Senetas Corporation Ltd SEN.AX

Equity Research Australia | Information Technology

TRIM CAPITAL

4 September 2026

More room to return capital

Senetas management continued to highlight their positive outlook for the encryption business while completing another round of capital return (A$3.5m). Given FY26 results and FY27 guidance, we revised our estimates, **leading to an increase in valuation to A$3.70/share (+54% upside)**.

Key Messages

Better-than-expected FY26: Revenues came within expectations (sustained growth across EMEA & Asia Pacific, initial contribution from South America) while profitability exceeded our forecasts (better-than-expected 2H26 gross margins).

Optimistic business outlook: Since our note in April, management's commentary regarding their sale pipeline and contract closings had remained positive, bucking our expectations for some slowdown or delays due to the Middle East conflict. Management is highlighting new opportunities arising in Asia, Middle East, and South America, along with growing interest in their new CN7000 offering, encryption platform, and sovereign encryption capabilities.

Investment Thesis & Valuation

Valuation increased to A$3.70: This was derived using an average of our two estimates using DCF valuation (A$4.0/share) and SoTP valuation (A$3.40/share). We revised our revenue and earnings forecasts considering the impact of the South America contract win, along with continuing positive business outlook by management despite Middle East tensions. Despite management guidance for higher R&D expense, cash NPAT is still expected to improve in FY27E. Upside for the stock is high at +54% after the recent sell-off, which we think was either driven by missed investor expectations for another capital return announcement or the soft revenue growth guidance for FY27 (same growth as FY26, which means benefit from ongoing sales efforts may not hit until FY28).

Trading below its intrinsic value: Our SoTP valuation (A$57m) is higher than current market cap (A$40m), implying that the market attributes a discount to either the core products segment or to the Menlo share holdings. Senetas has a positive NTA since FY25 but is trading at much lower multiples (0.9x P/NTA) relative to peers.

Catalysts & Risks

Catalysts: Despite already returning capital to investors (~$5.5m over past 12 months), Senetas still has elevated cash levels ($14.5m in 1H27E) relative to historical (~$10m), raising the possibility for further capital returns. The next capital management action may come from the Menlo stake, with management guiding for a potential liquidity event in the next 12-24 months.

Risk to investment thesis: SEN relies on its relationship with Thales (85% of SEN's revenue in FY26) and other partnerships. These relationships can be terminated under certain conditions. Refer to page 11 for additional risks.

SENETAS

Senetas is a market leading developer and manufacturer of a range of high-assurance encryption solutions for networks and file sharing applications with near zero network overhead. They have a majority stake in VGM Aust Holdings Pty Ltd (VGM), which owns a 1.6% stake in Menlo Security, a US-based cybersecurity solutions provider. Senetas was founded in 1997 and listed on the ASX in 1999.

www.senetas.com

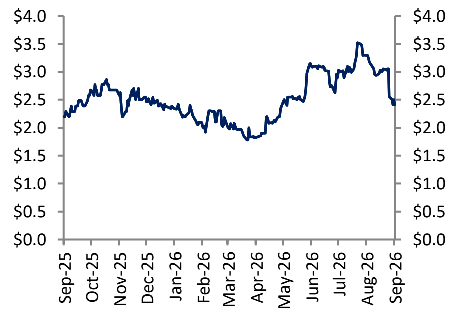
Key Data

Valuation (A$)	3.70
Current Price (A$)	2.41
Market Cap (A$m)	40.0
30 Day Average Turnover (A$)	48.6k

Trim Capital forecasts

FY Year End	25A	26A	27E	28E
Cash NPAT (m)	2.2	1.2	1.3	2.4
EPS adj (cps)	14.0	7.5	7.7	14.7
EPS adj gwth (%)	127	-46.6	3.6	89.7
EV/Revenue	1.6	1.1	1.3	1.2
DPS (c)	0.0	0.0	0.0	0.0
Div yield (%)	0.0	0.0	0.0	0.0
ROE (%)	nmf	1.0	1.3	3.9
Price/NTA (x)	0.9	0.9	1.0	0.9

12- Month share price performance



Source: Refinitiv

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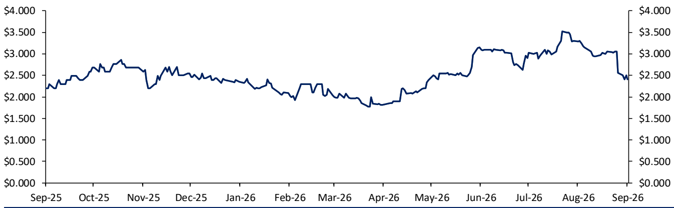
Financial Summary

SENETAS CORPORATION LIMITED SEN-AX

Year end 30 June, A$

12-MONTH SHARE PRICE PERFORMANCE



MARKET DATA		
Price	A$	$2.41
Valuation	A$	$3.70
52 week low - high	A$	1.624 - 3.590
Market capitalisation	A$m	40.0
Shares on issue (basic)	m	16.6
Options / rights	m	42.4
Other equity	m	0.0
Shares on issue (fuly diluted)	m	58.9

PROFIT AND LOSS*		FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	A$m	19.3	20.2	21.6	22.7	23.7
Cost of Sales	A$m	-2.5	-3.6	-3.7	-3.9	-4.1
Gross Profit	**A$m**	**16.8**	**16.6**	**17.9**	**18.8**	**19.7**
Operating expenses	A$m	-15.3	-15.5	-16.9	-16.6	-16.3
EBITDA	**A$m**	**1.7**	**1.5**	**1.4**	**2.6**	**3.8**
Depreciation and Amortisation	A$m	-0.6	-0.6	-0.6	-0.6	-0.6
EBIT	**A$m**	**1.0**	**-0.1**	**0.8**	**2.0**	**3.2**
Net interest	A$m	-0.6	-0.5	-0.3	-0.3	-0.4
Pretax profit	**A$m**	**0.3**	**-0.6**	**0.5**	**1.7**	**2.8**
Income tax	A$m	-0.1	-0.2	0.0	0.0	0.0
NPAT from continuing operations	**A$m**	**0.2**	**-0.8**	**0.5**	**1.7**	**2.8**
Discontinued operations	A$m	45.1	0.0	0.0	0.0	0.0
Reported NPAT	**A$m**	**1.5**	**0.4**	**0.5**	**1.7**	**2.8**
Cash NPAT	A$m	2.2	1.2	1.3	2.4	3.6
Adjusted revenue (ex VC)	A$m	19.3	20.5	21.3	22.4	23.1

