

# ASX hopeful Citadel worth up to \$129m, Evans says

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Education and technology solutions company Citadel Group should trade at 15.1 times to 17.9 times forecast profit, according to sponsor broker Evans & Partners.

Evans & Partners' analysts started marketing Citadel's planned initial public offering this week and valued the company at \$109 million to \$129 million, or up to 17.9 times profit.

The valuation also implied 7.9 times to 9.8 times forecast 2014-15 earnings before interest, tax, depreciation and amortisation, on an enterprise value to EBITDA basis.

In a detailed pre-marketing research report titled *Pathway Academy to Tech Solutions*, Evans & Partners told clients that Citadel had two new campuses to open in February and long-standing relationships with government and corporate clients.

It said Citadel was well placed to win work related to upcoming health public private partnerships, after designing and installing communications systems at the new Royal Adelaide Hospital.

Citadel has two distinct parts: education and technology. Its education arm is a nationally accredited training provider, with courses delivered in face-to-face sessions and online.

Evans & Partners forecast Citadel to have \$5.6 million EBITDA in 2014, increasing to \$10.8 million in 2015. The broker expects net profit to increase from \$3.7 million to \$7.2 million in the same period.

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