

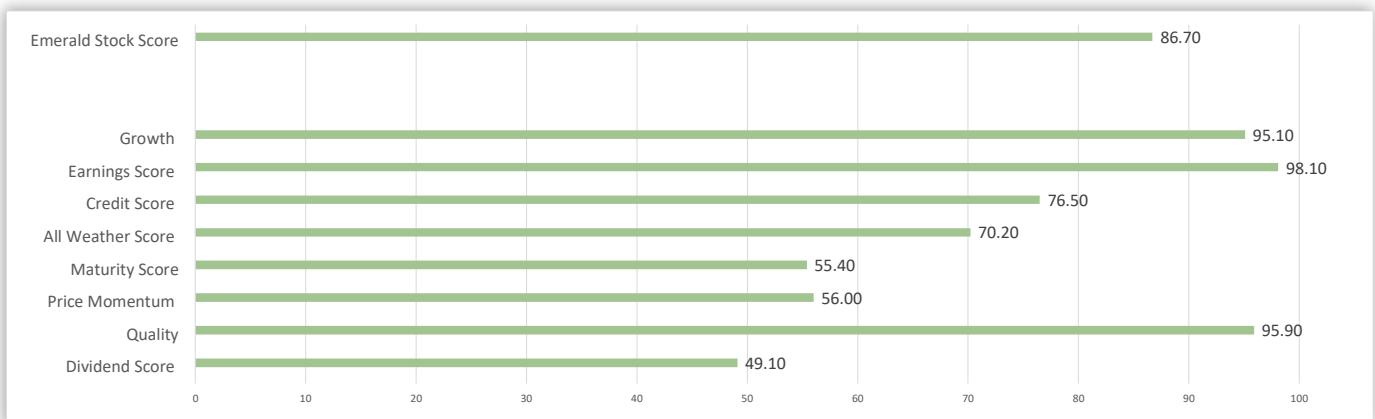
Appen Ltd - APX

Last Price	22.8	Country	Australia	Market Cap:	2,688,232,010
Net Change	0.60	Industry	IT Services	Cap Index:	Mid Cap
% Change	2.70%	Sector	Information Technology	Total Market Position:	110
		Next Reporting I	23/08/2020	IPO Date	7/01/2015

Description

Appen Limited is engaged in the development of human-annotated datasets for machine learning and artificial intelligence. The Company is organized into two operating segments based on differences in products and services provided: Content Relevance and Language Resources. Content Relevance provides annotated data used in search technology (embedded in Web, e-commerce and social engagement) for improving relevance and accuracy of search engines, social media applications and e-commerce. Language Resources provides annotated speech, natural language and image data used in speech recognizers, machine translation, speech synthesizers and other machine-learning technologies resulting in engaging and fluent devices including Internet-connected devices, in-car automotive systems and speech-enabled consumer electronics.

