

INVESTOR PRESENTATION

MSL Solutions 1H FY22 Results

February 2022

MSL SOLUTIONS LTD
(ASX: MSL)



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MSL Solutions overview



Leading digital guest engagement technology providing new revenue streams for venues and value for customers



Strong fundamentals support MSL's international expansion strategy in US and Europe



Headquartered in Brisbane, MSL has 141 employees across UK, Denmark and Australia

Servicing 8,000+ venues: iconic (stadiums, arenas, convention centres) and local (pubs and clubs)



Portfolio of digital assets including 37,000+ POS terminals in 28 countries and with 100+ integrations



Subscription Golf revenue: GolfBox, 11m GolfLink rounds and 100k downloads of the new Golf Australia app



Overview of MSL key operating segments

	POS	GOLF	DIGITAL
Product/ service	Providing fully integrated POS systems	Golf Membership and Golf Management Software	Mobile applications that are in the hands of the consumer: whether we build, partner or facilitate
Customer type	<ul style="list-style-type: none"> • Iconic – Stadiums, Arenas, Convention Centres, Enterprise Deals (MSL Direct) • OrderMate – Restaurants, Fine Dining and takeaway • Local – Pubs, Clubs, Fuel Stations (Via Reseller Networks) 	<ul style="list-style-type: none"> • Golf Australia • Global Golf Federations • Individual Golf Clubs 	<p>Consumers throughout Australia and around the world, using apps including:</p> <ul style="list-style-type: none"> • MSL Golf Apps • MSL OrderAway • HH • Doshii
Key metrics	<ul style="list-style-type: none"> • 37,000+ POS devices deployed across 8000+ venues • \$7bn+ in annual transaction value 	<ul style="list-style-type: none"> • 950 customer organisations globally (federations and clubs) • 250,000 growth in Australian golfers in FY21 • 11.3 m rounds of golf through Golf Link in FY21 	<p>Using MSL's digital solutions:</p> <ul style="list-style-type: none"> • 37% increase in basket size compared to traditional POS • 81,000 unique orders in H1FY22 • 91 adopted locations up to H1FY22 • Digital revenue \$0.6m for H1FY22
Revenue model	Sales and recurring revenue model	Subscription / fee per use basis Sales and recurring revenue model	A fee per action basis with trailing commissions (percentage of transactional value)

