SPC Global: orphaned, misunderstood equity at 2x free cash flow 18 months out

The market took a one-year cash timing difference for a change in earnings power. Guidance is unchanged, the cost-outs annualise in FY28, and as a c. 18% holder we intend to be an active owner working with the board to close the gap.

5.8c

Share price · $69m market cap

3.1x

EV/EBITDA on $50m FY27 EBITDA (peers 8.5x)

2.2x

P/FCF on FY28E; a 46% free cash flow yield

12–33c

Value at 6x FCF up to peer multiples on FY28E

All figures A$. Price 5.8c; 1,193m shares; net debt A$85.8m at 30 Jun 2026; EV A$155m ex A$160m leases. FY27E EBITDA A$50m (top of guidance, reconfirmed 24 Nov 2026); FY28E A$58.5m. Peer multiples at 2 Oct 2026. Analysis, not advice.

Five things broke at once, and most of them are now behind it

A broken raise

$100m at 10c in May 2026, a 71% discount to the last price, after a trading halt and nine days in suspension while terms were negotiated. Holders took up only 20%; sub-underwriters were left with c. 640m shares, 54% of the company.

Investor fatigue

FY25 restated (loss up $21.8m). Going-concern uncertainty in the February 2026 half-year. FY26 revenue 21% below the internal budget. Negative free cash flow every year since FY21. A board that turned over, and now a name change.

Credibility

The company is suing its former chairman and a former director. Normalised EBITDA carried $16.7m of add-backs in FY26. The market stopped believing the numbers before it stopped believing the business.

Regal contagion

Regal, the largest sub-underwriter at 13.3%, was selling at 8.0–8.5c within three months of the raise. With the biggest holder a seller, nobody else needed to be a buyer, and the price went looking for the next bid.

No natural owner

A $69m market cap with no dividend, no broker coverage of note and c. $200k of daily turnover. Too small for the funds that underwrote it to hold, too messy for the retail base that used to own it.

The overhang is mostly gone

About 800m shares have traded through the market since the raise, close to 80% of the c. 1,000m shares issued in it. Whoever wanted out has largely had the chance. We have been the buyer on the other side of much of it.

−42%

Share price against the 10c raise price

54%

Of the register left with sub-underwriters in June

c. 800m

Shares traded since the raise, c. 80% of the new stock

18%

Now held by Raper / Rangeley

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Balance sheet fixed, growth already here, story about to be told better

FY26 by segment ($m)	Revenue	Growth	EBITDA	FY25 EBITDA
SPC (legacy grocery)	227.3	−9%	2.9	(26.2)
Original Beverage Co (juice)	58.6	+64%	3.5	(3.4)
Nature One Dairy (formula, export)	**45.9**	**+37%**	**15.4**	**5.3**
Corporate	–		(1.4)	(1.2)
Group (statutory)	**331.8**	**−12%**	**20.3**	**(25.5)**

Statutory segment EBITDA from the FY26 annual report (note 4); normalised group EBITDA was $38.5m. International and beverages grew 37–64% while legacy grocery shrank; both international lines are guided to more than 20% growth in FY27.

The decline is in the part that matters least

Legacy canned fruit and tomatoes fell 9% and lost money; the $16m of cost-out is aimed squarely at it. Everything built since the merger grew by a third or more and now makes most of the profit.

Guidance reconfirmed at the AGM on 24 November

Revenue growth of 10% or more and EBITDA growth of 20–30% ($46–50m) restated; international to reach half of group EBITDA. The leverage target moved to 1.7–1.9x because of restructuring cash, FY26 provisions being paid and faster supplier payment: timing, not earnings.

1.7–1.9x

Guided net debt to EBITDA at June 2027; under 1x by June 2028

$16m

Synergies in the FY27 run-rate, Mill Park alone $8m rising to $11m

>20%

Guided revenue growth in Nature One and OJC for FY27

Communication will improve, and we will help

A new chair (July) and new independent director (August), and a board that has just asked shareholders to approve EPS-linked pay. We will work with the board on transparency: a cash flow bridge from EBITDA and earnings every half, segment profitability, and the value drivers at Nature One and Original Juice Co.

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Cheap on last year's numbers, absurd on this year's guidance

What broke the stock

$100m raise at 10c in May 2026 (71% discount) after a restated FY25, a going-concern note and nine days in suspension. Holders took up 20%; sub-underwriters ended with c. 54% of the register. Stock now 42% below the raise price.

