93%	21.93%	21.93%	21.93%	21.93%	21.93%
Unearned Revenue, Current % Revenue	2.17%	2.24%	2.01%	2.27%	2.04%	1.70%	2.74%	2.17%	2.17%	2.17%	2.17%	2.17%

Accounts Payable												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period	1		437.16	526.16	591.73	728.72	679.62	269.40	332.07	363.37	388.70	405.55
Increases / (Decreases)			89.00	65.56	136.99	-49.10	-410.22	62.67	31.30	25.33	16.85	18.27
End of Period		437.16	526.16	591.73	728.72	679.62	269.40	332.07	363.37	388.70	405.55	423.82
Accounts Payable Days	43 Days	102 Days	101 Days	102 Days	107 Days	93 Days	43 Days					

-0.53818746												
Non-Current Liabilities												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Other Non-Current Liabilities % Revenue	0.10%	0.12%	0.08%	0.04%	0.04%	0.04%	0.31%	0.10%	0.10%	0.10%	0.10%	0.10%
Pension & Other Post-Retire. Benefits % Revenue	0.10%	0.15%	0.13%	0.11%	0.10%	0.12%	0.00%	0.10%	0.10%	0.10%	0.10%	0.10%

Lease Liabilities												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of Period	2						20.595	18.70	16.42	12.12	8.92	5.68
Plus: Capex (ROU)							0	0.50	0.45	0.40	0.35	0.32
Less: Payments							-1.895	-2.77	-4.75	-3.60	-3.60	-3.60
End of Period							18.7	16.42	12.12	8.92	5.68	2.40
Current Lease Liabilities							4.10	3.60	2.66	1.96	1.25	0.53
LT Lease Liabilities							14.60	12.82	9.47	6.97	4.44	1.87

Lease Liabilities Payment Schedule												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Payments Less than 1 Year	4.67						-1.90	-2.77				
Payments Between 1 and 2 Years	4.75								-4.75			
Payments Between 2 and 5 Years	10.79									-3.60	-3.60	-3.60
Total Payments							-1.90	-2.77	-4.75	-3.60	-3.60	-3.60

1

- Creditor days reducing according to management in H1 FY2025 report
 - Assume 43 days from most recent report

2

- Lease liabilities additions linked to ROU capex
- Assume current and LT lease liabilities constant ratio based on historical

3

- Lease liability payment schedule from FY2024 annual report
- Is larger than additions, hence EOP balance decreases – follows historical trends

Retained Earnings												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Beginning of period	1					56.37	61.78	64.10	66.78	73.12	80.40	88.28
Plus: Net income						43.31	22.41	22.94	54.38	62.39	67.54	72.85
Less: Dividends						-37.90	-19.98	-20.27	-48.04	-55.11	-59.66	-64.35
Less: Repurchases						-	-	-	-	-	-	-
End of period						61.78	64.10	66.78	73.12	80.40	88.28	96.78
Dividend payout ratio	88.3%					87.5%	89.2%					

Comprehensive Income												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Comprehensive Income % Revenue	1.27%	3.41%	4.60%	0.38%	0.30%	1.29%	1.25%	1.27%	1.27%	1.27%	1.27%	1.27%

Interest Expense and Income												
Items	Average	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Total interest expense (from I/S)	2							4.19	7.82	11.07	12.10	12.95
Lease Liabilities												
End of period balance (from B/S)								18.70	16.42	12.12	8.92	5.68
Weighted average interest rate		5.60%										
Interest expense	3							-1.05	-0.92	-0.68	-0.50	-0.32
Cash and Cash Equivalents												
End of period balance (from B/S)								131.00	218.46	293.73	315.10	331.62
Weighted average interest rate on cash		4.00%										
Interest income								5.24	8.74	11.75	12.60	13.26

- 1
 - Consistent historical dividend payout ratio of ~90%
 - Assume future dividend payout ratio will remain the same
- 2
 - Weighted average interest rate was 5.60% according to FY2024 annual report
- 3
 - Weighted average interest rate on cash was 4.00% according to FY2024 annual report

Weighted Average Cost of Capital (WACC)

PIC

WACC	
------	--

Cost of Debt	
Cost of debt	5.44%
Tax rate	30.00%
Cost of debt (after tax)	3.81%

Cost of Equity	
Risk free rate	4.28%
Beta	0.808
Market risk premium	5.85%
Cost of equity	9.00%

Capital weights (capital structure)			
	Current	Target	% of Total
Equity	98%	98%	98%
Debt	2%	2%	2%

Cost of Capital (WACC)	8.919%
------------------------	--------

Industry beta									
	Observed β	Share price	Dil. shares	Market cap	Net Debt	Tax rate	Delev. β	Avg. Delev. β	DTL β
Macquarie Technology Group	0.73	64.10	26	1,654	9	30.0%	0.728	0.976	0.808
Dicker Data Limited	0.91	8.24	181	1,488	308	30.0%	0.797		
Objective Corporation Limited	1.06	15.25	95	1,455	-83	30.0%	1.101		
Bravura Solutions Limited	0.93	2.20	448	986	-135	30.0%	1.028		
Iress Limited	1.19	8.12	185	1,501	168	30.0%	1.105		
Data#3 Limited (DTL)	0.91	7.23	155	1,120	-276	30.0%	1.100		

