5th October 2020

RS2 Software p.l.c.

Executive Summary:

“We are maintaining our Buy recommendation on RS2 Software plc (“Group” or “RS2”) with an improved 1-year price target of €2.77, from our previous target of €2.22.

This improvement is deemed to be in line with our main model assumption pricing in a revenue CAGR of 52.7% through to FY23E, while we see the EBITDA margin rising to 52.9% by FY23E, in-line with the averaged range provided by management. Our valuation model also incorporates an EV/EBITDA (23E) of 19x which we used as an exit multiple, in line with the median for foreign peers.

It is crucial to clarify that in arriving at our price target, we adopted a rather conservative approach in terms of the projections and estimates provided by management, implementing a revenue delay of one year and a probability of circa 70% in relation to what the Group anticipates to generate from the managed services and acquiring segments within the next three financial periods.

Nonetheless, it is also important to stress that in the coming years the revenue generation is expected to come from a different source (acquiring) and since there is no historical trend for us to forecast, we took a prudent outlook on management projections. We also expect margins to be under pressure in the next three years till the new business set up is in place.

We believe that the Group’s end-to-end payment platform combining acquiring and issuing capabilities in one platform is a potential key differentiator going forward which could lead to incremental revenues. Based on this, combined with the continued development of RS2’s products offering we believe RS2 is well positioned to achieve its targets by continuing attracting leading financial organisations, processors and merchants, and as such we rate these shares a Buy.

The main downside risks are delays in implementation and ambitious guidance from management, which could significantly affect investor sentiment, should revenue growth not materialise over the projected periods. As such, we look forward for further updates and announcements in connection to the Group’s growth prospects.”

Group Overview:

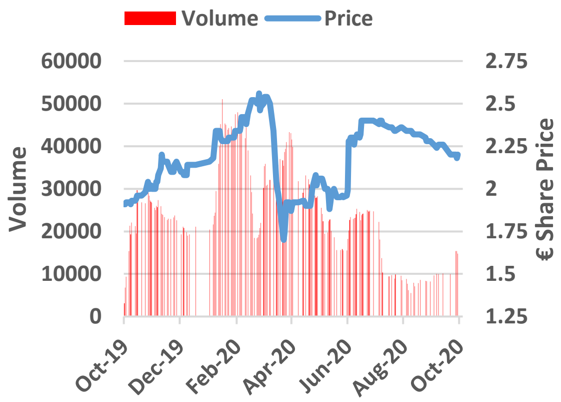
RS2 is principally engaged in the development, installation, implementation and marketing of computer software for financial institutions under the trade mark of BankWORKS®. Through one of its subsidiaries, the Group is also engaged in the processing of payment transactions with the use of BankWORKS®.

Stock Rating	Buy
Price target (1Yr)	€2.77

Country	Malta
Industry	Software and IT Services
Ticker	RS2
Price (as at 05/10/2020)	€2.20
Price Target (1 Year)	€2.77
Upside / downside to PT	25.9%
12m cash div. (Forecast)	€0.00/ share
12m Total S’holder Return	25.9%
Market Cap	€424.5m
Shares Outstanding	192.9m
Free Float	31.7%
Net Dividend Yield	Nil
Current P/E	n/a
1Yr Forward P/E	n/a

Exchange	Malta Stock Exchange (MSE)
12-month range	€1.70 - €2.56

Price and Volume Movement (20 day moving average)



Source: Bloomberg

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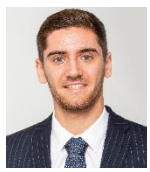

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Group update

Recent milestones:

- **Acquisition of Kalicom Liebers Zahlungssysteme KG**

During Q1 2020, RS2 announced that it has acquired a merchant acquiring company based in Germany, Kalicom Liebers Zahlungssysteme KG (Kalicom), which is a commercial network of operators for electronic, card-based payment systems. Kalicom serves small to medium enterprises (SMEs) across Germany with products including POS terminals, girocard/direct debit processing, routing of credit card transactions and referral of acquiring services.

This acquisition is believed to be in line with RS2's strategic shift from continuing to provide perpetual licences of its platform to managed services, merchant acquiring services and issuing services throughout Europe, Middle East, North America, Latin America and Asia Pacific, resulting in international growth and expansion. The purchase price of this acquisition was of €2.5m including transaction related cost and fees.