Financials

H1FY22 Highlights

\$16.9m
Revenue
45% up on PCP

\$2.2m
EBITDA*
3 times PCP

12.9%
EBITDA margin
Up 6.7% on PCP

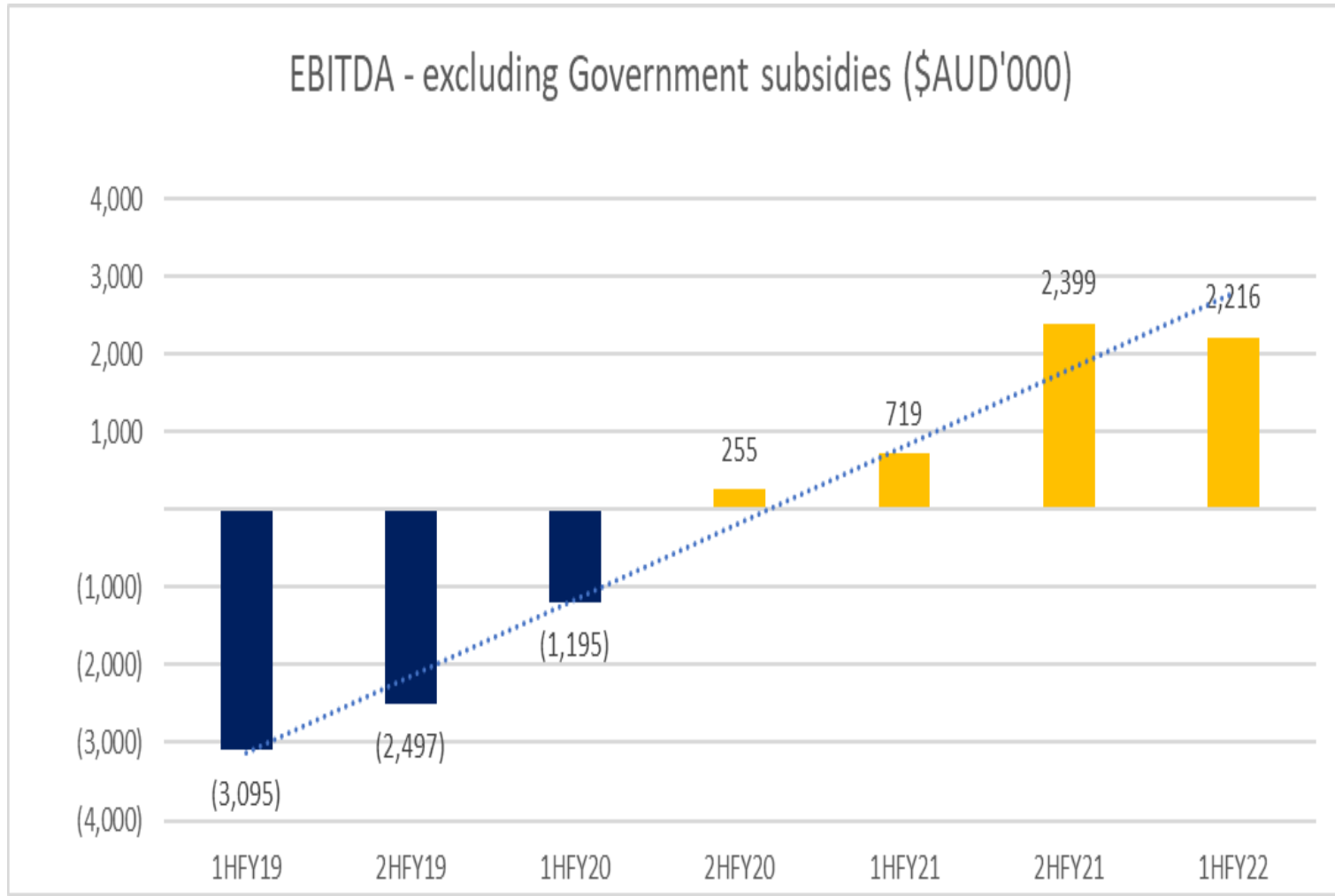
+29%
Organic Revenue
Growth

+96%
Organic increase
in New Sales on
PCP

\$7.8m
Cash Balance
44% up on PCP

EBITDA* (excludes government subsidies)

Focus on Cash and Sustainable EBITDA



- EBITDA* 3 times the corresponding period
- UK, Denmark and Australia all positively contribute to EBITDA
- Current Management entered business 1H FY20 with a focus on cash, EBITDA and then growth
- Government support has been replaced by new sales which leads to further increases in recurring

*excl government subsidies

1H FY22 Financials (P&L) - Organic and Acquisition Growth

	Actual 1H FY22 (incl Ordermate) A\$'000	Actual 1H FY22 (excl Ordermate) A\$'000	Actual 1H FY21 A\$'000	Variance pcp (incl Ordermate)		Variance pcp (Organic)	
				A\$'000	%	A\$'000	%
Recurring Revenue	9,366	8,706	8,441	925	11.0%	265	3.1%
Sales Revenue	7,543	6,345	3,237	4,306	133.0%	3,108	96.0%
Revenue	16,909	15,051	11,678	5,231	44.8%	3,373	28.9%
Other income	3	3	14	(11)	(78.6%)	(11)	(78.6%)
Cost of sales	(4,840)	(4,533)	(2,838)	(2,002)	70.5%	(1,695)	59.7%
Gross margin	12,072	10,521	8,854	3,218	36.3%	1,667	18.8%
Operating expenses	(9,890)	(8,867)	(8,135)	(1,755)	21.6%	(732)	9.0%
EBITDA before Govt Subsidies	2,182	1,654	719	1,463	203.5%	935	130.0%
EBITDA margin %	12.9%	11.0%	6.2%	6.7%		4.8%	
COVID-19 related Government subsidies	34	-	964	(930)	(96.5%)	(964)	(100.0%)
EBITDA	2,216	1,654	1,683	533	31.7%	(29)	(1.7%)
EBITDA margin %	13.1%	13.1%	14.4%	(1.3%)		(1.3%)	

Actual growth incl 3 month of OrderMate;

- 45% revenue growth
- 3 times EBITDA growth (excl. Govt subs)

Organic growth (which excl OrderMate);

- 29% revenue growth
- 96% growth new sales
- 9% increase in like for like costs
- 130% EBITDA growth

Segment view (P&L)

Six months ended 31 December 2021	APAC	UK	Denmark	Total
	A\$'000	A\$'000	A\$'000	A\$'000
Revenue from external customers	10,396	4,671	1,842	16,909
Other revenue	3	-	-	3
EBITDA before corporate overheads	3,513	580	740	4,833
Corporate overheads				(2,651)
EBITDA before government stimulus				2,182
Government Subsidies				34
EBITDA				2,216