Cost of Debt	
Cost of debt	5.44%
Tax rate	30.00%
Cost of debt (after tax)	3.81%

Cost of Equity	
Cost of equity	7.85%

Capital weights (capital structure)			
	Current	Target	% of Total
Equity	98%	98%	98%
Debt	2%	2%	2%

Cost of Capital (WACC)	7.77%
------------------------	-------

Fama-French three-factor model that incorporates ESG exposure

Key Findings From Fama French ESG Regression					
Variable	Coefficient	Standard Error	t-Statistic	p-Value	Significance
Intercept	0.0008	0.006	1.27	0.105	
Market (MKT)	0.4153	0.0588	7.06	<0.001	1
Size (SMB)	-0.0648	0.0284	-2.28	0.022	3
Value (HML)	0.0147	0.0370	0.40	0.048	3
ESG (ESG)	-0.0143	0.0397	-0.36	0.043	3

Significance Codes: 1 $p < 0.001$ 2 $p < 0.01$ 3 $p < 0.05$

Commentary

$$r_t - r_{t,f} = \alpha + \beta_{MRP}(MRP) + \beta_{SMB}(r_{t,SMB}) + \beta_{HML}(r_{t,HML}) + \beta_{ESG}(r_{t,ESG}) + \varepsilon_t$$

Extended Fama-French

- Chosen over CAPM as it incorporates additional sources of systematic risk, including firm size (SMB), value characteristics (HML) and additional ESG exposure (ESG)
- To construct the factor exposures, comparator firms were grouped into the above portfolios based on market capitalisation, book-to-market ratio (asset), and ESG scores,

Factor Construction

- Average daily returns from these portfolios (SMB, HML, and ESG) were regressed against Data#3’s daily excess returns to estimate factor sensitivities (β).

Factor Construction

- βESG → associate Data#3’s strong ESG credentials with reduced risk, βSMB → behaves more like a large-cap stock → βHML → reflect higher risk associated with holding undervalued stock

Code

```
# This section defines how companies are assigned to portfolios based on size, book-to-market ratio, and ESG rating.
Ratios$Portfolio <- mapply(function(cap, bm, esg) {
  # Assign size: "S" for small, "B" for big
  size <- ifelse(cap < median_cap, "S", "B")
  # Assign style: "G" for growth, "V" for value, "N" for neutral
  value <- ifelse(bm <= bm_cut1, "G", ifelse(bm >= bm_cut2, "V", "N"))
  # Assign ESG category: "B" for bad, "G" for good
  esg <- ifelse(esg < median_esg, "B", "G")
  # Combine the size, style, and ESG categories to create the portfolio code
  paste0(size, style, esg_cat)
}, Ratios$'Market Cap', Ratios$BM, Ratios$ESG)

# This function calculates the SMB, HML, and ESG factors from the portfolio returns.
calculate_factors <- function(row) {
  nm <- names(row)
  # Select columns corresponding to small-cap portfolios
  S <- grep("^S..", nm, value = TRUE)
  # Select columns corresponding to big-cap portfolios
  B <- grep("^B..", nm, value = TRUE)
  # Select columns corresponding to value portfolios
  V <- grep(".V.", nm, value = TRUE)
  # Select columns corresponding to growth portfolios
  G <- grep(".G.", nm, value = TRUE)
  # Select columns corresponding to high ESG portfolios
  ESGg <- grep("G$", nm, value = TRUE)
  # Select columns corresponding to low ESG portfolios
  ESGb <- grep("B$", nm, value = TRUE)

  # Calculate SMB as the difference between small-cap and big-cap returns
  SMB <- mean_cols(row, S) - mean_cols(row, B)
  # Calculate HML as the difference between value and growth returns
  HML <- mean_cols(row, V) - mean_cols(row, G)
  # Calculate ESG as the difference between high and low ESG returns
  ESG <- if (length(ESGg) && length(ESGb)) mean_cols(row, ESGg) - mean_cols(row, ESGb)

  # Return the calculated factors
  c(SMB = SMB, HML = HML, ESG = ESG)
}

# This section performs the Fama-French regression to estimate factor betas.
model <- lm(excess_returns ~ mkt_excess + smb_values + hml_values + esg_values,
            data = regression_data)

# The regression model is: excess_returns = alpha + beta_MKT * mkt_excess + beta_SMB * smb_values +
beta_HML * hml_values + beta_ESG * esg_values + error
```

Weighting

Method	Weighting	TGR
GDP Growth Forecasts	70%	2.58%
Inflation Forecasts	30%	3.53%
TGR	100%	2.86%

