

18<sup>th</sup> March 2024

## OUR PICK – Strike Energy (STX.ASX)



**Current Share Price: \$0.26**

**Recommendation – Investor (long term) currently – *Neutral***

**Recommendation – Conservative trader (medium term) currently - *Neutral***

**Recommendation – Aggressive trader (medium term) currently - *Neutral***

**Recommendation – Very Aggressive trader – *Bullish***

*Trailing Stop Loss 20% = approx. \$0.21*

## Our GB8 mechanical system (is based on two-time frames and 8 indicators)



Our mechanical system created over the last 20 years has a 60 to 70% probability of success. Every day we try to see what is hot and what is not. We show you what and when to hold and when to fold your trades. It is based on using 2-time frames (charts). Provided a minimum 5 out of 8 indicators on each time frame shows a bull (buy), bear (sell) or Neutral (hold and wait) the signal to buy, sell or hold or wait is given respectively. The signal may be updated regularly based on the strategy of the trader and the investor. Furthermore, we look at the fundamental factors that affect the price of the stock. We focus on the FAIR VALUE determined by several models that reflect on future operational elements.

## Overview

Strike Energy Limited (Strike) is a proudly Western Australian Company building an integrated, low-carbon energy business, based on our access to **Perth Basin** gas and new energy resources.

We are an independent explorer and producer aspiring to be Australia's lowest cost onshore energy producer through the exploitation of our large and high-quality conventional gas resources in the Perth Basin, Western Australia. Our primary objective is to provide sustainable, low-cost, and reliable gas to the domestic market in order to support the Western Australian energy transition away from coal fired power and to enable the growth of the critical minerals industry.

### 4.1 Financial Position Analysis

AU\$80.72m

Assets

Liabilities

AU\$37.20m

#### Short Term

AU\$445.38m

Assets

Liabilities  
AU\$35.23m

#### Long Term

#### Footnotes

1 Data provided by Thomson Reuters.

2 Data provided by EDGAR Online.

3 Data derived from multiple sources or calculated by Yahoo Finance. Multiplying the current share price by outstanding shares.

4 Data provided by Morningstar, Inc.

5 'Shares outstanding' is taken from the most-recently filed quarterly or annual report, and 'market cap' is calculated using shares outstanding.

6 'EBITDA' is calculated by Capital IQ using methodology that may differ from that used by a company in its reporting.

#### Valuation measures

|                           |         |
|---------------------------|---------|
| Market cap (intra-day)    | 744.18M |
| Enterprise value          | 703.62M |
| Trailing P/E              | 520     |
| Forward P/E               | 36      |
| PEG ratio (5-yr expected) | N/A     |
| Price/sales (ttm)         | N/A     |
| Price/book (mrq)          | \$ 1.64 |
| Enterprise value/revenue  | - 401   |
| Enterprise value/EBITDA   | - 353   |

#### Profitability

|                        |         |
|------------------------|---------|
| Profit margin          | 24.49%  |
| Operating margin (ttm) | -34.52% |

#### Management effectis

|                        |        |
|------------------------|--------|
| Return on assets (ttm) | -2.00% |
| Return on equity (ttm) | 0.64%  |

#### Income statement

|                              |        |
|------------------------------|--------|
| Revenue (ttm)                | 8.12M  |
| Revenue per share (ttm)      | 0      |
| Quarterly revenue growth (yo | N/A    |
| Gross profit (ttm)           | N/A    |
| EBITDA                       | -7.21M |
| Net income avi to common (   | 1.99M  |
| Diluted EPS (ttm)            | 0      |
| Quarterly earnings growth (y | N/A    |

#### Balance sheet

|                            |        |
|----------------------------|--------|
| Total cash (mrq)           | 67.06M |
| Total cash per share (mrq) | 0.02   |
| Total debt (mrq)           | 26.5M  |
| Total debt/equity (mrq)    | 0.0584 |
| Current ratio (mrq)        | 2.17   |
| Book value per share (mrq) | 0.16   |

#### Cash flow statement

|                              |         |
|------------------------------|---------|
| Operating cash flow (ttm)    | -11.54M |
| Levered free cash flow (ttm) | -71.91M |