- **Partnership agreement with MoviiRed**

Also throughout Q1 2020, RS2 entered into a partnership agreement with MoviiRed in Colombia to offer consumers and merchants direct acquiring and issuing services. MoviiRed provides mobile and digital payments coverage and also has a strong network of partners with large retailers, pharmacies, convenience stores and "mom & pop" shops and other businesses.

- **Conclusion of a major processing outsourcing agreement**

During Q3 2020, RS2 announced that a leading New York Stock Exchange (NYSE) listed bank ranking among the global top ten banks by total assets and Tier-1 capital, was on-boarded under a managed service agreement and has now started generating revenues to the Group. RS2 also pointed out that this agreement is for a ten-year term with an option to renew. We deem this to be a milestone achievement for the Group, in line with RS2's expansion strategy of extending its operation in the US. At this stage, RS2 has not yet announced the name of this bank, but management informed us that this should be publicised imminently.

Business strategy and project pipeline:

The Group's business strategy is to continue concentrating on implementing and delivering its strategy around its main business pillars of growing and expanding the managed services business, ramping up the US expansion and building its own direct acquiring business. The Group also explained that large acquirers are currently being on-boarded by the Group which volume will be ramping up in FY21. Other significant businesses, which have not yet been announced by the Group, are expected to start processing large volumes in Q4 2020. Moreover, management informed us that the Group expects the financial licence to be in hand by the end of FY20.

COVID-19 Impact:

As per latest financial statements (H1-20), management explained that at the beginning of the COVID-19 pandemic, the Group has noted a decrease in momentum, which momentum eventually started to return to its normal levels during the second quarter of the year. Management further highlighted that the crisis has resulted into additional business for RS2 which was not previously expected for FY20.

While up to mid-year RS2 confirmed that the Group is in line with their COVID-19 revised estimates, which amongst other things required a change in logistics to service their clients without being physically onsite, the revised and new expected revenue streams indicate that the Group's targets for the year will be met and possibly exceeded. Following the COVID-19 global crisis, RS2, as a service provider, triggered its business continuity plan to continue providing its services with no impact or interruption to business. The Group also confirmed that it has sufficient cash reserves at its disposal to meet all present and future obligations to continue the implementation of its strategy.

SWOT Analysis

Strengths

- ✓ Flexible and modular BankWORKS® platform enabling Omni-channel, multi-currency, multi-language and multi-institutional payments
- ✓ Unique managed services offering, allowing clients to consolidate their worldwide business through one platform
- ✓ The migration of RS2's managed services from physical datacentres to cloud has removed the geographical barrier from RS2's offerings and enables them to scale the business effectively
- ✓ The continuous improvement and development implemented on RS2's products, has allowed the Group to attract leading financial organisations, processors and merchants as witnessed through the Group's aforementioned announcements
- ✓ The US operation has now come to fruition, whereby as per 2020 interim results, the Group explained that a leading NYSE listed bank was on boarded under a managed service agreement by the Group
- ✓ In the managed services business, RS2 was also able to open up new verticals and regions
- ✓ In terms of both current and prospective clients, RS2 benefits from the strong acceleration in global e-commerce transaction volumes.
- ✓ Upon discussions with management, the Group appears to have been minimally impacted by the COVID-19 pandemic

Weaknesses

- ✗ Dependent on high quality and specialised staff, typically in the higher salary brackets
- ✗ High degree of execution risk
- ✗ No dividend distribution over the past two financial years due to substantial investment in infrastructure and business development
- ✗ Small client base in comparison to international peers
- ✗ A mixed track record in terms of achieved revenue and earnings growth
- ✗ The Group's strategic decision to focus on managed services has resulted in a prolonged negative short term impact on profitability and is expected to remain over the next two financial periods. As a result, the chances of the Group distributing a dividend over the next two financial periods are rather slim.