Real GDP Growth

Australia GDP Growth Rate	
Year	%
2021	5.40%
2022	4.10%
2023	2.10%
2024	1.00%
2025	1.60%
2026	2.10%
2027	2.30%
2028	2.30%
2029	2.30%
Australia GDP Growth Forecast	2.58%

Fiji GDP Growth Rate	
Year	%
2021	-4.90%
2022	19.80%
2023	7.50%
2024	3.70%
2025	2.60%
2026	2.80%
2027	3.20%
2028	3.20%
2029	3.20%
Fiji GDP Growth Forecast	2.66%

Weighted GDP Growth		
Geographic Segment	Weighting	GDP Growth
Australia	99.60%	2.58%
Fiji	0.40%	2.66%
Weighted GDP Growth		2.58%

Inflation

Australia Inflation Forecast	
Year	%
2021	2.80%
2022	6.60%
2023	5.60%
2024	3.20%
2025	2.50%
2026	3.50%
2027	2.60%
2028	2.50%
2029	2.50%
Australia Inflation Forecast	3.53%

Fiji Inflation Forecast	
Year	%
2021	0.20%
2022	4.30%
2023	2.30%
2024	4.50%
2025	3.20%
2026	3.10%
2027	3.20%
2028	3.30%
2029	3.40%
Fiji Inflation Forecast	3.06%

Weighted Inflation		
Geographic Segment	Weighting	GDP Growth
Australia	99.60%	3.53%
Fiji	0.40%	3.06%
Weighted Inflation		3.53%

Approach	MRP	Weighting
Ibbotson MRP	6.53%	20.00%
KPMG MRP	5.50%	60.00%
AER MRP	6.20%	20.00%
Weighted Average MRP	5.85%	

Risk Free Rate	4.28
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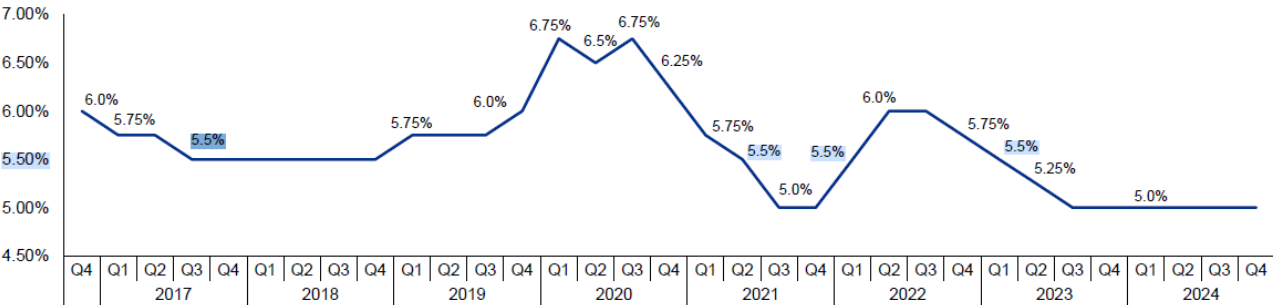
Parameter	2022 Instrument (data as published in the 2022 Instrument Explanatory Statement)	2023 update	2024 update
Indicative overall rate of return (nominal vanilla)	6.84%	6.98%	6.41%
Gearing ratio	60%	60%	60%
Indicative return on debt (annual estimate)	6.52% (using on-the-day return on debt estimated over Dec 2022)	6.37% (using on-the-day return on debt estimated over Aug 2023)	5.53% (using on-the-day return on debt estimated over Aug 2024)
Market risk premium	6.2%	6.2%	6.2%
Equity beta	0.60	0.60	0.60
Indicative risk-free rate	3.60% (10-year term)	4.19% (10-year term)	4.00% (10-year term)
Indicative return on equity	7.32% (using a risk-free rate of return estimated over Dec 2022)	7.91% (using a risk-free rate of return estimated over Aug 2023)	7.72% (using a risk-free rate of return estimated over Aug 2024)
Value of imputation credits (gamma)	0.57	0.57	0.57
Benchmark credit rating	BBB+	BBB+	BBB+

Sep-01-2023	4.23
Oct-01-2023	4.64
Nov-01-2023	4.59
Dec-01-2023	4.19
Jan-01-2024	4.16
Feb-01-2024	4.15
Mar-01-2024	4.05
Apr-01-2024	4.27
May-01-2024	4.34
Jun-01-2024	4.25
Jul-01-2024	4.33
Aug-01-2024	3.97
Sep-01-2024	3.93
Oct-01-2024	4.28
Nov-01-2024	4.56
Dec-01-2024	4.33
Jan-01-2025	4.49
Feb-01-2025	4.42
Mar-01-2025	4.42
Apr-01-2025	4.28

MRP development over time

Historic MRP estimates

Please find an overview of the historic MRP estimates by KPMG Corporate Finance & Valuations NL in the graph below.