Emerald Indicators




Emerald Target - Buy to 27.00

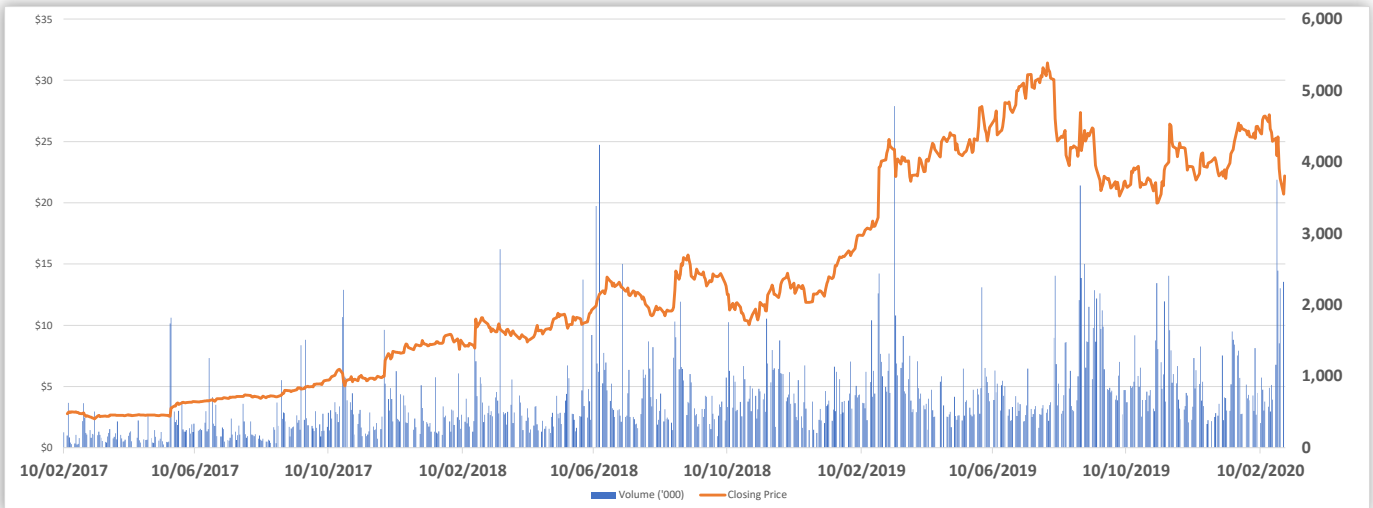
Appen has been one of the tech darlings of the Australian market, trading as high as 32.00 and has now come back to a key level of support at 20.50 and bounced. This company has been growing and is expected to continue to grow EBIT at around 15% per year. The Current Price is still high at around 63.00 but if they meet expectations on earning this year that PE will go down to 33.00 which is not bad for a Tech company in the current environment.

Debt is very low with many brokers targets up around the high 20's to mid-30 levels. I would look to buy around the 20 – 23 levels on confirmation that the free fall on the market is over.

Consensus Recommendation

# of Analysts:	Strong Sell	Sell	Hold	Buy	Strong Buy
9	0	0	3	4	2
BUY 			Previous Close	Price target mean	% from Mean
			22.8	29.67	28.67%
Upgrades Last 30 Days:	Downgrades Last 30 Days:	Upgrades Last 60 Days:	Downgrades Last 60 Days:	Upgrades Last 90 Days:	Downgrades Last 90 Days:
2	5	4	4	4	3

Price Chart

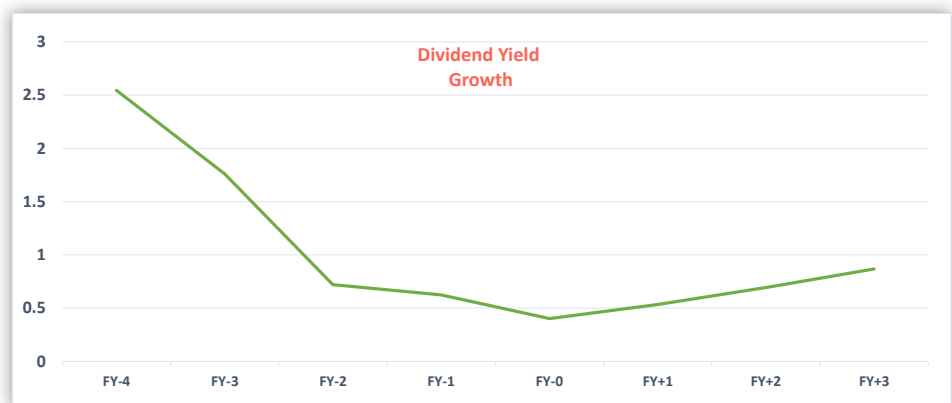


Price Performance

Year High	32.00	YTD	23.500	Percentage Performance	-5.53%
% to Yr. High	-30.63%	QTD	21.160		4.91%
Year Low	19.43	MTD	25.350		-12.43%
% to Yr. Low	14.26%	WTD	25.270		-12.15%
Close vs 200 SMA	-2.63	Beta	0.113		
Close vs 100 SMA	-1.43			XJO	APX VS XJO
Close vs 50 SMA	-2.37			Benchmark YTD	4.30%
5 day Volatility	110.45			Benchmark QTD	-3.43%
30 day Volatility	56.15			Benchmark MTD	-7.95%
90 day Volatility	51.69			Benchmark WTD	-9.53%
Volume 30 days Avg	1053886	VWAP Avg 30 days	25.34	Distance from VWAP	-12.38%
Volume 15 days Avg	1261724	VWAP Avg 15 days	24.91		-10.89%
Volume 5 days Avg	2234903	VWAP Avg 5 days	22.85		-2.85%

