

Foresight Autonomous Holdings

Eye-Net to start trials - alpha version due end Q1

Foresight has announced that it has completed the demo version of Eye-Net, its cellphone-based accident cell phone prevention system, and is now looking to complete the alpha version by the end of Q118. Eye-Net is a vehicle to infrastructure (V2X) system, which provides real-time alerts over standard cellular networks of potential accidents between pedestrians and vehicles as well as between vehicles themselves. To date, the company has carried out more than 15 successful demonstrations, in all of which it was able to alert users in time to enable them to brake safely. We see Eye-Net as a value enhancer for the Foresight group, which to date has focused on using autonomous safety features for vehicles and rail users.

Year end	Revenue (\$m)	EBITDA* (\$m)	PBT* (\$m)	EPS* (\$)	DPS (\$)	EV/revenue (x)	P/E (x)
12/16	0.0	(3.3)	(3.4)	(0.05)	0.00	N/A	N/A
12/17e	0.0	(5.8)	(5.7)	(0.06)	0.00	N/A	N/A
12/18e	1.1	(11.5)	(12.6)	(0.12)	0.00	68.3	N/A
12/19e	14.6	(8.6)	(7.2)	(0.07)	0.00	5.6	N/A

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

For us, a key strength of Foresight's Eye-Net system is its flexibility and compatibility, ie its ability to work across Android and iOS-based mobile phones, as well as to integrate and collaborate with major technology providers, cellular networks and device manufacturers. We can see a rationale for outdoor-use apps such as Uber, Google Maps, Yelp and Waze to integrate the software into their systems as a safety feature, particularly for cyclists. Also, there would appear to be a strong incentive for telematics firms to integrate the software into their fleet management systems. At present there are a number of systems in use in industry, which ensure that employees wearing RFID badges are detected when moving into danger zones where heavy plant is being operated. Nevertheless, there does not yet appear to be a similar system for use outside these constraints. In the event of a high level of adoption of Eye-Net by pedestrians and cyclists – which could occur as a result of it being integrated into a popular outdoor app – we would expect the system to be able to demonstrate significant savings from fewer collisions and reduced accident claims/insurance costs. Our forecasts and valuations remain unchanged.

Update on Eye-Net demo

Software and comp services

15 February 2018

Price per share* **NIS2.78***

Price per ADR* **\$3.95***

Market cap **NIS305m**

Market cap ADR **\$86.5m**

*Priced at 12 February 2018 **NIS3.53/US\$**

Net cash (\$m) at 30 September 2017 21.5

Shares in issue 109.8m

Free float 67.3%

Code FRSX

Primary exchange TASE

Secondary exchange NASDAQ

Share price performance



Business description

Foresight Autonomous (FRSX) is a development-stage technology company in Israel developing ADAS systems based on technology developed by its parent company Magna BSP. FRSX also has a 32.6% stake in rail ADAS specialist Rail Vision.

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