Capital Structure

Equity	
Diluted Shares Outstanding	154,686,011
Share Price	\$7.23
Market Value of Equity	\$1,118,379,859.53

Debt	
Market Value of Debt	\$18,700,000.00

Capital Structure	
Total Value (E + D)	\$1,137,079,859.53
Equity / Value	98.36%
Debt / Value	1.64%

Cost of Debt - Interest Expense / Total Debt

Financial Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A
Interest Expense	-1.10	-1.40	-1.30	-1.20	-1.10	-1.06
Total Lease Liabilities	20.509	25.432	23.348	24.455	23.824	18.7
Cost of Debt (Rd)	5.36%	5.50%	5.57%	4.91%	4.62%	5.68%

Cost of Debt - Interest Coverage Ratio

Financial Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A
EBIT	34.079	37.664	45.196	50.611	53.25	25.915
Interest Expense	-1.1	-1.4	-1.3	-1.2	-1.1	-0.526
Interest Coverage Ratio	30.98x	26.90x	34.77x	42.18x	48.41x	49.27x

Cost of Debt	
Rating	AAA
Spread	0.45%
Risk-Free Rate (Rf)	4.28%
Cost of Debt (Rd)	4.73%

Total Cost of Debt (Rd)

Method	Weighting	Cost of Debt
Cost of Debt (Interest Exp / Total Debt)	75%	5.68%
Interest Cover Ratio	25%	4.73%
Total Cost of Debt	100%	5.44%

Current Share Price

\$7.23

Stock options			
	Outstanding	Exercise	In-the-\$
	options	price	options
Outstanding	573,648	0	573,648
Total	573,648		573,648
Total proceeds (\$mm)			0.000
Total shares repurchased (mm)			0.000
Net dilutive impact of stock options			573,648

Total Shares Outstanding	
H1 2025 Outstanding	154,686,011
Stock Options	573,648
Total Shares Outstanding	155,259,659

Revenue Forecast											
(\$000s)	Historical Data						Forecast Period				
Year	FY2020A	FY2021A	FY2022A	FY2023A	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiscal Year End Date	30/06/2020	30/06/2021	30/06/2022	30/06/2023	30/06/2024	31/12/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029
Infrastructure Solutions (INS)											
Hardware				557,654	552,550	228,000	261,242	568,049	642,940	695,383	749,953
Software Licensing and Maintenance Services				8,090	11,031	6,043	6,924	15,056	17,041	18,431	19,877
Services				397	1,463	841	964	2,095	2,372	2,565	2,766
Total INS Revenue				566,141	565,044	234,884	269,130	585,200	662,353	716,379	772,597
Software Solutions (SWS)											
Software Licensing and Maintenance Services				1,651,301	1,814,692	974,300	1,028,629	2,093,477	2,267,330	2,441,183	2,586,060
Consulting				1,159	1,452	1,397	1,475	3,002	3,251	3,500	3,708
Total SWS Revenue				1,652,460	1,816,144	975,697	1,024,482	2,096,479	2,270,581	2,444,683	2,589,768
IT Services											
Consulting Services				78,903	92,481	14,669	15,244	33,567	36,029	36,593	37,404
Maintenance and Project Services				86,869	89,044	121,500	126,266	278,029	298,420	303,093	309,813
Managed Services				83,546	103,643	26,719	27,767	61,141	65,625	66,653	68,131
Vendor Branded Mainteance Contracts				25,050	27,649	13,755	14,295	31,476	33,784	34,313	35,074
Contracting Services				68,091	60,176	32,247	33,512	73,791	79,203	80,443	82,227
Total Services Revenue				342,459	372,993	208,890	217,084	478,004	513,061	521,095	532,648
Total Revenue				2,561,060	2,754,181	1,419,471	1,510,696	3,159,683	3,445,995	3,682,157	3,895,013
Revenue Growth					7.54%		6.43%	7.83%	9.06%	6.85%	5.78%
CAGR											7.38%
AAGR											7.19%