Opportunities

- o The successful attainment of the financial licence is expected to be a significant steppingstone in terms of RS2's view to build on its own direct acquiring business and as a result, this may substantially boost the Group's positioning within the payments software industry worldwide
- o Strong pipeline of promising discussions with a number of clients within several verticals and regions
- o The Group is also in the process of securing additional deals in the US in terms of the managed services business. Successful completion of such additional deals will translate to significant revenues over the coming years
- o Management anticipate that new clients will contribute to substantial volumes of transactions, and expected to exceed the 1 billion mark by 2021
- o Attractive take-over target

Threats

- ! Dynamic, technology oriented industry
- ! New entrants or consolidation between several large players
- ! Rival breakthrough technologies may negatively impact RS2's business model
- ! Loss of a major prospective contract
- ! Regulatory changes or delays might have an impact on the payment process and affect the way in which payment services are currently offered to clients
- ! Additional shareholders' capital might be required to finance RS2's future expansion projects
- ! Further escalation of the COVID-19 pandemic might negatively impact the Group, predominantly through late payments and loss/ delay of prospective contracts

Investment Stance

We are maintaining our Buy recommendation on RS2 Software plc with an improved 1-year price target of €2.77, from our previous target of €2.22.

This improvement is deemed to be in line with our main model assumption looking for a revenue CAGR of 52.7% through to FY23E, while we see the EBITDA margin rising to 52.9% by FY23E, in-line with recent guidance provided by management. Our valuation model also incorporates an EV/'23E EBITDA (exit multiple) of 19x which is in line with the median for foreign peers.

In arriving at our price target, it is crucial to clarify that we adopted a rather conservative approach in terms of the projections and estimates provided by management, implementing a revenue delay of one year and a probability of circa 70% in relation to what the Group anticipates to generate from the managed services and acquiring segments within the next three financial periods. Nonetheless, it is also important to stress that in the coming years the revenue generation is expected to come from a different source (acquiring) and as there is no historical trend for us to forecast, we took a prudent outlook on management projections.

Over recent years, RS2 has been in a pivotal transition stage, in the process of on-boarding large clients in terms of the managed services business and adding new markets to its existing customer portfolio, with a special focus on the US operation, and recently the acquiring business. It is thus worth noting that on such premise, we are now seeing the Group reaping the benefits of the investments implemented in prior years, as witnessed through the Kalicom acquisition, the partnership with MoviiRed and the conclusion of a major processing outsourcing agreement with a large US bank. Management also confirmed that other major announcements, which amongst others include an update on the Group's banking licence application, are expected to be unveiled within the coming months. This is crucial for the revenue structure to take place as without the licence, the acquiring business does not take off.

Also through the Group's recent investments in quality relationships with new premium clients, the Group has increased transaction volumes processed on its platform throughout H120 (on a comparative basis). This increase is expected to progress with the gradual increase from the aforementioned client and the on-boarding of other new clients.

It is also important to mention that in accordance to the Group's growth in diversifying its business lines, we are currently seeing the Group's financial results largely impacted by a high degree of operational expenditure, thus adding additional pressure on margins. However, as per guidance provided by management, we expect RS2's margins to gradually start recovering from FY21 onwards, with the Group's potential expected to reach its peak during FY23.

A fundamental attribute of the Group relates within industry in which it operates, where RS2 is uniquely positioned to assist COVID-19 hit merchants making the necessary business model changes to survive the pandemic, and even thrive in a post COVID-19 world. In this regard, management further confirmed that this crisis has resulted into additional business for RS2 which was not previously expected for FY20.

Moreover, in line with the high level of execution risk circulating within such a dynamic and technology oriented industry, investors should adopt a long term investment horizon strategy, until the Group's potential materialises and comes to fruition. In order to reflect such risk and given that there is a lot of subjectivity in our price target, we utilised a discount rate of 16% within our model.

Upon taking the above factors into consideration we anticipate that the Group can continue building on its growth trajectory, leveraging further its unique business model. We believe that the Group's end-to-end payment platform combining acquiring and issuing capabilities in one platform is a potential key differentiator going forward which could lead to incremental revenues. Based on this, combined with the continued development of RS2's products offering we believe RS2 is well positioned to achieve its targets by continuing attracting leading financial organisations, processors and merchants, and as such we rate these shares a Buy.

The main downside risks are delays in implementation and ambitious guidance from management, which could significantly affect investor sentiment, should revenue growth not materialise over the projected periods. As such, we look forward for further updates and announcements in connection to the Group's growth prospects.

Valuation

Our 1-year price target is €2.77. The price target is calculated using a Free Cash Flow to Firm Model ("FCFF") and a weighted average cost of capital (WACC) of 16%. In arriving at our terminal value, we applied an exit multiple of 19x on FY23 forecasted FCFF.