What did not break

Net debt $85.8m = 1.7x FY27E EBITDA and guided at 1.7–1.8x at June 2027 after c. $17m of one-off cash items. Interest falling from c. $15m to $5–6m. No maturities before FY29. The Shepparton leaseback is the only large fixed claim and sits below EBITDA.

Guidance for FY27

Revenue +10% or more, normalised EBITDA +20–30% ($46–50m), reconfirmed at the AGM. Mill Park contributes $6m in FY27 and $12m at run-rate, so the floor assumes nothing from growth. We use $50m.

EV ex leases · FY27E	EV/EBITDA headline	EV/EBITDA after rent	P/E	P/FCF
SPG at 5.8c, $50m EBITDA	**3.1x**	**3.9x**	**12.2x**	**3.1x***
SPG on FY26 actuals ($38.5m)	4.0x	5.8x	loss	–
Bega Cheese	8.5x	9.8x	24.4x	n/m
SunRice	8.4x	9.0x	16.5x	n/m
Peer average	8.5x	9.4x	20.5x	
SPG discount on $50m	**64%**	**59%**	**40%**	

12.4c

At peer multiple on FY26 actuals, no guidance needed

16–26c

At 6–10x FY28E FCF of $31.5m (2.6c a share)

21–33c

At peer P/E, EV/EBITDA and EV/EBIT on FY28E

"After rent" deducts guided FY27 cash lease costs of $10m ($13m actual in FY26). SPG P/E taxed at 30% on $9m cash interest (untaxed 8.5x). *FY27 P/FCF before exceptionals ($22m); reported FY27 FCF is $0–5m after one-offs, see next slide. FY28E P/FCF 2.2x. Bega FY27 = guidance midpoint; SunRice forward = third-party estimates. Peer P/FCF not shown: Bega is in a $110m capex year.

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What the market is missing on FCF and leverage

FY27E, A$m	Amount	What it is
Normalised EBITDA	50.0	Top of the +20–27% range reconfirmed at the AGM
Cash lease costs	(10.0)	Shepparton and other leasebacks
Cash interest	(9.0)	Full-year cost of the post-raise facilities
Capex	(9.0)	Maintenance plus growth
Free cash flow before exceptionals	**22.0**	**c. $20m per management; 1.8c a share; 3.1x at 5.8c**
Restructuring costs (P&L and cash in FY27)	(5–7)	Mill Park closure and related; one-off
Items provisioned in FY26, paid in FY27	(5–6)	Already expensed; cash catches up this year
Working capital: shortening supplier terms	(5–6)	Rebuilding payables after the recapitalisation; one-off
Reported free cash flow	**0–5**	**Hence the 1.7–1.8x leverage guide: c. $50m EBITDA on $83–90m net debt**

Bridge per management discussion of 25 Nov 2026 and the 24 Nov FY27 outlook. "Free cash flow before exceptionals" is EBITDA less cash leases, cash interest and capex; no cash tax until FY29. Net debt range is management's.

What the market heard

Leverage target moved from 1.0–1.2x to 1.7–1.9x four months after the raise, with "positive FCF" now meaning roughly zero. The stock traded as if the business had missed.

What was actually said

Earnings guidance unchanged. The underlying cash engine is c. $20m this year. $16–19m of the gap is three one-off items: restructuring, FY26 provisions being paid, and paying suppliers faster. None of them recur in FY28.

Why that matters

Strip the one-offs and the business is already on 3x free cash flow. The market has capitalised a timing difference as if it were a permanent change in earnings power.

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FY28: cost outs annualize, no one-offs, and its ~2x FCF

A$m	FY27E	FY28E	Assumption
Revenue	365	383	+10% guided in FY27; 5% organic in FY28, the minimum management talks to
Gross profit (31% margin)	113	119	Gross margin held flat at c. 31%
Operating costs before D&A	(63)	(60)	+5% cost inflation ($3m), less $6m Mill Park annualisation ($12m p.a. run-rate vs $6m in FY27)
Normalised EBITDA	**50.0**	**58.5**	**+17%; margin 13.7% to 15.3%**
Cash lease costs	(10.0)	(10.0)	Flat
Cash interest	(9.0)	(8.0)	Normalised; modest saving on lower average debt
Capex	(9.0)	(9.0)	Flat
One-offs and working capital	(16–19)	–	FY27 items do not recur; no further working-capital build
Free cash flow to equity	**0–5**	**31.5**	**2.6c a share; 46% of today's $69m market cap**
Net debt at June	83–90	55	From the mid-point of the FY27 range; leverage 0.94x