Infrastructure Solutions (INS) Hardware Demand Forecast			H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E	AVG
Community	Weighting	Source							
Community Market Growth	70%	See Hidden Row Above*		1.60%	1.15%	0.68%	1.70%	1.64%	
Social Sector Infrastructure Expenditure	30%	https://infrastructurepipeline.org/charts-pipeline-forecast/by-expenditure		85.08%	86.47%	-2.33%	-31.66%	-24.50%	
Weighted Growth	100%			26.65%	26.75%	-0.22%	-8.31%	-6.20%	7.73%
Education	Weighting	Source							
Education and Training	70%	https://my.ibisworld.com/au/en/industry/p/at-a-glance		-0.62%	1.54%	1.91%	1.65%	1.62%	
Education ICT Expenditure	30%	See row 190-217*		4.23%	8.48%	8.52%	8.57%	8.61%	
Weighted Growth	100%			0.84%	3.62%	3.89%	3.73%	3.72%	3.16%
Energy	Weighting	Source							
Energy Market Growth	70%	See Hidden Row Above*		3.68%	1.70%	0.46%	2.21%	-1.68%	
Energy Infrastructure Expenditure	30%	https://infrastructurepipeline.org/charts-pipeline-forecast/by-expenditure		178.85%	173.25%	30.58%	-14.72%	-9.36%	
Weighted Growth	100%			56%	53%	9%	-3%	-4%	22.41%
Financial	Weighting	Source							
Financial Sector Growth	70%	See Hidden Row Above*		0.67%	2.26%	2.52%	4.60%	3.53%	
ICT Expenditure in Finance	30%	https://www.gartner.com/en/documents/5381063		4.55%	9.30%	9.30%	9.30%	9.30%	
Weighted Growth	100%			1.83%	4.37%	4.56%	6.01%	5.26%	4.41%
Government	Weighting	Source							
Government Systems Market Growth	70%	See Hidden Row Above*		4.39%	8.84%	8.84%	8.84%	8.84%	
Existing Gov Systems Reaching Technical Retirement	30%	https://www.dataanddigital.gov.au/sites/default/files/2025-03/APS%20Data%2C%20D		93.65%	1.65%	1.60%	1.55%	5.89%	
Weighted Growth	100%			31.17%	6.68%	6.67%	6.65%	7.95%	11.83%
Healthcare	Weighting	Source							
Health Services Growth	70%	See Hidden Row Above*		1.83%	3.78%	3.47%	3.49%	3.30%	
Healthcare Infrastructure Expenditure	30%	https://infrastructure.org.au/policy-research/major-reports/a-healthy-pipeline-deliver		28.03%	5.81%	39.72%	-22.70%	-32.70%	
Weighted Growth	100%			9.69%	4.39%	14.35%	-4.37%	-7.50%	3.31%
Legal	Weighting	Source							
Legal Technology	80%	https://www.grandviewresearch.com/horizon/outlook/real-estate-software-market/au		4.98%	10.20%	10.20%	10.20%	10.20%	
Legal Services	20%	https://my.ibisworld.com/au/en/industry/M6931/performance		-0.59%	3.27%	4.03%	1.94%	1.90%	
Weighted Growth	100%			3.86%	8.81%	8.97%	8.55%	8.54%	7.75%
Manufacturing	Weighting	Source							
Industry Adoption of gen AI	33%	https://www2.deloitte.com/us/en/insights/industry/manufacturing/manufacturing-industry		3.92%	8.00%	8.00%	8.00%	8.00%	
Manufacturing Industry Growth	33%	https://www.google.com/search?q=increase+in+manufacutring+companies+aus&rlz=1		7.84%	16.30%	16.30%	16.30%	16.30%	
IT Spending in Manufacturing Industry	33%	https://www.gartner.com/en/documents/5399763#:~:text=Summary,spending%20in%20		3.73%	7.60%	7.60%	7.60%	7.60%	
Weighted Growth	100%			5.17%	10.63%	10.63%	10.63%	10.63%	9.54%
Non-profit	Weighting	Source							
Non-profit Market Growth	70%	https://my.ibisworld.com/au/en/industry/X0021/performance		0.20%	3.67%	3.46%	2.72%	3.09%	
Social Sector Infrastructure Expenditure	30%	https://infrastructurepipeline.org/charts-pipeline-forecast/by-expenditure		-0.13%	0.21%	17.98%	-14.74%	-33.65%	
Weighted Growth	100%			0.10%	2.64%	7.82%	-2.52%	-7.93%	0.02%
Real Estate	Weighting	Source							
Real Estate Services Market Growth	70%	https://my.ibisworld.com/au/en/industry/L6720/performance		0.50%	3.95%	2.85%	-0.62%	-0.62%	
Australia Real Estate Software Growth	30%	https://www.grandviewresearch.com/horizon/outlook/real-estate-software-market/au		6.91%	14.30%	14.30%	14.30%	14.30%	
Weighted Growth	100%			2.42%	7.05%	6.28%	3.86%	3.86%	4.69%
Recreational	Weighting	Source							
Recreation and Culture Market Growth	70%	https://my.ibisworld.com/au/en/business-environment-profiles/c4311/business-environment		0.77%	3.06%	1.64%	1.15%	1.06%	
Social Sector Infrastructure Expenditure	30%	https://infrastructurepipeline.org/charts-pipeline-forecast/by-expenditure		85.08%	86.47%	-2.33%	-31.66%	-24.50%	
Weighted Growth	100%			26.07%	28.08%	0.45%	-8.69%	-6.61%	7.86%
Retail	Weighting	Source							
Australia Business Growth	70%	https://www.deloitte.com/au/en/about/press-room/business-outlook.html		1.60%	2.30%	2.70%	2.70%	2.70%	
Cybersecurity Demand	30%	https://www.expertmarketresearch.com.au/reports/australia-cybersecurity-market		9.66%	13.30%	13.30%	13.30%	13.30%	
Weighted Growth	100%			4.02%	5.60%	5.88%	5.88%	5.88%	5.45%
Transport & Logistics	Weighting	Source							
Transport & Logistics	70%	https://www-statista-com.ap1.proxy.openathens.net/outlook/mmo/transportation-logistics		1.61%	3.08%	2.72%	2.57%	2.57%	
Road, Railroad and Other Transport Expenditure	30%	https://infrastructurepipeline.org/charts-pipeline-forecast/by-expenditure		-0.13%	0.21%	17.98%	-14.74%	-33.65%	
Weighted Growth	100%			1.09%	2.22%	7.30%	-2.62%	-8.29%	-0.06%