RS2 Software plc	FY19	20LTM[1]	FY20F[2]	FY21P	FY22P	FY23P
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Revenue	22,100	21,718	26,909	44,168	57,472	120,000
Cost of sales (excl. amortisation)	(16,529)	(18,819)	(22,314)	(30,123)	(37,654)	(41,420)
Gross Profit	**5,571**	**2,899**	**4,595**	**14,045**	**19,818**	**78,580**
Other income	64	43	20	20	20	20
Marketing and promotional expenses	(1,852)	(1,635)	(1,389)	(2,222)	(2,666)	(3,199)
Administrative expenses (excl. depreciation)	(6,022)	(6,770)	(8,130)	(11,382)	(12,520)	(14,773)
Other expenses	(111)	(145)	(110)	(110)	(110)	(110)
Impairment on loss on trade receivables and contract assets	(73)	(136)	(100)	-	-	-
Capitalised development costs	2,224	2,353	2,645	2,873	2,946	3,000
EBITDA	**(199)**	**(3,390)**	**(2,467)**	**3,225**	**7,488**	**63,518**
Depreciation & Amortisation	(1,796)	(1,866)	(1,869)	(1,941)	(2,017)	(2,097)
EBIT	**(1,995)**	**(5,256)**	**(4,337)**	**1,284**	**5,471**	**61,421**
Finance Income	31	30	23	23	23	23
Finance Costs	(152)	(249)	(337)	(337)	(337)	(337)
Profit Before Tax	**(2,115)**	**(5,475)**	**(4,650)**	**971**	**5,157**	**61,107**
Income tax expense	(1,089)	(1,128)	-	-	(1,351)	(16,010)
Net Profit After Tax	**(3,204)**	**(6,603)**	**(4,650)**	**971**	**3,806**	**45,097**
Non-controlling interest	**(1,570)**	**(946)**	**(666)**	**139**	**545**	**6,458**
Owners of the company	**(1,634)**	**(5,657)**	**(3,984)**	**832**	**3,261**	**38,639**
	(3,204)	**(6,603)**	**(4,650)**	**971**	**3,806**	**45,097**

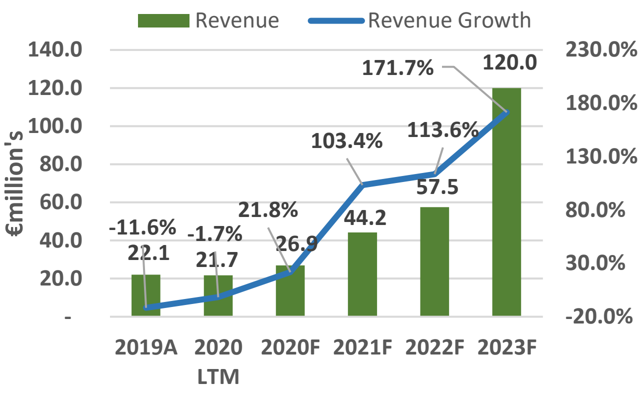
Ratio Analysis:	FY2019	2020LTM	FY 2020F	FY2021P	FY2022P	FY2023P
Revenue Growth (YoY)	-11.6%	-1.7%	21.8%	64.1%	30.1%	108.8%
EBIT Margin	-9.0%	-24.2%	-16.1%	2.9%	9.5%	51.2%
EBITDA Margin	-0.9%	-15.6%	-9.2%	7.3%	13.0%	52.9%
Net Margin	-14.5%	-30.4%	-17.3%	2.2%	6.6%	37.6%
Shares Outstanding (million)	193	193	193	193	193	193
Earnings Per Share	*(0.008)*	*(0.029)*	*(0.021)*	0.004	0.017	0.200
Growth in EPS	-138.5%	246.2%	-29.6%	-120.9%	292.2%	1084.9%
Earnings Yield	n/a	n/a	-0.9%	0.2%	0.8%	9.2%
Dividend per Share (€)	-	-	-	-	-	-
Dividend pay-out-ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend Yield	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: RS2's Financial Statements / CC Workings

[1] The LTM 2020 results are calculated by adding the interim results (H1) of 2020 with the audited results of financial year 2019, less H1 2019
[2] It is pertinent to note that our projections figures include the implications brought about by the implementation of IFRS 16.