BALANCE SHEET		FY25A	FY26A	FY27E	FY28E	FY29E
Cash and cash equivalents	A$m	11.6	18.6	14.2	15.2	17.7
Receivables	A$m	6.7	5.9	6.7	7.1	7.4
Property, plant and equipment	A$m	0.5	0.7	0.7	0.7	0.8
Goodwill and other intangibles	A$m	0.0	0.0	0.0	0.0	0.0
Other assets	A$m	44.6	36.2	37.0	37.2	37.3
Total Assets	**A$m**	**63.5**	**61.4**	**58.7**	**60.2**	**63.1**
Trade and other liabilities	A$m	1.3	2.2	2.4	2.3	2.4
Contract liabilities	A$m	9.1	9.9	9.5	9.2	8.9
Other liabilities	A$m	6.3	5.0	5.3	5.7	6.1
Total Liabilities	**A$m**	**16.7**	**17.1**	**17.3**	**17.2**	**17.3**
Net assets	**A$m**	**46.7**	**44.3**	**41.3**	**43.0**	**45.8**
Net tangible assets	**A$m**	**46.7**	**44.3**	**41.3**	**43.0**	**45.8**
Invested capital	**A$m**	**37.8**	**27.5**	**29.2**	**30.3**	**28.1**
Tangible invested capital	**A$m**	**37.8**	**27.5**	**29.2**	**30.2**	**28.1**
Contributed equity	A$m	115.4	113.6	110.1	110.1	110.1
Reserves	A$m	8.6	9.2	9.2	9.2	9.2
Retained earnings/losses	A$m	-82.0	-81.5	-81.0	-79.3	-76.5
Non-controlling interests	A$m	4.7	3.0	3.0	3.0	3.0
Total equity	**A$m**	**46.7**	**44.3**	**41.3**	**43.0**	**45.8**
Basic shares on issue	m	17	17	17	17	17

CASH FLOW		FY25A	FY26A	FY27E	FY28E	FY29E
Operating						
Net operating cashflow	**A$m**	**-3.6**	**4.4**	**0.1**	**1.9**	**3.4**
Investment						
Capital expenditure	A$m	-0.3	-0.5	-0.6	-0.6	-0.6
Acquisitions and divestments	A$m	4.7	6.8	0.0	0.0	0.0
Net investment cashflow	**A$m**	**4.3**	**6.3**	**-0.6**	**-0.6**	**-0.6**
Financing						
Equity	A$m	1.9	-2.1	-3.5	0.0	0.0
Debt / loans	A$m	-0.1	-1.3	0.0	0.0	0.0
Leases	A$m	-0.3	-0.3	-0.3	-0.3	-0.3
Net financing cashflow	**A$m**	**1.4**	**-3.7**	**-3.8**	**-0.3**	**-0.3**
Net cash flow	**A$m**	**2.2**	**7.0**	**-4.4**	**1.0**	**2.4**
Free cash flow to equity	A$m	0.2	9.1	-0.9	1.0	2.4

INVESTMENT FUNDAMENTALS		FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Weighted avg. diluted shares	m	16.0	16.9	16.7	16.6	16.6	16.6
EPS - diluted reported	cps	14.3	9.6	2.6	3.2	10.2	16.9
EPS - diluted cash	**cps**	**19.2**	**14.0**	**7.5**	**7.7**	**14.7**	**21.4**
EPS growth	%	-118%	127%	-47%	4%	90%	46%
PE	x	12.6	17.2	32.2	31.1	16.4	11.2
DPS	cps	0.0	0.0	0.0	0.0	0.0	0.0
Dividend yield	%	0%	0%	0%	0%	0%	0%
Payout rato	%	0%	0%	0%	0%	0%	0%
Operating cash flow per share	cps	-40.5	-21.3	26.6	0.6	11.6	20.4
FCF to equity per share	cps	-29.9	1.5	54.5	-5.1	5.9	14.7
FCF yield	%	-12.4%	0.6%	22.6%	-2.1%	2.5%	6.1%
Enterprise value	$m	32.8	31.1	23.2	27.8	27.2	22.2
EV/Revenue (ex VC)	x	1.5	1.6	1.1	1.3	1.2	1.0
EV/EBITDA	x	11.3	18.6	15.7	19.7	10.4	5.9
EV/EBIT	x	14.6	32.3	nmf	33.4	13.4	6.9
NAV per share	A$	-0.10	2.82	2.67	2.49	2.60	2.77
Price / NAV	x	-23.7	0.85	0.90	0.97	0.93	0.87
NTA per share	A$	-0.44	2.82	2.67	2.49	2.59	2.76
Price / NTA	x	-5.5	0.85	0.90	0.97	0.93	0.87

KEY RATIOS		FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
ROE - reported	%	96%	nmf	1%	1%	4%	6%
ROE - cash	%	129%	nmf	3%	3%	6%	8%
Net debt	**A$m**	**-7.1**	**-8.9**	**-16.8**	**-12.1**	**-12.8**	**-17.7**
Interest cover	x	-13.4	-2.7	-2.9	-4.8	-7.6	-9.6
Net debt / EBITDA	x	-2.4	-5.3	-11.3	-8.6	-4.9	-4.7
ND / invested capital	x	0.8	-0.2	-0.6	-0.4	-0.4	-0.6

DUPONT ANALYSIS		FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Net Profit Margin	%	11%	8%	2%	2%	7%	11%
Asset Turnover	x	0.6	0.4	0.3	0.4	0.4	0.4
Return on Assets	%	7%	3%	1%	1%	3%	4%
Financial Leverage	x	14.1	2.2	1.4	1.4	1.4	1.4
Return on Equity	%	96%	7%	1%	1%	4%	6%

HALF YEARLY DATA		1H25A	2H25A	1H26A	2H26A	1H27E	2H27E
Revenue (reported)	A$m	9.5	9.7	9.5	10.7	10.4	11.2
Adjusted revenue (ex VC)	A$m	9.5	9.7	9.5	11.0	10.1	11.2
Gross Profit	A$m	8.3	8.5	7.2	9.4	8.6	9.3
Pretax profit	A$m	0.3	0.0	-1.1	0.5	0.1	0.5
Reported NPAT	A$m	0.8	0.8	-0.6	1.0	0.1	0.5
Cash NPAT	A$m	1.1	1.1	-0.1	1.4	0.4	0.8
EPS - diluted cash	**cps**	**6.49**	**6.74**	**-0.68**	**8.20**	**2.63**	**5.12**
EPS - diluted reported	cps	4.46	4.59	-3.36	5.95	0.37	2.86