Software Solutions (SWS)							
Services Breakdown	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Software Licensing and Maintenance Services % SWS Revenue	99.92%	99.86%	99.89%	99.89%	99.89%	99.89%	99.89%
Consulting Services % SWS Revenue	0.08%	0.14%	0.11%	0.11%	0.11%	0.11%	0.11%
Software Solutions (SWS)	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Software Supplier Market	26100000	13450000	14200000	28900000	31300000	33700000	35700000
Software Supplier Market Growth			5.58%	4.52%	8.30%	7.67%	5.93%
Data #3 Market Share	6.953%	7.244%	7.244%	7.244%	7.244%	7.244%	7.244%
SWS Revenue	1,814,692	974,300	1,028,629	2,093,477	2,267,330	2,441,183	2,586,060

Region Growth Forecast	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiji			-2.66%	2.35%	-0.83%	0.41%	-1.55%
QLD			2.99%	20.05%	7.87%	2.17%	-0.32%
NSW			2.86%	14.17%	11.23%	-3.06%	-4.04%
ACT			4.00%	13.19%	7.17%	1.42%	1.56%
VIC			4.67%	4.67%	4.67%	4.67%	4.67%
TAS			4.00%	13.19%	7.17%	1.42%	1.56%
SA			5.06%	20.32%	5.98%	2.50%	3.27%
WA			4.42%	2.40%	6.51%	0.55%	10.21%
Forecast Summary	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Consulting Services	92,481	14,669	15,237	33,530	35,956	36,484	37,257
Maintenance and Project Services	89,044	121,500	126,207	277,720	297,817	302,189	308,594
Managed Services	103,643	26,719	27,754	61,073	65,493	66,454	67,863
Vendor Branded Maintenance Contracts	27,649	13,755	14,288	31,441	33,716	34,211	34,936
Contracting Services	60,176	32,247	33,496	73,709	79,043	80,203	81,903
Fiji and Pacific	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Fiji and Pacific Growth			-2.66%	2.35%	-0.83%	0.41%	-1.55%
Pipeline Forecast of Labour Demand		100.00%	80.63%	74.10%	58.67%	49.37%	37.67%
Labour Demand Growth			-19.370%	-8.10%	-20.83%	-15.84%	-23.70%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
QLD	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
QLD Growth			2.99%	20.05%	7.87%	2.17%	-0.32%
Pipeline Forecast of Labour Demand		100.00%	103.20%	167.93%	191.40%	174.55%	141.78%
Labour Demand Growth			3.200%	62.72%	13.98%	-8.80%	-18.78%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
NSW	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
NSW Growth			2.86%	14.17%	11.23%	-3.06%	-4.04%
Pipeline Forecast of Labour Demand		100.00%	102.70%	142.93%	182.13%	127.93%	84.85%
Labour Demand Growth			2.700%	39.17%	27.43%	-29.76%	-33.67%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%

1

Strong Growth in ICT Demand

- All services revenue expected to increase due:
 - 1.3mm skilled ICT labor shortage by FY2030 – low supply
 - Increasing demand for ICT services for cloud and AI integration – high demand

2

Rising Cybersecurity Market

- Cybersecurity market growing at a CAGR of 2.30% amidst increase in attacks
 - All regions show consistent cybersecurity growth
 - Organisations increasingly prioritise cybersecurity in response to digital threats

3

Acceleration in ICT and AI Integration

- AI and ICT integration projected to increase nationwide
 - Drives demand for specialised consulting, maintenance, and contracting services

