

# YPB Group

Capital raising

Raises A\$4.5m via an institutional placement

Industrial support services

24 May 2016

**Price** **A\$0.30**  
**Market cap** **A\$51m**

YPB Group (YPB) has completed an institutional placement of 18.75m shares at A\$0.24/share raising A\$4.5m. The placement was oversubscribed and brought six new institutions to the register. The company plans to use the net proceeds to accelerate conversion of its business opportunity pipeline into recurring revenues, expand into new markets and enhance its solutions suite through R&D investment. The placement follows an announcement by YPB last week that it expected to breakeven by Q117 and deliver a pre-tax profit of A\$5m for FY17.

Net cash (A\$m) at 31 December 2015 4.8  
 Shares in issue 171.4m  
 Free float 27%  
 Code YPB  
 Primary exchange ASX  
 Secondary exchange N/A

Year end	Revenue (A\$m)	PBT* (A\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/14	0.1	(2.3)	(2.2)	0.0	N/A	N/A
12/15	1.7	(5.5)	(4.5)	0.0	N/A	N/A
12/16e	8.5	(2.7)	(1.6)	0.0	N/A	N/A
12/17e	22.2	4.3	2.0	0.0	15.0	N/A

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments

## Share price performance



The A\$4.5m share placement was oversubscribed by A\$500,000 and was supported by both existing and new shareholders, including six new institutional investors. The issue price of A\$0.24/share is 19% lower than the last traded price of A\$0.295/share before the company went into trading halt pending the share placement announcement. Settlement of the placement is scheduled for 27 May with allocation and issuing of the new shares expected on 30 May. The placement will increase the ordinary shares on issue by 9.86% to 190.15m shares.

## Business description

YPB Group has developed a three-pronged strategy to detect and protect brands from counterfeiters. The company owns four Chinese patents over invisible tracers and has secured several contracts for its technology.

Our forecasts are under review following the share placement and FY17 profit guidance.

## Analysts

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