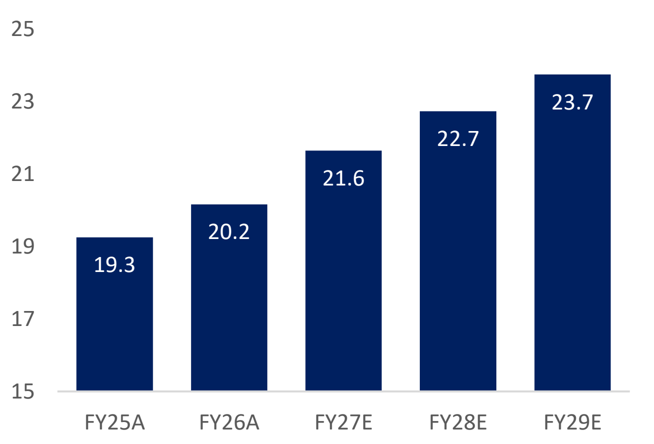
DIVISIONAL INFORMATION		FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
SEN products division							
Revenue (adjusted)	A$m	21.5	19.3	20.5	21.3	22.4	22.7
PBT (adjusted)	A$m	3.6	0.4	0.6	1.6	2.7	3.9
PBT margin	%	17%	2%	3%	7%	12%	17%
Votiro (discontinued)							
ARR	US$m	10.4	0.0				
Revenue	A$m	9.7	0.0				
EBITDA	A$m	-13.6	0.0				
EBITDA margin	%	-141%	0%				

Source: SEN reports, Trim Capital estimates. Note: VC = variable consideration

** Restated to account for sale of Votiro, which is classified as discontinued operations*

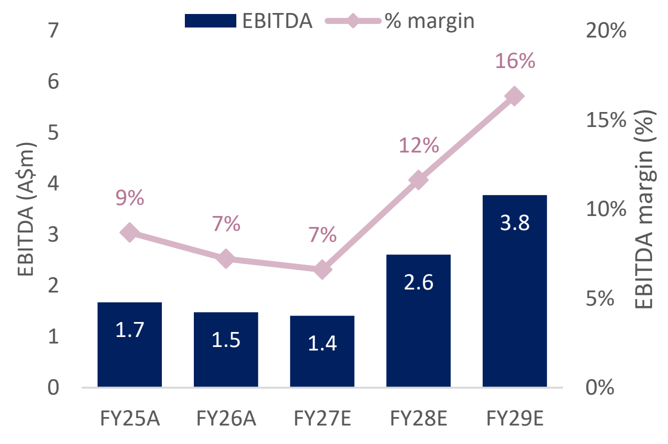
Key Charts

Figure 1: Revenues (A$m)



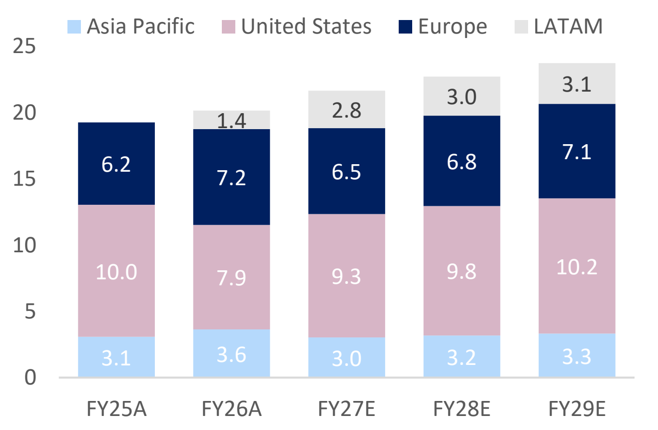
Source: Company reports, Trim Capital estimates.

Figure 2: EBITDA and margins (%)



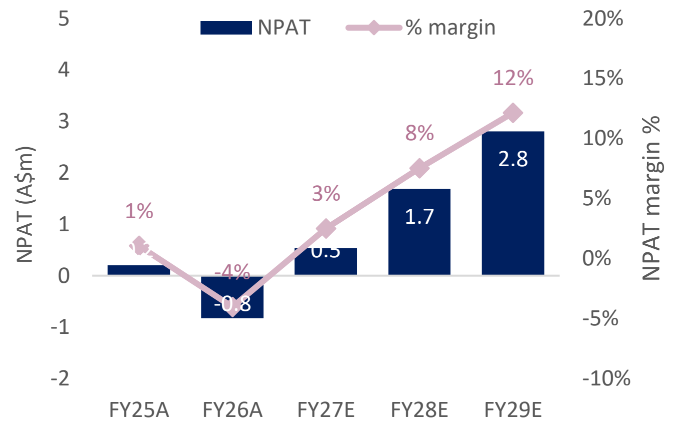
Source: Company reports, Trim Capital estimates

Figure 3: Revenue per region (A$m)



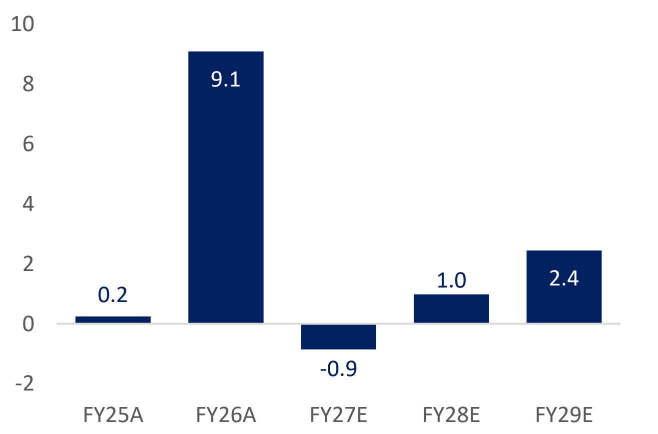
Source: Company reports

Figure 4: NPAT (continuing ops, A$m) and margins (%)



