

Quick Comment

Vmoto Limited (VMT \$0.62) Buy

Analyst	Date	Price Target
Harry Stevenson	13 th August 2020	\$0.70/sh

Strong Institutional Demand for \$9.6m Placement

Key Points

- Vmoto has secured commitments for a \$9.6m placement following strong demand from institutional and sophisticated investors.
- 21,411,108 fully paid ordinary shares will be issued at \$0.45 per share, representing a 7.4% discount to the 10 day VWAP.
- Proceeds from the placement will be used to:
 - Accelerate potential opportunities in the growing B2C and B2B electric two wheel markets in both new and existing geographies of operation.
 - Implement further international marketing initiatives.
- The placement was cornerstoned by Perennial Value Management.
- Following this placement VMT's balance sheet is well capitalised with ~\$15m cash (cash balance at 30 June ~ \$7.3m) and well positioned to support future growth.

Investment Thesis

The VMT investment case is built on growing unit sales with increased returns to scale, which is supported by the latest Q2 update. This placement puts VMT in a strong position to capitalise on growth opportunities, while bringing institutional investors onto the register. In our opinion the strong take up of this offering by institutions should signal to the wider market that VMT has evolved in the minds of institutional investors.

Vmoto Limited (VMT)

Share Price	0.62	A\$/sh	Enterprise Value	151.2	A\$/m
Price Target	0.70	A\$/sh	Debt (December 19)	2.0	A\$/m
Valuation	0.70	A\$/sh	Cash (December 19)	6.6	A\$/m
Shares on issue	251	m(dil)			
Market Capitalisation	155.8	A\$m			

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