c. $60m

FY28E EBITDA with $6m of discrete Mill Park benefit

$30m+

FY28E free cash flow; P/FCF 2.2x at 5.8c

<1.0x

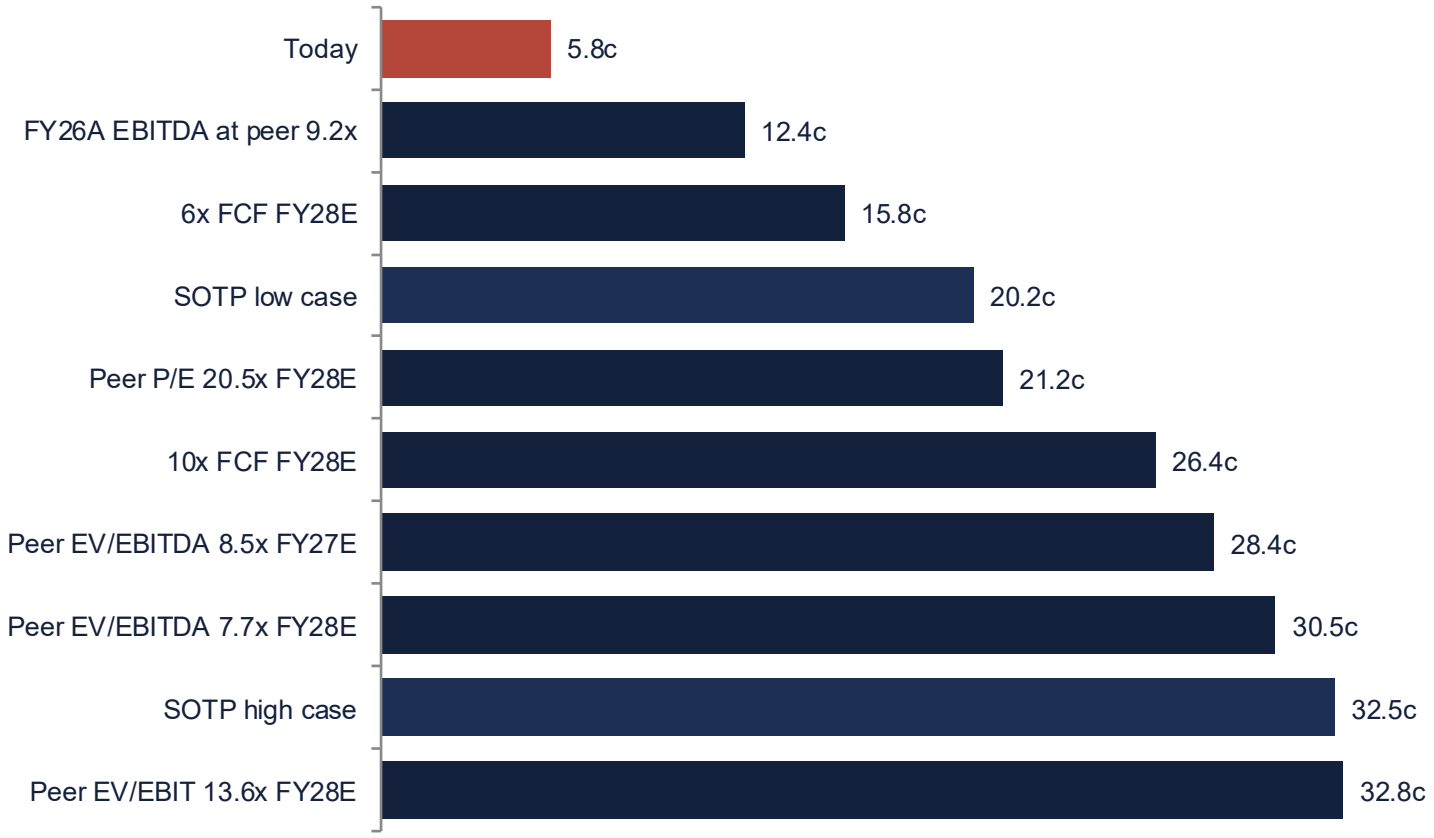
Net debt to EBITDA at June 2028

46%

FCF yield on today's equity value

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Every peer comp lands between 2x and 6x today's price



Trailing

FY26 actual EBITDA at the Bega/SunRice multiple gives 12.4c with no guidance believed: a double from here.

FY28 cash

At 6x FY28 free cash flow (a 17% yield) the stock is 16c; at 10x it is 26c. That needs 5% organic growth, the executed cost-out and no working-capital build.