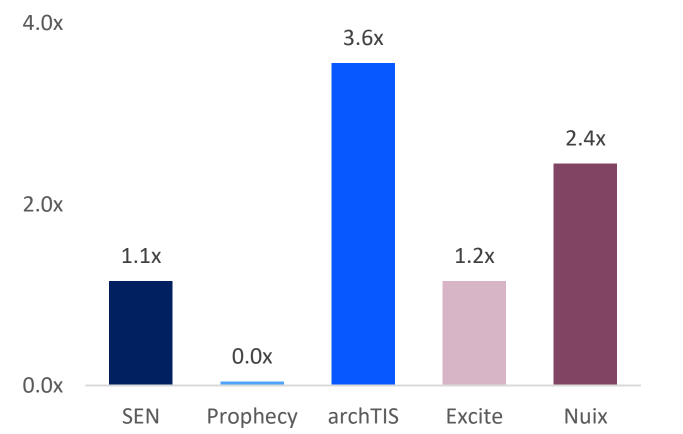
Source: Company reports

Figure 5: SEN Free cash flows to equity (A$m)



Source: Company reports, Trim Capital estimates

Figure 6: EV / revenue (LTM) for key ASX comps



Source: Company reports, Trim Capital estimates

What's changed

Upside surprise in FY26 results

Senetas recently reported FY26 results, where revenues came within expectations (sustained growth across EMEA, Asia Pacific and contribution of initial sales from South America region) while profitability exceeded our forecasts (owing to better-than-expected gross margins in 2H26). Due to a simpler business model/structure, operating cash flows were positive at $4.4m, an improvement/turnaround from prior years of cash burn. It enabled Senetas to achieve a strong liquidity position, with cash balance of $18.6m above the historical average of ~$9-10m, boosted by receipt of final leg of Votiro sale proceeds.

Optimistic business outlook

Since our last note in late April, management's commentary regarding their sales pipeline and contract closings had remained positive, bucking our expectations for some slowdown or delays due to the Middle East conflict.

- **8 May 2026 – Business Update & Presentation:** "FY2026 has seen significant new opportunities arising in Asia and the Middle East, with particular focus on our CN7000 series encryption platform and sovereign encryption capabilities, that we expect will deliver good growth through the next 12-18 months. Some of these new opportunities, if realised, have the potential to be quite transformative for Senetas and be the core drivers of future growth. Senetas expects operating business revenue and profit to grow in FY2026, supported by stronger sales momentum and increased focus on key growth markets."
- **1 June 2026 – Capital Return Disclosure:** "The operating outlook for the Senetas business remains very positive, with further opportunities following our recent success in South America, and the potential for significant upside from new opportunities in the APAC region adding to the positive outlook."
- **28 August 2026 – Full Year Results:** "The sales pipeline for Senetas in FY2027 is strong and operating revenue is at this stage expected to grow broadly in line with FY2026 via organic growth and a rebound in maintenance revenue off the back of strong FY2026 product sales. Gross margins are expected to remain in line with historic levels."

Another sizeable capital return

In early June 2026, SEN announced a A$3.5m (~A$0.2111/share) capital return to shareholders, considering excess cash balances, strong balance sheet and positive operating cash flow outlook. This was approved by shareholders on 24 July and completed on 7 August. Overall, we see this initiative as an indicator of management's confidence in the cash generation of their business. The next capital management action may come from the Menlo stake, with management guiding for a potential liquidity event in the next 12-24 months.

Forecast changes

Given recent FY26 results and FY27 guidance, we revised our forecasts: (i) increased revenue estimates for 1H27 onwards due to contract win in South America and growing interest in that region, (ii) adjusted gross margins in 1H27 onwards from 85% to 83% to reflect the slightly lower margins from recent contract wins, (iii) increased R&D expense by $1.5m in FY27E, as guided by management, and (iv) reflected the capital return of A$3.5m for 1H27.

Figure 7: Forecast performance and revisions

		FY26A			FY27E			FY28E		
		Forecast	Actual	% diff	Old	New	% chg	Old	New	% chg
Revenue	A$m	20.3	20.2	-0.5%	21.3	21.6	1.7%	22.3	22.7	1.7%
Reported NPAT	A$m	0.1	0.4	337.9%	1.2	0.5	-55.4%	1.4	1.7	17.4%
Cash NPAT	A$m	1.0	1.2	26.6%	2.1	1.3	-38.6%	2.3	2.4	4.7%
EPS diluted reported	cps	0.6	2.6	337.9%	7.3	3.2	-55.4%	8.7	10.2	17.4%
EPS diluted cash	cps	5.9	7.5	26.6%	12.6	7.7	-38.6%	14.0	14.7	4.7%
DPS	cps	0.0	0.0	n.a.	0.0	0.0	n.a.	0.0	0.0	n.a.

Source: Company reports, Trim Capital estimates

Investment Thesis

- **Undervalued business:** We believe Senetas is trading materially below its intrinsic value (calculated under FCFE valuation and SoTP valuation methodologies). It is a business with stable revenues (historically ~A$20m-$25m annual), diversified customer base across the globe (mainly government and enterprise), and strong EBITDA margins (~9.9% over the past 3 years). It has a healthy balance sheet with minimal debt (3% of assets), high cash balances (~A$18.6m, 30% of assets), and holdings in a fast-growing US cybersecurity company (Menlo Security), which can be monetised over the medium term.
- **Significant growth opportunities:** Risk of cyberattacks and security breaches are increasing due to escalating geopolitical tensions across the globe and rapid technological innovation (AI, quantum capabilities). These will likely present significant growth opportunities for Senetas' encryption systems (hardware and virtual), which has been in the industry for over 25 years and trusted by governments (i.e. US), defence agencies, and enterprises (i.e. Thales) across the globe.
- **Near-term volatility but higher windfall**: While Senetas' near-term results are likely to have some volatility and timing uncertainty of sales closures, we think these concerns are overshadowed by the promise of higher potential windfall from major projects across defence and enterprise AI governance. Senetas is actively focusing on R&D activities to improve their capabilities and capture new markets such as South America, Asia Pacific, and other use cases.