ACT	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
ACT Growth			4.00%	13.19%	7.17%	1.42%	1.56%
Pipeline Forecast of Labour Demand		100.00%	107.26%	145.09%	161.31%	142.24%	126.24%
Labour Demand Growth			7.256%	35.27%	11.18%	-11.82%	-11.25%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
VIC	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
VIC Growth			4.67%	9.30%	4.02%	5.72%	1.13%
Pipeline Forecast of Labour Demand		100.00%	109.94%	131.62%	129.76%	136.72%	118.96%
Labour Demand Growth			9.940%	19.72%	-1.42%	5.37%	-12.99%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
TAS	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
TAS Growth			4.00%	13.19%	7.17%	1.42%	1.56%
Pipeline Forecast of Labour Demand		100.00%	107.26%	145.09%	161.31%	142.24%	126.24%
Labour Demand Growth			7.256%	35.27%	11.18%	-11.82%	-11.25%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
SA	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
SA Growth			5.06%	20.32%	5.98%	2.50%	3.27%
Pipeline Forecast of Labour Demand		100.00%	111.50%	182.63%	194.33%	179.73%	171.80%
Labour Demand Growth			11.500%	63.79%	6.41%	-7.51%	-4.41%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%
WA	FY2024A	H1 FY2025A	H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
WA Growth			4.42%	2.40%	6.51%	0.55%	10.21%
Pipeline Forecast of Labour Demand		100.00%	108.94%	100.36%	108.94%	92.28%	113.83%
Labour Demand Growth			8.940%	-7.88%	8.56%	-15.29%	23.35%
Cybersecurity Increases			1.15%	2.30%	2.30%	2.30%	2.30%
Incorporation of ICT			4.10%	8.200%	8.200%	8.200%	8.200%
Incorporation of AI Services			3.500%	7.00%	7.00%	7.00%	7.00%

1

Strong Growth in ICT Demand

- All services revenue expected to increase due:
 - 1.3mm skilled ICT labor shortage by FY2030 – low supply
 - Increasing demand for ICT services for cloud and AI integration – high demand

2

Rising Cybersecurity Market

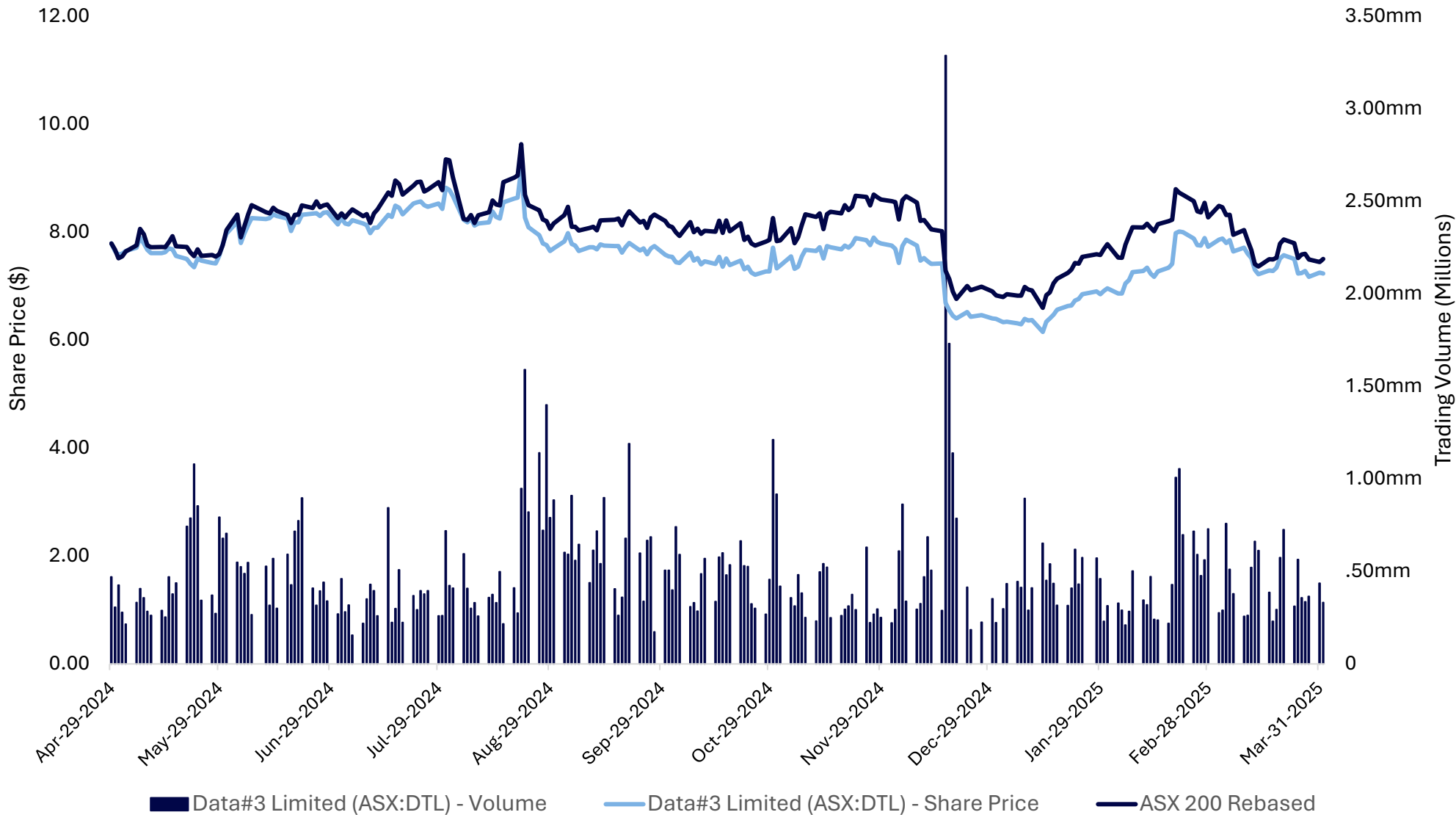
- Cybersecurity market growing at a CAGR of 2.30% amidst increase in attacks
 - All regions show consistent cybersecurity growth
 - Organisations increasingly prioritise cybersecurity in response to digital threats