#### Abbreviations guide:

mrq = Most-recent quarter

ttm = Trailing twelve months

yoy = Year on year

lfy = Last fiscal year

fye = Fiscal year ending



Chart Daily and indicators

**Financials** as of 15 Mar 2024 (Fiscal Year End 30 Jun 2024)

| 2014   | 2015   | 2016   | 2017  | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | YTD    | Fiscal                    |
|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|--------|---------------------------|
| 4,268  | 2,696  | 1,492  | —     | —      | —      | —      | —      | —      | —      | 8,125  | Revenue (K)               |
| -27.25 | -22.09 | -5.07  | -5.38 | -3.51  | -3.47  | -99.50 | -15.17 | -15.68 | -21.34 | -2.15  | Operating Income (Mil)    |
| -638   | -819   | -339   | —     | —      | —      | —      | —      | —      | —      | -26.46 | Operating Margin (%)      |
| -26.18 | -9.73  | 4.33   | -4.32 | 2.16   | -2.67  | -97.41 | 6.78   | -15.73 | -18.36 | 10.96  | Net Income (Mil)          |
| -0.04  | -0.01  | 0.01   | 0.00  | 0.00   | 0.00   | -0.06  | 0.00   | -0.01  | -0.01  | 0.00   | Diluted Earnings/Share    |
| 0.07   | 12.81  | 4.96   | 1.15  | 2.35   | -1.93  | -2.94  | 2.98   | -9.19  | -12.17 | -3.59  | Operating Cash Flow (Mil) |
| -17.10 | -20.89 | -13.18 | -8.03 | -15.19 | -15.76 | -16.80 | -31.80 | -53.34 | -67.49 | -48.62 | Capital Spending (Mil)    |
| -17.03 | -8.08  | -8.22  | -6.88 | -12.85 | -17.69 | -19.74 | -28.82 | -62.53 | -79.66 | -52.20 | Free Cash Flow (Mil)      |
| 736    | 842    | 857    | 936   | 1,063  | 1,273  | 1,652  | 1,832  | 2,032  | 2,296  | 2,673  | Avg Shares Outstand(Mil)  |

**Valuation** as of 15 Mar 2024

| 2014     | 2015  | 2016  | 2017  | 2018  | 2019 | 2020  | 2021   | 2022 | 2023 | Current | Calendar                      |
|----------|-------|-------|-------|-------|------|-------|--------|------|------|---------|-------------------------------|
| 0.63     | 0.95  | 0.88  | 1.02  | 0.64  | 0.78 | 0.66  | 0.45   | 0.71 | 0.78 | 0.57    | Price/Fair Value <sup>Q</sup> |
| 19.61    | 38.64 | 45.93 | —     | —     | —    | —     | —      | —    | —    | 58.77   | Price/Sales                   |
| —        | —     | 15.85 | 12.98 | 39.50 | —    | —     | 55.41  | —    | —    | 520.00  | Price/Earnings                |
| 1,249.40 | 8.13  | 13.82 | 49.52 | 35.81 | —    | —     | 126.14 | —    | —    | 178.44  | Price/Cash Flow               |
| 2.13     | 3.44  | 1.85  | 1.29  | 1.70  | 3.50 | 13.26 | 3.01   | 5.99 | 4.79 | 1.64    | Price/Book                    |