Six months ended 31 December 2020	APAC	UK	Denmark	Total
	A\$'000	A\$'000	A\$'000	A\$'000
Revenue from external customers	7,019	2,833	1,826	11,678
Other revenue	14	-	-	14
EBITDA before corporate overheads	2,359	226	907	3,492
Corporate overheads				(2,773)
EBITDA before government stimulus				719
Government Subsidies				964
EBITDA				1,683

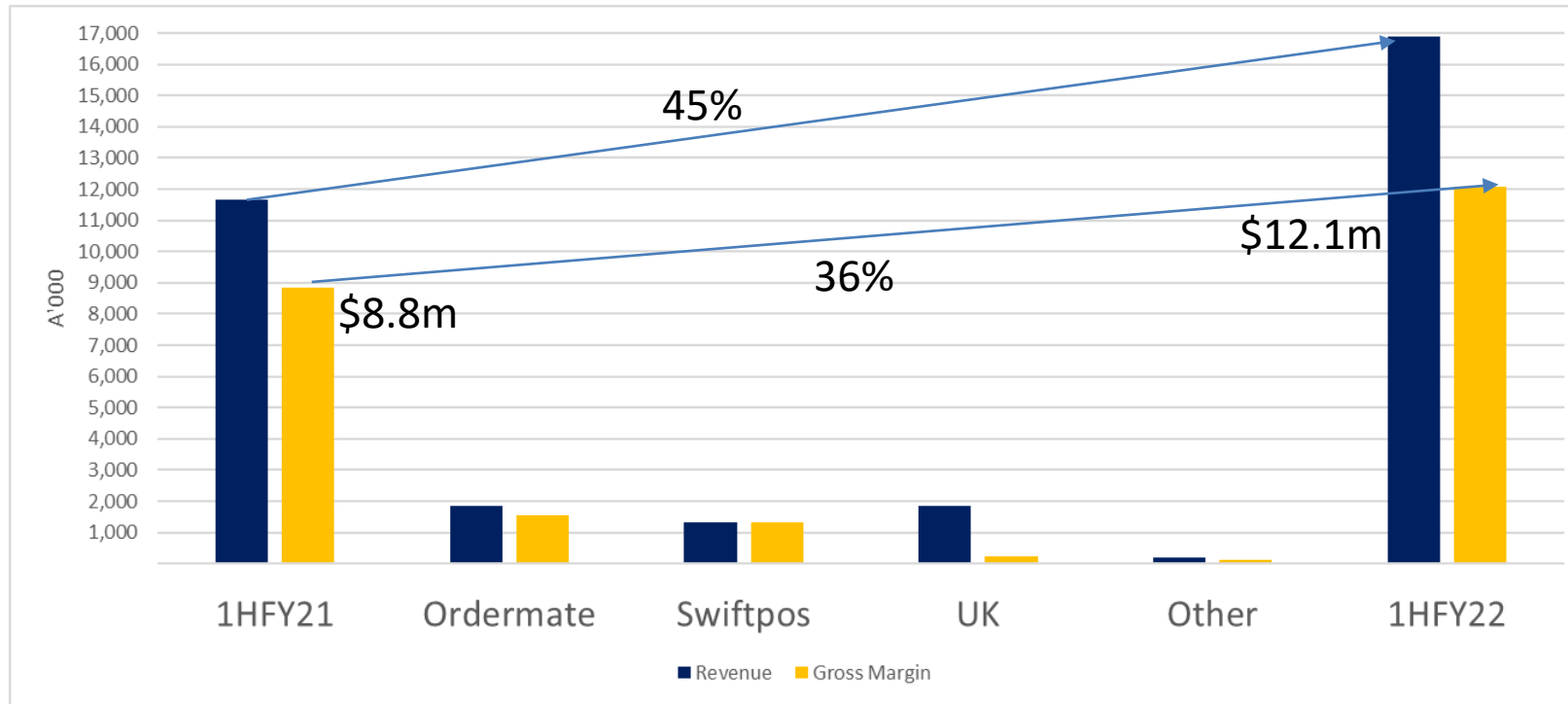
- Corporate overheads steady in like for like
- UK and Australia have rebounded well with revenue and EBITDA increasing
- Golfbox (Denmark) has continued to be a steady performer with opportunity to grow as Europe emerges from Covid
- Government support has been replaced by new sales