Investment Thesis Variables

- **Revenue –** The Group's revenue in FY19 amounted to €22.1m, representing a drop of circa 11.6% in comparison to FY18. This decline has been initiated through the adoption of IFRS 15, requiring the Group to recognise €5.6m in revenue which was already recognised in prior years, to be recognised again during FY18 in accordance to IFRS 15. Excluding such adjustment, overall Group revenue in FY19 increased by 13.9%, mainly as a result of a significant improvement attained within RS2's processing business segment. Moreover, revenue as per 2020LTM results declined by 1.7% due to several delayed payments in terms of RS2's licensing segment experienced throughout H1-20, in which management described as one of the implications brought about by the COVID-19 pandemic on the Group.



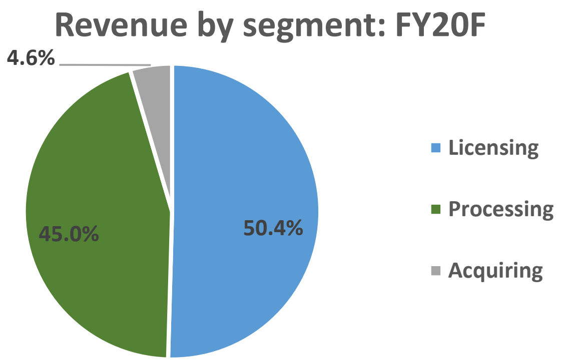
Source: RS2's Financial Statements / CC Workings

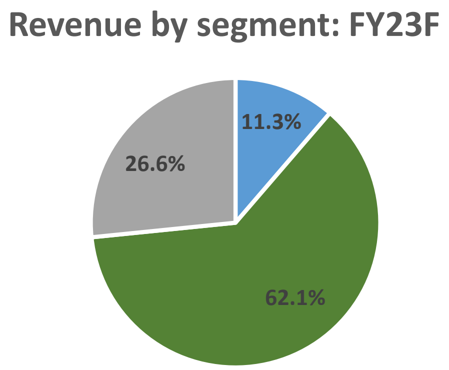
Looking at the years ahead, while expecting that the Group's licencing business will remain relatively stable, management explained that the Group's principal focus relates to the processing and acquiring business. In terms of the processing segment, it is worth noting that RS2 recently announced that in Q3 2020, a leading NYSE listed bank was on-boarded under a managed service agreement and has now started generating revenues to the Group. This is regarded to be a major milestone achievement, in line with the RS2's expansion strategy of extending its operations in the US.

In terms of the Group's acquiring business, during Q4 2019, RS2 announced the Kalicom acquisition, which should assist the Group to enter the German acquiring market and possibly other markets. As previously explained, management also highlighted that the Group expects the banking licence to be in hand by the end of FY20.

This allows the Group to continue on track to hit the 1 billion transaction mark by FY21, is in addition to the large acquirers being on-boarded and the volume that will be ramping up in FY21. Other significant businesses, which have not yet been announced by the Group, are expected to start processing large volumes in Q4 2020.

Meanwhile, it is important to highlight that upon detailed discussions with management, we expect RS2 to generate approximately €120m in revenue during FY23, which after deducing the anticipated licencing revenue (FY23), circa 70% is expected to be derived from the processing line of business whereas 30% is anticipated to be linked to RS2's acquiring segment. Thereafter, management is projecting that there will be a shift in terms of the Group's business model, whereby the majority of the Group's revenue is expected to be derived from the acquiring business. It is important to clarify that these projections represent a rather conservative stance in relation to the guidance and estimates provided by management.





Source: CC Estimates

- **Operating expenses –** These mainly consist of cost of sales, selling and marketing costs and administrative expenses. The Group continued to invest heavily in marketing and sales in order to build and implement its healthy pipeline globally in the various regions, and increasing the Group's probability of securing significant business in the US, APAC and Europe for its managed services business.