Catalysts

	Expectation	Timing
New market expansion	• With the help of its partner Thales, Senetas is pursuing regions where they traditionally not had a large presence (South America, and Asia). This should provide revenue upside opportunities.	• There are many factors that can affect the schedule and timing of closing of defence/government contract deals. However, we can expect some progress within the next 12-18 months.
Current deal pipeline	• Senetas is currently pursuing several high-profile deals which should provide significant revenue growth: AUKUS submarine industrial base pilot program, autonomous vehicles, and opportunities from higher security clearances for encryption hardware device.	• While the revenue upside seems significant, the timing is highly uncertain and Senetas signalled that the benefit will likely be over the longer-term.
Capital management initiatives	• Despite already returning capital to investors (~$5.5m over past 12 months), Senetas still has elevated cash levels ($14.2m in FY27E) relative to historical levels (~$10m). This raises the possibility for further capital management initiatives (i.e. capital return, share buyback).	• Management is currently considering further capital management options, and we expect this to materialise within the next 12 months.

SWOT Analysis

Internal

Positive

Strengths

- **Exposure to strong structural tailwinds.** SEN is exposed to strong structural tailwinds of increasing spend on cybersecurity by businesses and governments due to an increase in severity and frequency of cyberattacks.
- **High gross margins.** SEN generates high gross margins of around 82%.
- **Significant investment and accreditations received.** SEN has received key government accreditations and certifications for its products. Maintaining these certifications are timely and expensive but provide competitive advantage benefits.

Weakness

- **Highly sensitive to changes in Thales purchasing.** SEN revenue and margins may be impacted by the amount of inventory carried by Thales (through the variable consideration component in revenue recognition and cost of sales). A recent example would be FY26 margins that was negatively impacted by Thales' ongoing inventory build for the FY27 sales pipeline.

Opportunities

- **Undemanding valuation could attract a suitor.** With SEN trading on a FY1 revenue multiple of 1.3x (lower relative to its peers), we believe SEN could potentially be of interest to a larger offshore player having seen some M&A activity in the sector (such as Thales acquisition of Tesserent).

Threats

- **Potential shift away from hardware encryption.** Whilst SEN does have a growing exposure to virtual encryption services, a large proportion of Senetas products division's revenue is derived from hardware sales and support.
- **Increased competition.** Encryption is becoming a standard feature in third party network equipment and SEN could see increased competition from other providers. However, SEN continues to invest and develop its suite of products and has three key accreditations.
- **Loss of Thales partnership.** Thales represented around 85% of consolidated revenues in FY26. If there were a breakdown in this relationship, it would have a material financial impact to SEN.

Negative

External

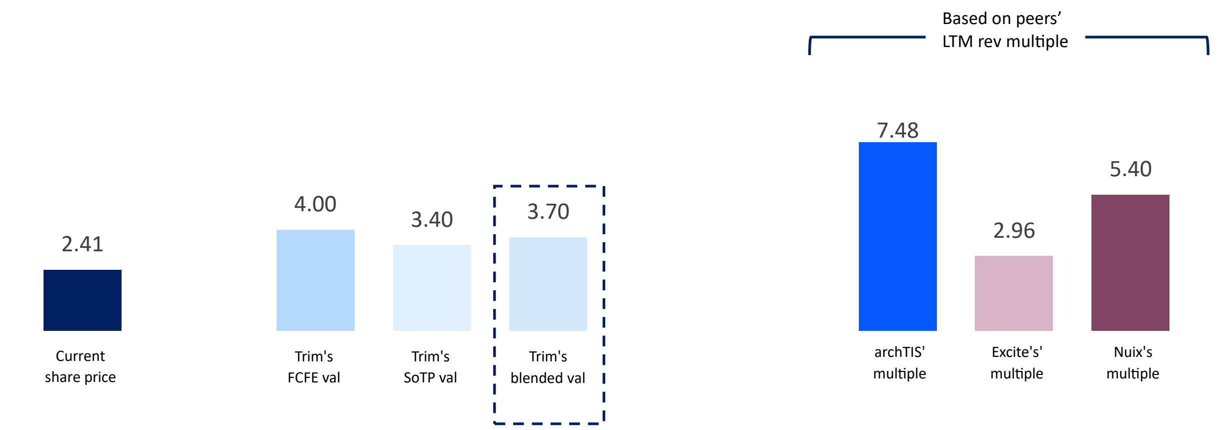
Valuation

We consider a range of valuation approaches including intrinsic valuation methods, peer multiples and growth rates. Our valuation incorporates a blended approach:

- intrinsic valuation of its potential future growth using DCF method (free cashflow to equity); and
- sum of the parts valuation (SOTP) using revenue multiples (peer average)

Our overall valuation of A$3.70/share is a simple average of these two approaches. This is 7.2% higher than our prior estimate of A$3.45/share due to our revisions to revenue and profit estimates. This presents a 54% upside from current share price.

Figure 8: Valuation summary (A$)



Source: Company reports, Trim Capital estimates, Refinitiv

1. Free cashflow to equity valuation (A$4.0/share)

For our intrinsic valuation model, we use a two-stage model, using our explicit forecasts over the next five years, followed by a terminal value based upon a 3% growth rate. We assume a risk-free rate of 5.0% (increased from 4.2%) and an equity risk premium of 5.0% with a beta of 1.4x to derive a cost of equity of 12.0%. This results into a DCF valuation of A$4.0/share, which provides a 66% upside to the current share price. This is +17.6% higher than our prior estimate of A$3.4/share.

Figure 9: Trim's discounted free cashflow to equity valuation of Senetas

Current date		04-Sep-26									
Next balance date		31-Dec-26									
		Dec-26	Jun-27	Dec-27	Jun-28	Dec-28	Jun-29	Dec-29	Jun-30	Dec-30	Jun-31
Free cash flow to equity	**A$m**	**11.86**	**-0.60**	**-0.25**	**0.50**	**0.49**	**1.48**	**0.96**	**1.68**	**1.19**	**2.37**
Discounted cash flow	**A$m**	**11.43**	**-0.55**	**-0.21**	**0.40**	**0.37**	**1.08**	**0.66**	**1.09**	**0.73**	**1.37**

Sum of discount streams	A$m	16.4	**CAPM**	
Future value into perpetuity	A$m	39.5	Risk free rate	5.00%
NPV of terminal value	A$m	22.9	Equity beta	1.40
add Net cash adj for minorities	A$m	13.2	Equity risk premium	5.0%
add value of Menlo shares	A$m	14.0		
Value of total equity	**A$m**	**66.5**	Cost of equity	12.00%
Shares on issue	#	16.6		
Value per share	**A$**	**4.0**	Terminal growth	3.0%
Upside/downside	*%*	*66%*		

Source: Company reports, Trim Capital estimates

2. Peer valuation multiple analysis

Relative valuation techniques such as peer valuation comps are a popular way to value many companies, including EBITDA and revenue multiples. Analyst coverage of the Australian cybersecurity sector is relatively poor, so we've also looked at small cap listed SaaS comps and used international listed cybersecurity comps as another reference point (although less weight is given to these companies given the sheer size of these companies). Relative to its cybersecurity peers in the US, Senetas appears quite attractively priced and trades on one of the lowest revenue multiples.