**Operating Performance** as of — (Fiscal Year End 30 Jun 2024)

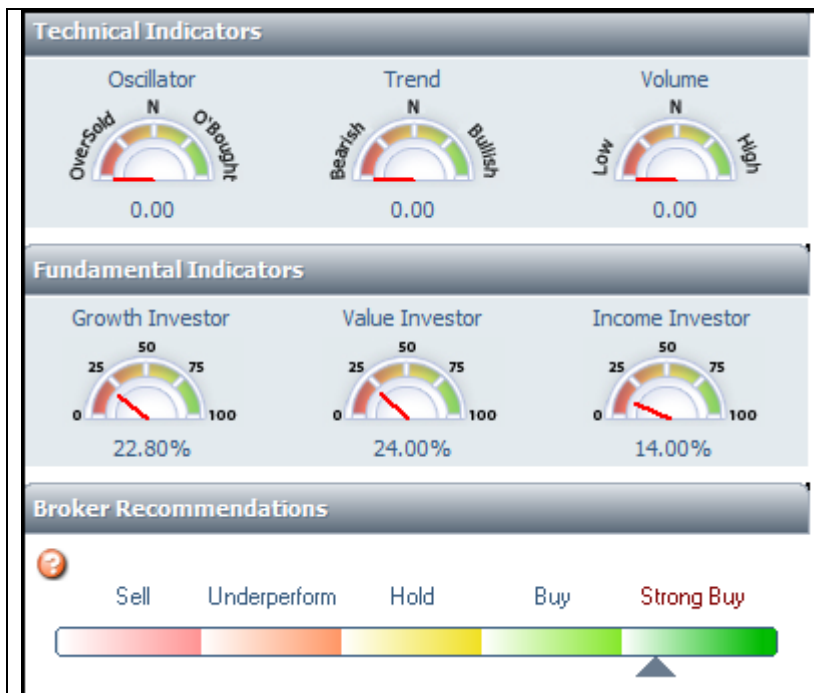
| 2014   | 2015   | 2016  | 2017  | 2018 | 2019  | 2020 | 2021 | 2022   | 2023  | Q3 | Fiscal (%)              |
|--------|--------|-------|-------|------|-------|------|------|--------|-------|----|-------------------------|
| -47.96 | -16.84 | 6.95  | -6.19 | 2.69 | -2.48 | -103 | 6.04 | -9.75  | -7.34 | —  | Return on Assets        |
| -56.89 | -25.86 | 12.03 | -9.27 | 3.76 | -3.28 | -142 | 7.74 | -12.34 | -9.1  | —  | Return on Equity        |
| -49.1  | -19.09 | 11.2  | -7.65 | 3.73 | -2.69 | -139 | 9.01 | -9.22  | -6.03 | —  | Rtn on Invested Capital |

**Key Figures**

| Key Figure             | Company    | Industry  | Unit  |
|------------------------|------------|-----------|-------|
| Cash Flow per Share    | 0.000      | -0.010    | \$    |
| Current Ratio          | 5.740      | 5.510     | times |
| Dividend Payout Ratio  | 0.000      | 0.000     | %     |
| Dividend Yield         | 0.000      | 0.000     | %     |
| Earnings per Share     | -0.010     | -0.010    | \$    |
| Market Cap             | 601.067 m. | 56.217 m. | \$    |
| PEG Ratio              | 16.510     | -0.050    | times |
| Price/Book Value Ratio | 1.850      | 1.760     | times |
| Price/Cash Flow Ratio  | 74.880     | 5.800     | times |
| Price/Earnings Ratio   | 64.340     | 7.090     | times |
| Price/Sales Ratio      | 70.120     | 380.130   | times |
| Return on Equity       | -6.400     | -25.630   | %     |

|  |         |
|--|---------|
| ❑ P/E RATIO  | FAIL    |
| ❑ REVENUE GROWTH IN RELATION TO EPS GROWTH           | NO INFO |
| ✅ SALES GROWTH RATE                                  | PASS    |
| ✅ CURRENT QUARTER EARNINGS                           | PASS    |
| ❑ QUARTERLY EARNINGS ONE YEAR AGO                    | FAIL    |
| ✅ POSITIVE EARNINGS GROWTH RATE FOR CURRENT QUARTER  | PASS    |
| ❑ EARNINGS GROWTH RATE FOR THE PAST SEVERAL QUARTERS | NO INFO |
| ✅ EPS GROWTH (CURRENT QUARTER > PRIOR 3 QUARTERS)    | PASS    |
| ❑ EPS GROWTH (CURRENT QUARTER > HISTORICAL GROWTH)   | NO INFO |
| ❑ EARNINGS PERSISTENCE                               | FAIL    |
| ❑ LONG-TERM EPS GROWTH                               | NO INFO |
| ❑ TOTAL DEBT/EQUITY RATIO                            | FAIL    |

Source: Integrated Investor platform



#### Growth Investor

- Predictive Play
- Prosperity
- Smart Growth
- VG Growth Model (value Gain)
- Wall Street Winner

#### Value Investor

- Contrarian
- Intelligent Investor
- Value Hunter

#### Income Investor

- VG Income Model

**George Beyrouthi** is an authorised consultant of FS Securities (QLD) Pty Ltd (ACN 148 991 968) . He has been authorised to provide General Advice and Dealing services in the following classes of financial products –Securities, Derivatives and Futures products, FOREX products to Retail and Wholesale clients.

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