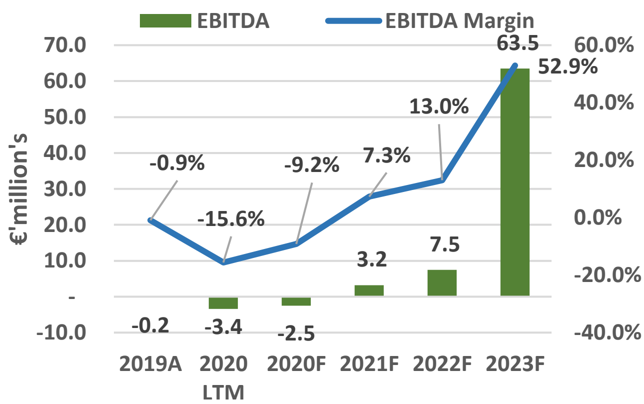
  With the Group's growth in diversifying its business lines, cost of goods sold incurred during H120 increased by 33.9% when compared to H119. Upon discussions with management, this will allow the sustainability of the business and regional growth expansion as envisaged in the Group's strategic plans. We expect RS2 to continue incurring higher level of cost of sales over the next three financial periods, and as such expect the Group to incur a cost of sales figure of circa €22.3m during FY20.

  Marketing expenses incurred over the first half of FY20 have decreased by 23% when compared to the same period in FY19, mainly as a result of a decrease in travel and participation in fairs due to the COVID-19 pandemic. Consequently, we expect RS2's marketing expenses to decline by circa 25% over FY20 (€1.4m). Upon stabilisation of the COVID-19 pandemic and in accordance to the Group's expansion strategy, we believe that RS2 will incur higher levels of marketing expenses moving forward.

  During H120, the also Group continued to invest in human resources to support the framework of its new acquiring business line in conjunction with the process undertaken to obtain its financial licence through BAFIN, the German financial regulator. This stream requires a different set of skills and talent to manage such business lines and as such higher wages and salaries were incurred by the Group during the period. In view of the above, we expect administrative expenses to amount to circa €8.1m during FY20.

- **Capitalised Development Costs –** The Group's capitalised development costs are associated with the development of computer software. We expect the latter to amount to €2.6m during FY20.

- **EBITDA –** EBITDA as per 2020 LTM results tapered down to negative €3.4m translating into an EBITDA margin of negative 15.6%. The deterioration in EBITDA margin is deemed to be in line with the aforementioned increase in operating expenses which is attributable to the RS2's growth and expansion strategy.



Source: RS2's Financial Statements / CC Workings

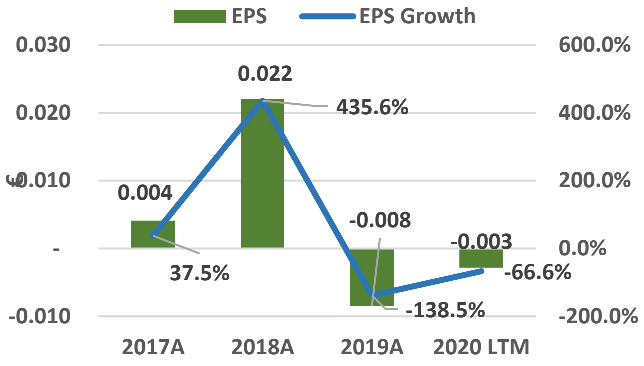
  We expect the Group's EBITDA margin to remain negative, albeit recovering slightly to -9.2% during FY20, and to gradually start improving over the next three financial periods once the projected revenue starts kicking in. It is worth highlighting that we are projecting an EBITDA margin of 52.9% for FY23, which is within range to the guidance provided by management (44%-59%) and also deemed to be similar to other foreign companies operating within the payments industry.

- **Depreciation –** Annual depreciation charge is incurred on the Group's land and buildings, on leasehold improvements, on equipment furniture and fittings and on motor vehicles. Contrarily, annual amortisation charge is incurred on internally generated computer software. As per changes brought about by the implementation of IFRS16, we expect RS2's total depreciation and amortisation charge to amount to €1.9m during FY20.

- **Net finance costs –** RS2's finance costs are mainly composed of bank interest expense payable on outstanding debt. In line with the undertaking of additional several bank loan facilities throughout H120, the Group's finance costs increased to circa €0.3m. The finance costs projections within our valuation are also in accordance with IFRS 16.

- **Taxation –** The Group is subject to multiple corporate tax rates on its profit before tax given that RS2 operates in multiple jurisdictions. Our corporate tax rate assumption was based on corporate tax rates incurred in Malta (35%) and the US (21%).