FY28 at peer multiples

On $58.5m EBITDA and $86.5m June 2027 net debt, peer P/E, EV/EBITDA and EV/EBIT give 21–33c, four to six times today. The sum of the parts (20–33c) brackets the same range.

Peer multiples are the Bega/SunRice averages at 2 Oct 2026: 9.2x FY26 EBITDA after rent, 7.7x headline FY28E EBITDA, 13.6x EV/EBIT after rent, 20.5x P/E. FY28E cases use $58.5m EBITDA, FY28 FCF of $31.5m, EBIT after rent of $35.1m, taxed EPS of 1.03c and June 2027 net debt of $86.5m; the FY27E case uses $50m and June 2026 net debt. SOTP as on the final slide. All before any dilution from the AGM option grants (c. 2.6%).
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Analysis, not advice.

The new option grants only pay out if earnings more than double

AGM 24 Nov 2026 · nil-price options	FY27	FY28	FY29
EPS for 50% vesting (cents)	0.89	1.68	2.26
EPS for 100% vesting (cents)	1.18	2.24	3.01
Implied NPAT at 100% ($m)	14	27	36
Implied EBITDA at 100% ($m)	53	64	72
Implied FCF at 100% ($m)	25	37	45
P/FCF at 5.8c	2.8x	1.9x	1.5x
Share price at 12–15x EPS	**14–18c**	**27–34c**	**36–45c**

Tranches weighted 30/30/40 to FY27–FY29, straight-line between hurdles, forfeited below threshold. Grant value c. $1.9m (160% of fixed pay for the MD) but worth $7–8m at FY28 full vesting.

Hurdles from the Notice of Meeting (23 Oct 2026), Annexure B. NPAT to EBITDA bridge: D&A $24.5m, lease interest $7.3m, bank interest $5.5m falling to $3.5m, other $1m, no Australian tax. FCF = EBITDA − cash rent − bank interest − capex ($9–10m). Share prices at 12–15x untaxed EPS, before any net cash build.

Why it matters

Boards set 100% at the internal plan. The FY27 threshold ($49m) is already above public guidance ($46m); the plan runs to c. $64m in FY28 and $72m in FY29.

Cash runs ahead of EPS

No cash tax (c. $69m of unrecognised losses) and cash rent below the P&L lease charge: FCF per share is 1.3–1.8x the EPS hurdle. Cumulative FCF across the three years at threshold (c. $88m) repays all net debt.

What it tells us

EPS defined on a statutory, tax-effected basis; no reset if missed. The hurdles reveal the internal budget, and align management with every shareholder on delivering it.

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Nature One alone covers today's enterprise value

Sum of the parts (FY27E)	EBITDA	Multiple	Low	High	Logical buyers
Nature One Dairy	**15.4**	**10–15x**	**154**	**231**	**a2 Milk (c. 18x, net cash), Bubs, Bellamy's owner, Chinese dairy groups**
SPC grocery + Original Beverage Co	34.6	5–7x	173	242	Simplot, Kraft Heinz, Bega; Asahi, Suntory, CCEP for juice; PEP, Adamantem, Quadrant
Enterprise value			327	473	
Less net debt (June 2026)			(86)	(86)	$83–90m at June 2027 per management; c. $55m by June 2028
Equity value			**241**	**387**	
Per share			**20c**	**33c**	**Against 5.8c**

Asset backing, 30 June 2026	$m	Per share	vs 5.8c
Book equity (net assets)	157.2	13.2c	0.44x
Less goodwill	(83.0)		
Equity ex goodwill (brands and IP at cost)	**74.3**	**6.2c**	**0.93x**
Inventory + receivables − payables	98.6	8.3c	0.70x
Accumulated tax losses	76.5	6.4c	untaxed

Under half of book

The equity trades at 0.44x book, and below book even with all the goodwill written off. The market cap is covered by net working capital alone, before any value for brands, plants or the tax losses.

An active owner

Raper/Rangeley c. 18%. We intend to be an active owner and to work with the board to maximise value for all shareholders: clear cash flow bridging from EBITDA and earnings, segment profitability, and the value drivers at Nature One and Original Juice Co.

Nature One EBITDA is FY26 statutory from the segment note (revenue $45.9m, 34% margin), held flat; the rest of the group is the $50m base case less Nature One. Today's EV of $155m is 10.1x Nature One alone. Asset backing from the FY26 balance sheet and note 9b. Buyer list is our assessment of strategic logic, not an indication of any approach.

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