Cash flow

	Dec-21	Dec-20
	A\$'000	A\$'000
Cash flows from operating activities		
Receipts from customers	18,605	12,687
Payments to suppliers, employees and others	(16,948)	(11,099)
Restructure Costs	-	(235)
Finance costs	(47)	(142)
Interest received	13	18
Income tax paid	(97)	(22)
Government grants and tax incentives	34	1,197
Net cash flows used in operating activities	1,560	2,404
Cash flows from investing activities		
Capital expenditure	(79)	(19)
Acquisition of subsidiaries, net of cash & cash equivalents	(4,883)	(4,250)
Deferred consideration payment	(330)	-
Proceeds for disposal of assets	100	100
Payment for research and development activities	(441)	(540)
Loans to other entities	213	212
Net cash flows used in investing activities	(5,420)	(4,497)
Cash flows from financing activities		
Proceeds from borrowings, net of transaction costs	4,232	2,561
Repayment of borrowings	(2,250)	(1,198)
Principal element of lease payments	(225)	(250)
Proceeds from issue of share capital	4,500	-
Net cash flows provided by financing activities	6,257	1,113
Net cash inflow / (outflow) for the half-year	2,397	(980)
Cash at beginning of the year	5,427	3,806
Effect of foreign exchange	(22)	(12)
Cash at end of the year	7,802	2,814

- Strong increase in cash levels has increased confidence in the customer base to build, develop and maintain long term solutions and contracts
- Interest bearing debt retired in H1FY22
- Cash balance plus access to capital and debt, positions MSL for acquisitions in line with strategy

Strategy to own IP increases Gross margin by 36%



- 1H FY22 Revenue growth of 45% to \$16.9m
- Gross margin growth of 36% to \$12.1m through SwiftPOS and Ordermate
- Post COVID organic growth in UK through large enterprise deals through Kappture reseller channel has transitioned 45 new sites
- 50 new additional sites in the 3 months since OrderMate acquisition

Sales



1H FY22 strong sales

Geographically diverse organic and acquisition growth across multiple segments

- POS - Growth in APAC enterprise and stadium deals (SwiftPOS) and contribution of OrderMate
- Golf – MSL has new product launch of Golf Management and Golf Scoring App and record growth in Golf membership in Australia continues to grow GolfLink revenue
- Digital revenue in data, payments and integrations, new deals have been struck with Tyro, Doshii, Deliverect, HungryHungry and Me&U
- UK – Strong enterprise deals with SwiftPOS and stadium deals with Kappture continue to be a positive revenue driver for the UK business rebound to above pre-Covid levels



doshii



Parliament
of Western Australia



22 Sites in the UK



NSW National Parks
and Wildlife Service



BACKLOG AT ABOVE PRE-COVID LEVELS TO BE RECOGNISED IN 2HFY22

UK - £ 185k SwiftPOS specific deals won to be booked in 2HFY22



APAC - \$1.327m MSL Backlog of contracts won but not booked in 1HFY22. Backlog is higher than pre-Covid levels



Strategy - POS, Golf, Digital



MSL's growth in the venue point-of-sale (POS) market



MSL's latest acquisition brings more than 2,400 hospitality venue across:

1,750+ Restaurants

350+ Cafes

150+ QSR / Multisite

95+ Hotels / Bars

SwiftPOS

- 12-month anniversary of November 2021 acquisition of SwiftPOS added \$3.2M in gross margin, increased venues by 1000+, UK expansion for SwiftPOS has been very strong
- Momentum strengthened in 1H FY22 driven by APAC enterprise sales deals, including new wins at AAMI Park, Eden Park, Aberdeen Steak House chain (UK), NSW National Parks and Wildlife Service and WA Parliament House



Kappture

- MSL-Verteda (UK subsidiary) has seen a 352% increase in UK sales, and the positive contribution of Kappture technology has converted more than 45 stadiums, racecourses and arenas already transitioning to the new Kappture technology
- Uptake has surpassed all expectations, with the 18-month anniversary of the Kappture agreement seeing revenue achieve levels above pre-COVID levels



OrderMate

- POS services to Australian food and beverage venues, enabling efficient ordering, transactions and payments to over 2,400 venues, focusing on restaurant, cafe and fine-dining venues
- Strong digital revenues from payment providers, third party apps with new deals signed with Deliverect (Uber Eats, Deliveroo and Doordash), Doshii, HungryHungry and Tyro
- Positive business momentum has surpassed management expectations even allowing for Covid effected regions in NSW. New reseller agreements have been agreed which increase new sales penetration outside traditional Victorian sales



Key venues – POS

More than 8,000 sport, leisure and hospitality venues across 45 countries run their operations with MSL technology:

5,160 SwiftPOS Venues

2,400 OrderMate Venues

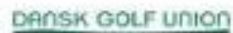
950+ Golf Clubs and Federations

45 Kappture Venues

STADIA AND ARENAS	MEMBER BASED ORGANISATIONS (MBOS)
<div>     </div> <div>     </div>	<div>    </div> <div>      </div>
RESELLER CHANNELS	OTHER HOSPITALITY & LEISURE
<div>    </div> <div>     </div>	<div>     </div> <div>     </div>

Solid progress in golf: annuity-style business

Golf Clubs & Associations



MSL Golf provides technology platforms covering the golf value chain across National Federations, Golf Clubs and Golf Professionals.