- **Net Profit and Earnings per Share –** Net profit as per 2020 LTM results decreased to negative €6.6m translating into a negative EPS of €0.029. In line with the increase in revenue anticipated to be generated by the Group moving forward following the expected successful fruition of the managed services business, we expect net profit to improve from negative €4.7m or negative €0.021 per share in FY20 to €45.1m or €0.20 per share in FY23.



Source: RS2's Financial Statements / CC Workings

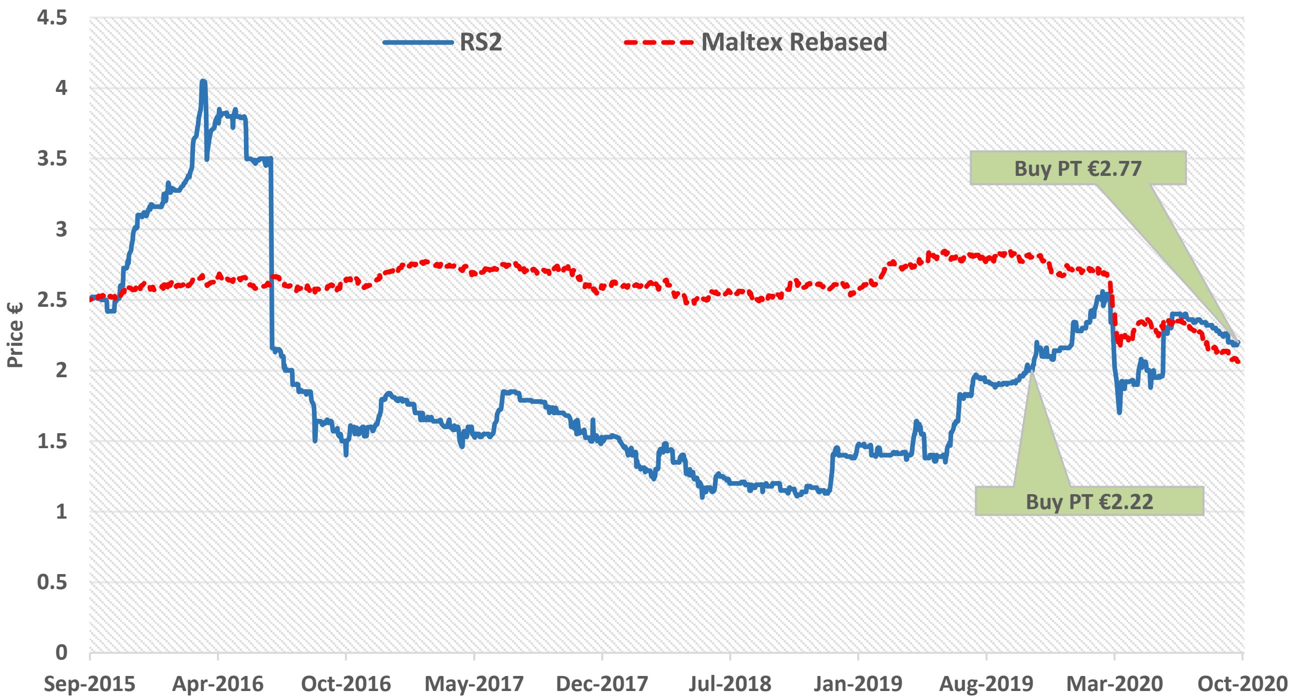
Key Financial Indicators

RS2 Software plc - €'000s (unless otherwise stated)	Dec-18	Dec-19	LTM 2020
Balance Sheet			
Cash and Cash Equivalents	3,403	2,422	3,045
Current Assets	10,116	10,074	10,804
Non-Current Assets	17,854	21,738	24,007
Total Assets	27,970	31,812	34,811
Current Liabilities	6,505	11,053	15,559
Non-Current Liabilities	4,233	6,674	8,716
Total Liabilities	10,738	17,727	24,275
Total Financial Debt	834	6,542	12,084
Total Equity	17,232	14,085	10,536
Net Debt	n/a	4,120	9,039
Cash flow			
Cash Flow from Operating Activities (CFO)	1,297	(1,109)	(4,007)
Capex	(2,145)	(2,666)	(3,455)
Free Cash Flow (FCF)	(848)	(3,775)	(7,462)
Cash Flow from Investing Activities	(2,145)	(2,679)	(2,163)
Cash Flow from Financing Activities	(3,525)	2,798	8,369
Ratios			
Profitability			
Return on Common Equity (Net Income / Average Equity)	17.1%	n/a	n/a
Return on Assets (Net Income / Total Assets)	11.6%	n/a	n/a
Solvency			
Gearing Ratio Level 1 (Net Debt / Net Debt and Total Equity)	n/a	22.6%	46.2%
Gearing Ratio Level 2 (Total Liabilities / Total Assets)	38.4%	55.7%	69.7%
Net Debt / EBITDA	n/a	n/a	n/a
Current Ratio (Current Assets / Current Liabilities)	1.6x	0.9x	0.7x
Interest Coverage Ratio (EBITDA)	0.1x	n/a	n/a
Cash from Operations / EBIT	0.2x	0.6x	0.8x

Source: RS2's Financial Statements / CC Workings

Historical 1-Year Price Target

Reference	Date	Price	Price Target	Analyst	Recommendation
RS2	05.10.2020	€2.18	€2.77	Andrew Fenech & Rowen Bonello	Buy
RS2	04.11.2019	€2.00	€2.22	Simon Psaila & Andrew Fenech	Buy



Source: Bloomberg

Explanation of Equity Research Ratings

Buy: Based on a current 12- month view of total shareholder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

Sell: Based on a current 12-month view of total shareholder return, we recommend that investors sell the stock.

Hold: We take a neutral view on the stock 12-months out and, based on this time horizon, we do not recommend either a Buy or Sell. Current shareholders should consider buying on dips and selling on peaks.

Newly issued research recommendations and target prices supersede previously published research.

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Glossary and Definitions

Income Statement	
Revenue	Total revenue generated by the Group/Company from its principal business activities during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.