3

Acceleration in ICT and AI Integration

- AI and ICT integration projected to increase nationwide
 - Drives demand for specialised consulting, maintenance, and contracting services

BEAR Assumptions			H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Reduction in government expenditure on IT systems due to post-election changes and uncertainty.	DEFAULT	Existing Gov Systems Reaching Technical Retirement	93.65%	1.65%	1.60%	1.55%	5.89%
	BASE/BEAR	Existing Gov Systems Reaching Technical Retirement	93.65%	1.65%	1.60%	1.55%	5.89%
All infrastructure projects reduced due to changes in government policies, with a reduction proportional to the ratio of 'proposed' infrastructure projects (80/381): https://infrastructurepipeline.org/charts/status-location	DEFAULT	Social	85.08%	86.47%	-2.33%	-31.66%	-24.50%
		Healthcare	28.03%	5.81%	39.72%	-22.70%	-32.70%
		Education	4.23%	8.48%	8.52%	8.57%	8.61%
		Energy	178.85%	173.25%	30.58%	-14.72%	-9.36%
		Transport	-0.13%	0.21%	17.98%	-14.74%	-33.65%
	BASE/BEAR	Social	85.08%	86.47%	-2.33%	-31.66%	-24.50%
		Healthcare	28.03%	5.81%	39.72%	-22.70%	-32.70%
		Education	4.23%	8.48%	8.52%	8.57%	8.61%
		Energy	178.85%	173.25%	30.58%	-14.72%	-9.36%
		Transport	-0.13%	0.21%	17.98%	-14.74%	-33.65%
Slow AI adoption limits the ability to integrate AI into SWS, impacting SWS market growth potential	DEFAULT	Software Supplier Market	5.58%	4.52%	8.30%	7.67%	5.93%
	BASE/BEAR	Software Supplier Market	5.58%	4.52%	8.30%	7.67%	5.93%
The IT services market in Australia is highly fragmented, with less than 3.5% of total revenue captured by the largest players, including IBM, HP, and Accenture. This intense competition poses a risk of revenue dilution as market share becomes more dispersed:	DEFAULT	Fiji	-2.66%	2.35%	-0.83%	0.41%	-1.55%
		QLD	2.99%	20.05%	7.87%	2.17%	-0.32%
		NSW	2.86%	14.17%	11.23%	-3.06%	-4.04%
		ACT	4.15%	13.48%	7.46%	1.71%	1.85%
		VIC	4.67%	4.67%	4.67%	4.67%	4.67%
		TAS	4.00%	13.19%	7.17%	1.42%	1.56%
		SA	5.21%	20.61%	6.26%	2.78%	3.56%
		WA	4.42%	2.40%	6.51%	0.55%	10.21%
	BASE/BEAR	Fiji	-2.66%	2.35%	-0.83%	0.41%	-1.55%
		QLD	2.99%	20.05%	7.87%	2.17%	-0.32%
		NSW	2.86%	14.17%	11.23%	-3.06%	-4.04%
		ACT	4.15%	13.48%	7.46%	1.71%	1.85%
		VIC	4.67%	4.67%	4.67%	4.67%	4.67%
		TAS	4.00%	13.19%	7.17%	1.42%	1.56%
		SA	5.21%	20.61%	6.26%	2.78%	3.56%
		WA	4.42%	2.40%	6.51%	0.55%	10.21%
BULL Assumptions			H2 FY2025E	FY2026E	FY2027E	FY2028E	FY2029E
Rising cybersecurity threats, including high-profile breaches like the Superfund incident, will drive increased demand for robust solutions from trusted providers in a security-conscious market.	DEFAULT	Cybersecurity Increases	1.15%	2.30%	2.30%	2.30%	2.30%
	BASE/BEAR	Cybersecurity Increases	1.15%	2.30%	2.30%	2.30%	2.30%
Interest rate decreases fuels IT infrastructure spending across all sectors by accelerating decision-making and encouraging IT capex.	DEFAULT	Total Infrastructure Hardware Revenue	261242	568049	642940	695383	749953
	BASE/BEAR	Total Infrastructure Hardware Revenue	261242	568049	642940	695383	749953
Enterprises shift large portions of their operations to cloud-based platforms, driving increased demand for cloud-based software solutions and software-as-a-service (SaaS) offerings.	DEFAULT	Software Supplier Market	5.58%	4.52%	8.30%	7.67%	5.93%
	BASE/BEAR	Software Supplier Market	5.58%	4.52%	8.30%	7.67%	5.93%





7.2 Ownership Breakdown