Figure 10: Senetas vs Australian and international trading comps

Code	Company Name	Market cap ($m)	EV ($m)	LTM Revenue ($m)	EV / Revenue (LTM)	LTM EBITDA ($m)	EV / EBITDA (LTM)	Net Tangible Asset ($m)	P / NTA (x)
SEN.AX	**Senetas Corp Ltd**	**40.0**	**23.2**	**A$ 20.2**	**1.1x**	**A$ 1.5**	**15.7x**	**A$ 44.3**	**0.9x**
ASX listed cybersecurity comps (A$m)									
NXL.AX	Nuix Ltd	673.3	644.0	A$ 263.2	2.4x	A$ 79.4	8.1x	A$ 271.1	2.5x
PRO.AX	Prophecy International Holdings Ltd	5.8	0.9	A$ 21.9	0.0x	-A$ 4.9	nmf	-A$ 3.9	-1.5x
EXT.AX	Excite Technology Services Ltd	15.7	24.6	A$ 21.3	1.2x	-A$ 4.0	nmf	-A$ 8.8	-1.8x
AR9.AX	Archtis Ltd	22.7	21.6	A$ 6.1	3.6x	-A$ 0.8	nmf	-A$ 16.2	-1.4x
WHK.AX	WhiteHawk Ltd	3.5	3.0	A$ 3.3	0.9x	-A$ 1.5	nmf	-A$ 0.1	-26.9x
	Average	***144.2***	***138.8***		***1.6x***		***8.1x***		***-5.8x***
	Median	***15.7***	***21.6***		***1.2x***		***8.1x***		***-1.5x***
ASX listed small cap SaaS comps (A$m)									
CCR.AX	Credit Clear Ltd	84.5	68.8	A$ 46.9	1.5x	A$ 4.1	16.9x	A$ 20.5	4.1x
JAN.AX	Janison Education Group Ltd	31.2	20.3	A$ 48.1	0.4x	A$ 1.7	12.1x	A$ 9.7	3.2x
GTI.AX	Gratifii Ltd	22.8	20.1	A$ 54.5	0.4x	-A$ 4.6	nmf	-A$ 7.1	-3.2x
SNS.AX	Sensen Networks Ltd	28.2	27.5	A$ 15.4	1.8x	A$ 1.7	16.5x	A$ 2.2	12.8x
CF1.AX	Complii Fintech Solutions Ltd	12.8	10.8	A$ 8.2	1.3x	-A$ 3.1	nmf	A$ 0.7	17.2x
BEO.AX	Beonic Ltd	7.9	10.6	A$ 22.1	0.5x	A$ 2.7	3.9x	-A$ 7.8	-1.0x
ATV.AX	ActivePort Group Ltd	17.7	19.4	A$ 9.6	2.0x	-A$ 6.1	na	A$ 2.1	8.3x
JCS.AX	JCurve Solutions Ltd	12.1	9.0	A$ 13.3	0.7x	A$ 1.7	5.3x	A$ 1.1	11.2x
	Average	**27.1**	**23.3**		**1.1x**		**10.9x**		**6.6x**
	Median	**20.2**	**19.8**		**1.0x**		**12.1x**		**6.2x**
International listed cybersecurity comps (US$m)									
CSCO.O	Cisco Systems Inc	433,280	446,895	US$ 63,325	7.1x	US$ 18,608	24.0x	-US$ 9,192	-47.1x
PANW.O	Palo Alto Networks Inc	302,850	301,869	US$ 10,606	28.5x	US$ 1,483	203.5x	US$ 5,766	52.5x
CRWD.O	CrowdStrike Holdings Inc	223,630	219,437	US$ 5,396	40.7x	US$ 120	1824.1x	US$ 2,889	77.4x
FTNT.O	Fortinet Inc	121,800	118,292	US$ 7,527	15.7x	US$ 2,596	45.6x	US$ 1,294	94.1x
NET	Cloudflare Inc	106,770	106,137	US$ 2,512	42.2x	US$ 0	nmf	US$ 1,244	85.8x
ZS.O	Zscaler Inc	29,790	28,119	US$ 3,174	8.9x	US$ 26	1073.2x	US$ 1,272	23.4x
CHKP.O	Check Point Software Technologies L	14,120	11,892	US$ 2,764	4.3x	US$ 846	14.1x	US$ 2,737	5.2x
CYBR.O	Cyberark Software Ltd	22,120	22,817	US$ 1,302	17.5x	US$ 12	1893.5x	US$ 395	56.0x
GEN.O	Gen Digital Inc	18,570	26,213	US$ 5,079	5.2x	US$ 2,413	10.9x	-US$ 8,282	-2.2x
OKTA.O	Okta Inc	29,060	26,814	US$ 3,073	8.7x	US$ 321	83.5x	US$ 1,486	19.6x
S	SentinelOne Inc	7,380	6,725	US$ 1,099	6.1x	-US$ 220	nmf	US$ 536	13.8x
OTEX.TO	Open Text Corp	5,960	10,972	US$ 5,246	2.1x	US$ 1,634	6.7x	-US$ 3,311	-1.8x
QLYS.O	Qualys Inc	6,470	5,820	US$ 703	8.3x	US$ 255	22.8x	US$ 555	11.7x
VRNS.O	Varonis Systems Inc	5,040	4,657	US$ 688	6.8x	-US$ 131	nmf	US$ 229	22.0x
RPD.O	Rapid7 Inc	895	1,154	US$ 856	1.3x	US$ 58	19.9x	-US$ 397	-2.3x
RDWR.O	Radware Ltd	1,200	909	US$ 318	2.9x	US$ 25	36.2x	US$ 359	3.3x
	Average	**83,058**	**83,670**		**12.9x**		**404.5x**		**25.7x**
	Median	**20,345**	**24,515**		**7.7x**		**36.2x**		**16.7x**

Source: Market Index, Trim Capital estimates

3. Sum of the parts valuation ($A3.40/share)

We value Senetas' products division at around A$29.9m ($A1.8/share), using a 1.4x multiple applied to FY27 revenues forecasted at $21.3m. After that, we have added Senetas' net cash position (adjusted for minorities; after capital return) of A$13.2m (A$0.8/share), and Menlo holdings valued at A$14.0m (A$0.8/share, wherein we applied a 33% discount to account for the current lower market multiples for SaaS/software/cybersecurity companies). Collectively, this results in a sum-of-the-parts valuation for Senetas of A$3.4/share, which is -2.9% lower from the prior estimate of A$3.5/share but gives a 41% upside from the current price.