Dividend

Dividend per share	0.09
Reported Div. Yield %	0.40
Current Div. Yield %	0.49
5 Year Average Div. Yield %	0.67
Franking	50
Div. Payout Ratio	26.19
Div. Payout Ratio 5 year average	29.79



Key Ratios

Growth & Value

	LTW	FY-3	FY-2	FY-1	FY0	FY+1	FY+2	FY+3
PE Ratio	64.30	210.87	154.54	56.57	64.17	34.177	25.33	20.11
PEG Ratio	-5.60	0.16	0.33	0.19	-5.48	1.32	0.98	0.78
EPS	0.35	0.11	0.14	0.39	0.35	0.65	0.88	1.10
ROA	9.52	21.84	11.80	19.50	9.52	13.16	15.70	17.01
ROE	13.40	32.75	22.17	35.85	13.40	15.40	18.19	19.62
ROC	17.72	218.59	58.01	33.32	17.11	16.30	20.67	24.40

Financial Summary

Scale = 6

	FY-3	FY-2	FY-1	FY0	FY+1	FY+2	FY+3
Total Revenue	111	167	364	536	705	836	973
Growth		50.06%	118.70%	47.14%	31.50%	18.66%	16.33%
Gross Income	49	67	136	225	283	333	390
Margin	43.90%	40.08%	37.32%	42.04%	40.19%	60.23%	59.95%
EBITDA	18	27	70	93	132	161	211
Margin	15.93%	16.30%	19.14%	17.28%	18.72%	19.21%	21.70%
EBIT	17	25	61	67	107	145	182
Margin	14.89%	15.19%	16.68%	12.45%	15.21%	17.33%	18.66%
Net Income after Tax	10	14	42	42	79	107	135
Margin	9.45%	8.57%	11.45%	7.76%	11.26%	12.81%	13.90%
EPS	0.1053	0.1437	0.3925	0.0857	0.6496	0.8766	1.1040
PE	23.12%	36.45%	173.21%	-11.84%	87.74%	34.95%	25.95%
PE	210.87	154.54	56.57	64.17	34.18	26.01	20.65
Free Operating Cash Flow	10	8	43	52	53	88	119

Valuation

Price to Book	5.58	Book Value per Share	4.09
Price to Tang. Book	32.31	Tangible Book Value per Share	0.69
Price to Sales	5.04		
Price to Earnings	64.17		

Financial Health

Total Assets	634	Tangible Book Value	83	Debt to Tangible book value	27.27
Total Liabilities	152	Total Debt Outstanding	23	Debt to Equity	4.71
Net Assets	482	Operating Margin	11.06	Debt to Capital	4.50
Cash and short term investments	16			Current Ratio	1.57

Sector Analysis

	1 Day	1 Week	1 Month	3 Month	6 Month	1 Year	Earnings %	PE	Dividends
S&P/ASX MidCap 50 Index	-0.19%	-8.36%	-10.45%	-7.98%	-3.79%	0.90%	4.52%	22.12	4.35%
Information Technology	0.79%	-9.69%	-15.96%	-12.16%	-8.07%	9.68%	-0.25%	-395.79	1.27%
IT Services	-0.36%	-11.21%	-15.88%	-6.21%	-0.40%	6.31%	1.90%	52.74	1.67%
Appen Ltd - APX	7.14%	-6.92%	-12.43%	-9.24%	-11.38%	-5.53%	1.56%	64.10	0.49%



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