Operating Profit (EBIT)	EBIT is an abbreviation for earnings before interest and tax.
Depreciation and Amortisation	An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.
Net Finance Costs	The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.
Net Income	The profit made by the Group/Company during the financial year net of any income taxes incurred.
Profitability Ratios	
EBITDA Margin	EBITDA as a percentage of total revenue.
Operating (EBIT) Margin	Operating margin is the EBIT as a percentage of total revenue.
Net Margin	Net income expressed as a percentage of total revenue.
Return on Common Equity	Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance).
Return on Assets	Return on assets (ROA) is computed by dividing net income by the average total assets (average assets of two years financial performance).
Earnings per Share (EPS)	Earnings per share (EPS) is the amount of earnings per outstanding share of a Group's/Company's share capital. It is computed by dividing net income by total shares outstanding as at the statement of financial position date.
Dividends Ratios	
Dividend per Share	Dividend per Share is the amount of dividends per outstanding share of a Group's/Company's share capital. It is computed by dividing net dividends by total shares outstanding as at the statement of financial position date.
Sustainable Growth Rate in Dividends	This ratio indicates the sustainable growth rate of dividends given the profitability of the Group/Company and the respective level of dividends distribution.
Dividends Yield as at year-end	This ratio indicates how much a Group/Company pays out in dividends each fiscal year relative to its share price. It is computed by the dividing the Dividend per Share by the share price as at year-end.
Cash Flow Statement	
Free Cash Flows (FCF)	The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.
Balance Sheet	
Total Debt	All interest bearing debt obligations inclusive of long and short-term debt.
Net Debt	Total debt of a Group/Company less any cash and cash equivalents.
Shares Outstanding	Outstanding shares refer to the Group/Company stock currently held by all its shareholders.
Financial Strength Ratios	
Current Ratio	The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities.
Quick Ratio (Acid Test Ratio)	The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.
Interest Coverage Ratio	The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.
Gearing Ratio Gearing Ratio Level 1 Gearing Ratio Level 2	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets. Is calculated by dividing Net Debt by Net Debt and Total Equity. Is calculated by dividing Total Liabilities by Total Assets.
Net Debt / EBITDA	The Net Debt / EBITDA ratio measures the ability of the Group/Company to repay its debt through EBITDA generation.
Cash from Operations / EBIT	This ratio measures the ability of the Group/Company to convert its earnings into cash.