Figure 11: Sum of the parts valuation

Shares on issue						16.6
	Valuation method	**Multiple applied**	**FY27**	**Ownership**	**Valuation**	**per share**
		x	**A$m**	**%**	**A$m**	**A$**
Senetas products division	Revenue (ex VC) multiple	1.4x	21.3	100%	29.9	1.8
Menlo share holdings	$21m with 33% discount				14.0	0.8
Add net cash adj for minorities					13.2	0.8
Group valuation					**57.1**	**3.4**
Upside/downside						*41%*

Source: Trim Capital estimates

4. NTA analysis

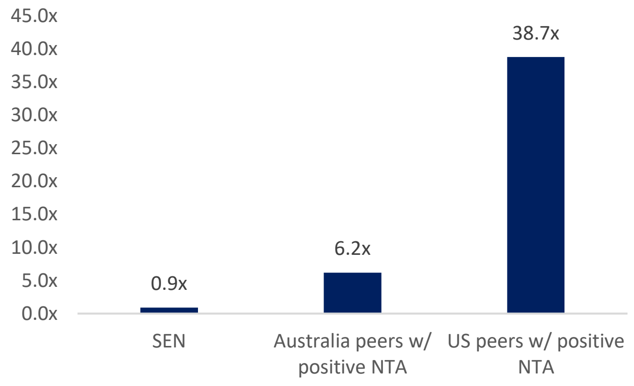
Due to the Votiro transaction and resulting gain on sale, Senetas' net tangible assets (NTA) have turned positive from -A$10.4m in 1H25 to A$46.7m in 2H25 and A$44.3m in FY26. This enables us to assess the company's valuation using the Price-to-NTA (P/NTA) multiple, which stands at 0.9x, given the current market cap of A$40m. We view this as a sign of undervaluation, considering:

- Core network encryption business is a stable & growing source of revenues (thanks to Thales partnership); It also has positive and stable EBITDA margins (~9.9% over past 3 years).
- Balance sheet is mostly comprised of cash (A$18.6m in FY26), and investment securities (Menlo Security, with management having an estimated value of A$21.0m); It contrasts with cybersecurity firms which mostly have large intangibles/goodwill balances, resulting to negative NTA.

Further comparison of Senetas' P/NTA multiple relative to peers showed that:

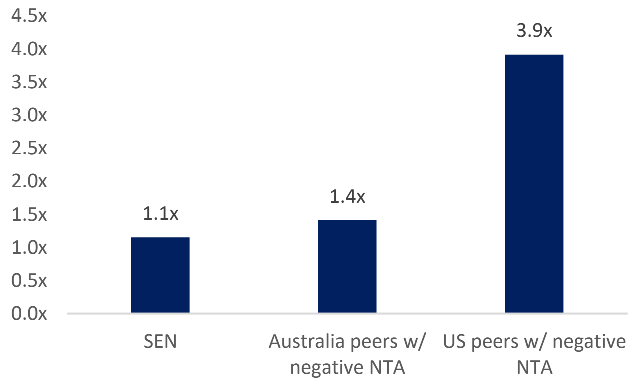
- Senetas' P/NTA multiple is the lowest across firms (US and Australia) with positive NTA balances. Note that there were no firms that had P/NTA multiples below 1.0x.
- Senetas' EV/revenue multiple is at a discount relative to firms (US and Australia) with negative NTA, another sign of undervaluation.

Figure 12: P/NTA multiples against Positive NTA firms



Source: Refinitiv, Trim Capital estimates

Figure 13: EV/revenue multiples against Negative NTA firms



Source: Refinitiv, Trim Capital estimates

Figure 14: Multiple analysis across peers with positive and negative NTA

Code	Company Name	Mkt Cap ($m)	EV/Revenue (x)	EV/EBITDA (x)	P/NTA (x)	EBITDA (%)
SEN.AX	**Senetas Corp Ltd**	**40.0**	**1.1x**	**15.7x**	**0.9x**	**7.3%**
Companies with positive NTA						
Australia Cybersecurity & SaaS peers						
NXL.AX	Nuix Ltd	A$ 673.3	2.4x	8.1x	2.5x	30.1%
ATV.AX	ActivePort Group Ltd	A$ 17.7	2.0x	na	8.3x	na
SNS.AX	Sensen Networks Ltd	A$ 28.2	1.8x	16.5x	12.8x	10.8%
JAN.AX	Janison Education Group Ltd	A$ 31.2	0.4x	12.1x	3.2x	3.5%
CCR.AX	Credit Clear Ltd	A$ 84.5	1.5x	16.9x	4.1x	8.7%
	Average		**1.6x**	**13.4x**	**6.2x**	**13.3%**
	Median		**1.8x**	**14.3x**	**4.1x**	**9.8%**
US cybersecurity peers						
PANW.O	Palo Alto Networks Inc	US$ 302,850	28.5x	203.5x	52.5x	14.0%
CRWD.O	CrowdStrike Holdings Inc	US$ 223,630	40.7x	1824.1x	77.4x	2.2%
NET	Cloudflare Inc	US$ 106,770	42.2x	nmf	85.8x	0.0%
FTNT.O	Fortinet Inc	US$ 121,800	15.7x	45.6x	94.1x	34.5%
ZS.O	Zscaler Inc	US$ 29,790	8.9x	1073.2x	23.4x	0.8%
CYBR.O	Cyberark Software Ltd	US$ 22,120	17.5x	1893.5x	56.0x	0.9%
CHKP.O	Check Point Software Technologies Ltd	US$ 14,120	4.3x	14.1x	5.2x	30.6%
OKTA.O	Okta Inc	US$ 29,060	8.7x	83.5x	19.6x	10.4%
S	SentinelOne Inc	US$ 7,380	6.1x	nmf	13.8x	-20.0%
VRNS.O	Varonis Systems Inc	US$ 5,040	6.8x	nmf	22.0x	-19.1%
QLYS.O	Qualys Inc	US$ 6,470	8.3x	22.8x	11.7x	36.2%
RDWR.O	Radware Ltd	US$ 1,200	2.9x	36.2x	3.3x	7.9%
	Average		**15.9x**	**577.4x**	**38.7x**	**8.2%**
	Median		**8.8x**	**83.5x**	**22.7x**	**5.1%**
Companies with negative NTA						
Australia Cybersecurity & SaaS peers						
PRO.AX	Prophecy International Holdings Ltd	A$ 5.8	0.0x	nmf	-1.5x	-22.2%
EXT.AX	Excite Technology Services Ltd	A$ 15.7	1.2x	nmf	-1.8x	-18.6%
AR9.AX	Archtis Ltd	A$ 22.7	3.6x	nmf	-1.4x	-13.7%
WHK.AX	WhiteHawk Ltd	A$ 3.5	0.9x	nmf	-26.9x	-45.9%
	Average		**1.4x**	**nmf**	**-7.9x**	**-25.1%**
	Median		**1.0x**	**nmf**	**-1.6x**	**-20.4%**
US cybersecurity peers						
CSCO.O	Cisco Systems Inc	US$ 433,280	7.1x	24.0x	-47.1x	29.4%
GEN.O	Gen Digital Inc	US$ 18,570	5.2x	10.9x	-2.2x	47.5%
OTEX.TO	Open Text Corp	US$ 5,960	2.1x	6.7x	-1.8x	31.1%
RPD.O	Rapid7 Inc	US$ 895	1.3x	19.9x	-2.3x	6.8%
	Average		**3.9x**	**15.4x**	**-13.4x**	**28.7%**
	Median		**3.6x**	**15.4x**	**-2.2x**	**30.3%**

