

Bravura Solutions (BVS: \$A2.91)

Bravura Solutions rises 1.7% from 14-day low Wednesday
January 13, 2021 16:00 AEST

Bravura Solutions Limited (ASX:BVS), Australia's 18th largest Software & services company by market cap, increased 2.0c (0.7%) from its previous close of \$A2.89 on Tuesday. Compared with the All Ordinaries Index which rose 14.8 points (0.2%) in the day, the relative price increase was 0.5%.

It hit a 14-day low of \$A2.86 during the day but rose 1.7% before settling at \$A2.91 on Wednesday. Its Williams % R is -90.4 which suggests it is oversold, a bullish signal. Its Relative Strength Index [RSI] is 27.6. An RSI reading of between 0 and 30 suggests the stock is close to its 14-day low, which is also a bullish signal.

There were 1,007,127 shares worth \$A2.9 million traded today. The volume was 0.4 times the average daily trading volume of 2.3 million shares.

Figure 1: Stock Identifiers

ISIN	AU000000BVS9
PermID	5052523387

Fig 2: Stock Summary

52-Week Range	\$A2.85-\$A5.82
Market Cap	\$A719.3 million
Shares Outstanding	247,165,023
EPS Growth (%)	10
Relative Strength (3 mo)	13

Fig 3: Technical Indicators

Name	Value	Comment
RSI	27.6	Buy
MFI	32.4	Neutral

Fig 4: Financials Summary

Year ended Jun	FY2020	FY2019	FY2018
Sales (\$ M)	212	200.5	172.4
Pretax (\$ M)	36.7	32.3	23.9
Net (\$ M)	31.2	25.5	21
EPS (AUD)	0.165	0.15	0.126

Bullish Signals

Undervaluation [compared with sector average]

Earnings Yield:

- Earnings yield of 5.7% is 5.2 times the 10-year bond yield of 1.09%.

Dividend Yield:

- The relative yield of BVS, defined by its yield of 3.8%, divided by average yield of dividend yielding stocks in the All Ordinaries Index of 3.0% is 126.4%. This suggests Bravura Solutions stock is undervalued in dividend yield terms.

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 1.7. Compared with the rest of the market the stock is undervalued.

Undervaluation Indicator and rank of Bravura Solutions in the Australian market:

Description	Value	Rank In Market
* EV/EBITDA	26.3	In Top 9%

* Enterprise value of \$A727.1 million is divided by Earnings before interest tax depreciation and amortization of \$A27.7 million.

Fig 5: High Price Performance Indicators and rank of Bravura Solutions in the Australian market:

Description	BVS Value	Rank In Market
Today's Trading Turnover	\$A2.9 million	In Top 10%
MCap	\$A719.3 million	In Top 19%

Oversold/Bullish Signals:

- The Relative Strength Index (RSI) of 27.6 has breached the oversold line of 30, suggesting the price decrease of 27.6% in the last 14 days is unusually high.

- The stock is oversold according to the Williams % R indicator of -90.4, suggesting the price is close to its 14-day low of \$A2.86.

- The Stochastic indicator of 4.8 has pierced the oversold line of 20; this indicates the price is close to its 14-day low and is likely to revert to an uptrend.