



# GeoOp Limited

## Float Watch Report

**Overview:** GeoOp Limited ("GeoOp", "Geo", "the Company") is an Australian Software-as-a-Service ("SaaS") company focused on enterprise mobility. The Company's primary asset is intellectual property ("IP") surrounding its two major products "GeoService" and "GeoSales". The two software applications enable companies to manage complex business workflows. The Company has currently over 27,000 licensed users in 26 countries. Incorporated in 2009 in Zealand and listed on the Alternative Market of the New Zealand Stock Exchange, Geo seeks to list on the ASX whilst delisting from the NZAX.

DISCOVERY

DEVELOPMENT

DELIVERY

**Catalysts:** Geo's revenue has increased for the past three financial years and software licensees of its two main products have increased at a CAGR of nearly 70% since 2013. As operating costs have declined 28%, continuation of this trend is the primary driver and could result in a break-even scenario within the next 3 years. Targeted expansion of its product offering ("upsell") and consolidation of the fragmented industry are additional catalysts.

### BENCHMARKING

TICKER	ASSET	STATUS	VALUATION
BTH.ASX	Software	Delivery	2.7x Rev
PRO.ASX	Software	Delivery	3.3x Rev

**Hurdles:** Geo is operating at a loss and remains reliant on external capital to fund its operations. Operating in a highly competitive industry with low barriers to entry, there is a risk that Geo may be subject to increasing competition. Existing customers may build more cost-effective in-house solutions, which could have a negative impact on retention rates.

**Investment View:** GeoOp offers speculative exposure to demand for mobility software solutions. We are attracted to the Company's revenue growth trajectory, falling overheads and growing customer base. Reliance on external capital and competition are the primary risks for this IPO. If management can successfully manage costs whilst sustaining historical growth rates, GeoOp has the potential to reach a breakeven position within the next three years. The company has an experienced management team with a track record of value creation, however IPO investors are required to have a long-term speculative appetite given the stage of the business and current economics of the Company.

### USE OF PROCEEDS (\$6m)

Asset Acquisitions	Asset Development	Sales & Marketing	50%
Vendor Sale	Balance Sheet	Working Capital	26%
		Offer Costs	18%



## BID FOR GEO

13<sup>th</sup> September 2017

### ASX Listing

[Click here for Prospectus](#)

Price: \$0.36

Listing : 29<sup>th</sup> Sep

#### DISCLOSURES

REPORT COMMISSIONED BY	Wise-owl
AUTHOR OWNS THIS SECURITY	No
COMPANY OWNS THIS SECURITY	No

#### CORPORATE SUMMARY

TICKER	GEO.ASX
SHARES ON OFFER	16.6m
POST FLOAT SHARES	58.9m
OTHER SECURITIES	6.6m Options A\$0.3m Convertible Notes
MARKET CAP	\$21.2m
ISSUED CAPITAL	\$29m

#### FINANCIAL OVERVIEW H1FY17

REVENUE	\$4.2m
NPAT	(\$3.6m)
GROWTH	-
EPS	-
DIVIDEND YIELD	-

#### BOARD OF DIRECTORS

CHAIRMAN	Roger Sharp
MANAGING DIRECTOR	Anna Cicognani

#### TRACK RECORD

VALUE CREATION	Strong
OPERATIONS	Strong
CAPITAL MARKETS	Strong

#### POST FLOAT SHAREHOLDERS

IPO INVESTORS	28.2%
MANAGEMENT	27.2%
NZ CENTRAL SECURITIES DEPOSITORY	8.2%
KESTREL CAPITAL	6.8%
OTHER	29.6%






#### FLOAT WATCH RANKING

"Management has track record of value creation."

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## GLOSSARY

	High Flyer – strong prospect of value growth
	Airborne – favourable value growth prospects
	Clear for Takeoff – reasonable value growth potential with appropriate capital structure given the risks
	Safety Check – elevated risks shadow value growth potential
	Grounded – value growth not likely due to excessive risks

## Company Life Cycle

<b>Discovery</b>	Assets typically at a concept stage, yet to demonstrate commercial potential. Company reliant on external capital.
<b>Development</b>	Feasibility and commercial trials are a primary focus. Company reliant on external capital.
<b>Delivery</b>	Assets are typically generating cash flow. Company has an operating focus & may no longer rely on external capital

## ABOUT US

Wise owl is a global supplier of intelligence, strategic solutions, and expansion capital for emerging companies and investors. Established in 2001, wise owl drives efficient capital allocation towards developing assets.

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## ARCHIVES

### FLOAT WATCH

Sep-17	RightCrowd Limited RCW.ASX
Aug-17	VGI Partners Global VGI.ASX
Aug-17	Windlab Limited WND.ASX
Aug-17	CropLogic Limited CLI.ASX
Aug-17	Northern Cobalt Ltd N27.ASX
July-17	Convenience Retail REIT CRR.ASX

## ANALYST

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