- Long-term contracts with national federations provide strong retention and low customer churn
- Golf brands continue to maintain market dominance in key areas, including GolfLink handicapping in Australia (Golf Australia contract), while GolfBox has continued to improve its profitability despite the disruptions in Europe, through ongoing contracts with long-term partner federations, with Denmark a particularly strong performer
- New product development: Golf Kiosk, MSL Scoring App

Growth in new digital products: 3RD- party revenue streams

The SwiftPOS and OrderMate platforms complement MSL's digital product suite

- \$0.6m in Digital revenue for 1HFY22 which is expected to be exceeded in 2HFY22
- Through the Digital arm of our business, we put mobile applications in the hands of the consumer: whether we build, partner or facilitate, all connected with our core Golf or POS Products
- We continue to expand our digital capabilities, with our digital guest engagement technology providing new revenue streams for venues and value for customers
- Continuously release of updates and upgrades positions MSL as a leader in facilitating new consumer habits post COVID, ensuring adaptability for preferences such as in-seat, pre-ordering and tailored offers
- Recently launched MSL's own self-service ordering solution, OrderAway, developed in-house and designed for both in-venue and outside venue guest ordering.
- OrderAway has grown to deliver more than \$3m in transactional value in 1HFY22
- MSL has a positive outlook for Digital revenue growth with the integration of Doshii to SwiftPOS and OrderMate, Hungry Hungry to OrderMate and further integrations and revenue share from other 3rd party applications.
- MSL continues to be open to integrations and allow third party providers to connect and utilize the core POS which provides revenue streams to MSL

MSL IP – OrderAway and Scoring



3rd Party Revenue Streams

doshii

Hungry
Hungry



tyro

zapaygo

OUTLOOK



Positive outlook for growth

Established business and Australian market leader in POS and Golf, with end-to-end solutions that are mission critical for sales and operations



GLOBAL ADDRESSABLE POS MARKET

expected to be \$21 billion, with MSL leveraging both direct and reseller sales channels



GLOBAL SMART STADIUM MARKET

expected to grow at a 20.9% CAGR to 2025¹ with MSL uniquely positioned to support Brisbane Olympic operations



LONG TERM CONTRACTS

with national golf federations and global leader in golf world handicapping software



PARTNERSHIPS AND COLLABORATION

key to enabling greater software benefits for clients



IMPROVING PROFITABILITY

underpinned by strong recurring revenues

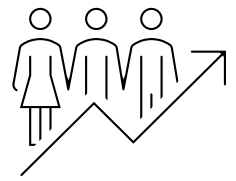


INCREASING GROWTH

underpinned by increasing penetration, increasing market share and continuous product development

1. Grand View Research, 2019

Focus FY22 & Beyond



- Increase large venue pipeline in core locations
- Entrench POS in overseas location through partnerships
- Leverage payment, supplier and data relationship to maximise further revenue
- POS software to be device agnostic, mobile to terminal
- Relaunch Golf products and Golf business as Covid opens up travel

In FY22

8,000 Venues focused on POS,
Golf and Digital
Direct + reseller sales strategy
Global addressable market
organic and inorganic
revenue growth

& Beyond

Maximise Payment
pathway with and
through POS

Increase Venues

Extend Long Term Golf
Contracts

Corporate snapshot

ASX Stock Code	MSL
Listing Date	3-May-2017
HY22 revenue (6 months)	\$16.9m
Cash balance as at 31 Dec 2021	\$7.8m
Share price as at 11 Feb 2022	\$0.23
Shares on issue	364.27m
Options (35c, 15 May 2022)	0.30m
Options (11.25c, 14 Jan 2023)	1.32m
Performance rights	11.85m
Convertible Note (20.78c, 30 Sep 2024)	21.66m
Fully diluted shares	399.39m
Fully diluted market cap	\$91.86m

12-MONTH SHARE PRICE AND VOLUME

Annual share price growth: ↑ 77%



TOP SHAREHOLDERS

Rank	Name	Units	%
1	Microequities Asset Mgmt P/L	40.67m	11.2%
2	Forager Funds Management P/L	24.73m	5.7%
3	Portfolio Services P/L (Ariadne)	18.95m	5.2%
	Other Top 20	118.56m	32.5%
	Total Top 20	198.91m	54.6%



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