

# Quick Comment

## Vmoto Limited (VMT \$0.57) Buy

Analyst	Date	Price Target
Harry Stevenson	31 <sup>st</sup> August 2020	\$0.70/sh

### FY'20 Half Year Report

#### Key Points

Vmoto has delivered strong 1H'20 growth and continued its strategy to focus on the higher margin international markets.

- Consolidated revenue from continuing operations up 55% to \$26.2m from \$16.9m PCP.
- NPAT after tax of \$1.8m delivered for 1H'20 up 501% on PCP.
- EBITDA of \$2.7m up 188% on PCP.
- VMT is well placed to deliver ESL full year estimate forecast of NPAT \$3.9m on the back of these results.
- Total units delivered 10,510 for 1H20 up 41% on PCP.
- Group's cash position at 30 June stood at \$7.4m. In August group raised \$9.6m following strong demand for an institutional placement.
- Group delivered 240 units of the CUX Special Edition Ducati – which already exceeds the full year contracted minimum by 20%; we continue to look to the possibility of an expansion to this existing agreement.
- GP margins remained at 21% for the half, a solid result in the midst of wider Covid-19 disruptions.
- VMT is in discussions with a number of potential ride sharing customers in Brazil, Bulgaria, Columbia, France, India, Mexico, Portugal, Slovakia, Spain, Switzerland and Turkey. VMT has also established new exclusive distribution agreements for the B2C range in a number of regions during the period.

#### Investment Thesis

VMT has delivered half year results which reflect a strong period of growth for the company. Our investment case continues to be built on growing unit sales with increased returns to scale. VMT's balance sheet is well capitalised; which will support VMT's ability to grow through coming periods, as demand for electric two wheel vehicles continues increase globally. We maintain our Buy Rating and Price Target at \$0.70/sh.

#### Vmoto Limited (VMT)

Share Price	0.57	A\$/sh	Enterprise Value	152.4	A\$/m
Price Target	0.70	A\$/sh	Debt	2.6	A\$/m
Valuation	0.70	A\$/sh	Cash	7.4	A\$/m
Shares on issue	276	m(dil)			
Market Capitalisation	157.1	A\$m			

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