Source: IBES, Refinitiv, Trim Capital estimates

Risks

Strategic Risks

Strategic Risks	Description	Materiality
Reliance on key channel partners including Thales	Senetas' value proposition relies heavily on its relationship with Thales and other partnerships. These relationships can be terminated under certain conditions. The longevity and tenacity of this relationship is a critical business risk to be considered although there is little to suggest that Thales would look to change its partnership with Senetas. The relationship with Thales was responsible for around 85% of consolidated revenues in FY26.	**High**
Competitor risk	Encryption is becoming a standard feature in third party network equipment. Senetas' equipment sales might be eroded if there is increased competition from other providers. There is a risk that Senetas' products and services might become obsolete over time.	**Medium**

Financial

Financial Risks	Description	Materiality
Macroeconomic conditions	Macroeconomic events such as a global economic downturn may result in reduced demand for Senetas products and services and a decrease in demand (and inventory held) from Thales and other distribution partners.	**Medium**

Operational

Operational Risks	Description	Materiality
Governance	Increasingly an investment focus as part of ESG, governance risks include all matters of agency costs within the business, including delegated responsibilities and authorisations, internal controls and how conflicts of interest are addressed.	**Low**
Key personnel	Senetas' ability to scale its business assumes availability of suitably qualified staff and a reliance on key personnel. Senetas have lean teams with highly specialised capabilities and experience.	**Medium**
Regulatory	Senetas is subject to a range of regulatory controls imposed by governments and regulatory authorities. These rules and regimes are complex and are subject to change over time depending on changes in the laws and policies of various jurisdictions and regulatory authorities in different countries.	**Medium**
Privacy and data protection law and regulation	Senetas products and services handle significant quantities of data and information, much of which will be confidential information of customers, and some of which may be subject to legal protection in relevant jurisdictions. Consequences for failing to adequately protect data may include punitive fines and may lead to Senetas having significant legal liability to customers.	**High**

Management & Board

Board of Directors

Figure 15: Board of Directors

Name	Role	Committees	Qualifications	Background	Joined
Francis Galbally	Chair	Audit, Risk, Remuneration and Nomination	LLB (Hons)	Law, corporate advisor, founder	Apr 2013
Andrew Wilson	CEO		BEcon, CA, ACIS	Accounting and banking	Aug 2012
Lachlan Given	NED	Audit and Risk	BBus	Banking	Mar 2013
Kenneth Gillespie	INED	Audit, Risk, Remuneration and Nomination	AC, DSC, CSM	Military	Apr 2013
Chris Fedde	NED	Audit, Risk, Remuneration and Nomination	-	Cybersecurity and Data protection	Nov 2025
Philip Schofield	NED	-	BEcon	Finance and banking	Dec 2017

Source: Company reports, Refinitiv

Further detail of the experience and qualifications, and other directorships of Senetas Corporation Ltd's board of directors is available at https://www.senetas.com/corporate/board-of-directors/

Executive Management

Figure 16: Executive Management

Name	Role
Andrew Wilson	Chief Executive Officer
L Barker	Chief Financial Officer
J Fay	Chief Technology Officer
J Weston	Chief Architect

Source: Company reports

Environmental, Social & Governance

Board structure

Senetas' Board comprises of six directors, with two independent non-executive director, two non-independent non-executive directors, and two executive directors (CEO and Chairman). SEN's board doesn't comply with ASX's Corporate Governance Principles Recommendations 2.4 and 2.5 of having an independent Chair and a board composed of a majority of independent directors. Having a majority of independent directors makes it harder for any individual(s) to have a material influence on the board's decisions and act in the best interests of all shareholders. The Company also doesn't comply with ASX's Recommendation 4.1 due to the Audit and Risk Committee not independent and being chaired by an independent director.

Gender diversity

Whilst Senetas has adopted a Diversity Policy, it has only established basic objectives for achieving gender diversity. There were no women on the Board during the 2025 financial year and the proportion of women in the senior executive team of Senetas as of 30 June 2026 was 17%.

Culture of acting lawfully, ethically and responsibly

Senetas complied with ASX's Corporate Governance Principles Recommendations 3.1 to 3.4 by having established a Code of Conduct that cover integrity, managing conflicts of interest, confidentiality, dealing fairly with stakeholders and protecting the use of its assets. The Company also has whistle-blower and anti-bribery and corruption policies.

Environmental considerations

The Company's products and services have little to no impact to the environment.

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