



G-Environment & Energy Solutions Sdn Bhd

Valuation Report

VALUETEAM PTE LTD, ONE RAFFLES PLACE, SINGAPORE-048 616

11.1 TRADING MULTIPLES

- Using the Price/Earnings multiple of 20.3x and average projected PAT of USD 0.41 mn in FY2022, we arrive at an Equity Value of USD 8.44 million.

Summary of Price/Earning Multiples – GSB

Trading Multiples - Price/Earning		
Price/Earning	x	27.0x
Discount	%	25%
Adj.Price/Earning	x	20.3x
PAT of FY2022	<i>US Mn</i>	417,133
Equity Value	<i>US Mn</i>	8,446,943

11.2 TRANSACTION MULTIPLES

- Using the Price/Earnings multiple of 13.61x and average projected PAT of USD 0.41 mn in FY2022, we arrive at an Equity Value of USD 5.44 million.

Transaction Multiples - Price/Earning		
Price/Earning	x	17.4x
Discount	%	25%
Adj.Price/Earning	x	13.1x
PAT of FY2022	<i>USD Mn</i>	417,133
Equity Value	<i>USD Mn</i>	5,443,585

- Averaging Transaction and Trading multiple numbers, the fair valuation of the business is estimated to USD 6.94 million.

11.3 INCOME APPROACH

Following are the free cash flows to the firm projected by us:

DCF Summary – GSB

DCF Valuation		Forecast	Forecast	Forecast	Forecast	Forecast
		2021	2022	2023	2024	2025
DCF						
PAT	<i>USD Mn</i>	(0.40)	0.42	2.20	3.45	6.38
Add: Depreciation	<i>USD Mn</i>	0.05	0.42	0.56	0.85	1.49
Changes in NWC	<i>USD Mn</i>	1.37	(0.52)	0.17	(2.88)	(3.65)
Capex	<i>USD Mn</i>	(0.00)	(0.02)	(0.35)	(0.88)	(1.13)
Changes in Debt						
FCFE	<i>USD Mn</i>	0.68	0.30	2.57	0.54	3.08
Discounting periods	<i>Year</i>	0.67	1.67	2.67	3.67	4.67
Discounting Factor		0.89	0.74	0.62	0.51	0.43
Discounted Free Cash Flows	<i>USD Mn</i>	0.60	0.22	1.59	0.28	1.32
Terminal Value	<i>USD Mn</i>					17.61
PV of Terminal Value	<i>USD Mn</i>					7.56

Summary of DCF

PV of Discounted Cash

Flows - explicit period	<i>USD Mn</i>	4.01
PV of TV	<i>USD Mn</i>	7.56
Equity value	<i>USD Mn</i>	11.57

Based on the two-stage DCF method, the valuation of the Company is estimated at USD 11.57 million.

11.4 GSB – FINAL VALUATION

We believe that Company is in a high growth state and expected to reach its peak revenue and profit level by the Year 2025. Therefore, the DCF Method will be the more suitable method for this valuation. There fore 75% weightage is attached to DCF valuation. On the other hand, since Company is expected to make a loss in the Year 2021 and is expected to start making a profit from the Year 2022, we have ascribed 25% weightage on the trading comparables and precedent transaction.

Valuation Summary – GSB

Summary of Valuation	Category	Multiple	Equity Value (USD mn)	Weight	Net Contribution (USD mn)
DCF	<i>FCFE</i>		11.57	75.0%	8.68
Trading Comparables	<i>Price/Earning</i>	20.25x	8.45	12.5%	1.06
Precedent Transactions	<i>Price/Earning</i>	13.05x	5.44	12.5%	0.68
Equity Value				100.0%	10.42

Based on the above weightage and valuation through various methods, the final weighted-average equity value of GSB comes to USD 10.42 million.

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