

## ASX Announcement

Symbio Holdings Limited (ASX: SYM)

23 February 2022

# Symbio Reports 1H22 Results

***Phone number growth of 26%, Recurring revenue up 13%  
Reiterate FY22 EBITDA guidance of \$35 million - \$38 million***

Symbio Holdings Limited (ASX: SYM or “the Company”), a leading voice communications software provider, today announced its financial results for the half year ended 31 December 2021 (“1H22”). The business achieved an overall NPAT of \$11.1 million for the half, including continuing & discontinued operations and gains on disposals.

The business is achieving strong growth across key metrics for the continuing business.

### Financial highlights (continuing business)<sup>1</sup>:

- EBITDA<sup>2</sup> up 7% to \$17.3 million (1H21: \$16.1 million)
- NPAT-A up 6% to \$6.7 million (1H21: \$6.3 million)
- Recurring Revenue up 13% to \$54.4 million
- Recurring Gross Profit up 9% to \$30.6 million, now contributing 66% of total Gross Profit of \$46.6 million
- Earnings per share of 5.28 cents per share
- Interim dividend of 3.3 cents per share (1H21: 3.3 cents per share)
- Strong balance sheet of \$51.6m in cash and no debt as at 31 December 2021

The company reiterated FY22 EBITDA guidance of \$35 million - \$38 million for the continuing business.

### Commenting on the results, Symbio Co-founder and CEO, Mr Rene Sugo said:

“Guided by a new strategy, realigned business and clear goals, we made significant progress during the first half of the 2022 financial year, recording strong growth across key metrics for the continuing business.

“Following the sale of part of our ‘Direct’ business in August 2021, we further simplified our operations to focus on wholesale revenue and the multi-billion-dollar opportunity in cloud communications by divesting Express Virtual Meetings. Our change of name to Symbio and reclassification into the Software & Services GICS, reflects our strategy to become a world-class software company.

<sup>1</sup> Continuing figures represent a like-for-like comparison with prior corresponding period restated to only include continuing businesses. For a reconciliation of continuing figures to the statutory accounts, please see the appendix to this release.

<sup>2</sup> Continuing EBITDA excludes restructure and impairment costs, gain or loss on sales of businesses, net interest, share scheme costs, acquisition costs, tax, depreciation and amortisation and results of discontinued operations.

“With a simpler business, we are now investing for growth. While forecast investment has been impacted by labour market challenges, we are implementing strategies to diversify our talent pools in the region. We continue to gain market share in Australia and further expand in Asia-Pacific, with customers being onboarded in Singapore and a robust customer pipeline. We target to break even in Singapore in June 2022.

“We are actively working to enter the Malaysian market and having incorporated the Symbio Holdings company there, expect to go live before the end of calendar year 2022. At the same time, we continue to scan the market for potential targets in Japan, South Korea and Taiwan.”

### **Operational and strategic highlights:**

- Announced 2030 vision: 100 million numbers on network and coverage in 8 Asia-Pacific countries with 15% market share in each by 2030
- Realigned business for growth with restructure into three SaaS divisions
- Rebranded to Symbio Holdings Limited (“Symbio”) with ASX code: SYM, reflecting company simplification
- Reclassified by S&P Dow Jones Indices and MSCI as ‘Software & Services’ sector in the Global Industry Classification Standard (GICS)
- Completed divestment of Express Virtual Meetings (EVM), finalising divestment of non-core ‘Direct’ business

Phone numbers on network reached 6.4 million as at December 2021, up 26% on the previous year. The growth in phone numbers drove Symbio’s recurring revenue, which increased 13% to \$54.4 million on 1H21 and supported a 10% increase in recurring gross margin to \$30.6 million. Total continuing gross profit increased 6% to \$46.6 million.

Symbio recorded a strong balance sheet with \$51.6m in cash and no debt as of 31 December 2021. This figure was bolstered by \$24.4m received from the completion of disposal of part of the ‘Direct’ businesses in August 2021. The company also expects an additional \$5.8m in cash due to deferred consideration on disposals.

### **Strategy update**

#### *Business simplification*

Symbio completed the sale of its ‘Direct’ business and simplification of its operations, which began in 1H21, with the divestment of Express Virtual Meetings (EVM) concluding in January 2022. The restructure into three software-as-a-service (SaaS) divisions, Communication Platform as a Service (CPaaS), Telecom as a Service (TaaS), and Unified Communications as a Service (UCaaS), positions Symbio for growth and so it can be more easily scaled in new markets. The rename to Symbio and classification to the “Software and Services” GICS reflects the company’s simplified operations.

### *Expansion into new markets*

Customer acquisition continues to be Symbio's focus in Singapore since it launched its CPaaS product suite in the market in 2H21. Ten global software companies have signed contracts with Symbio in Singapore and are currently being onboarded with more customers at various stages of the pipeline. The company will continue to target customer growth through increased investment in marketing in Q3 and testing of the UCaaS product suite in Q4. Breakeven is targeted for June 2022.

In line with its strategy to expand in Asia-Pacific, Symbio has established a local corporate structure in Malaysia, further progressed discussions with potential targets and is currently engaging with the regulator with a view to entering the market in calendar year 2022.

It continues to assess potential targets in additional APAC countries and is working closely with advisors on opportunities in Japan, South Korea and Taiwan.

### **Outlook**

Commenting on the outlook, Rene Sugo said:

"With the simplification of our business now complete, we are focused on the significant market opportunity in cloud communications. We continue to grow our recurring revenue thanks to our unique offering and quality customers, including some of the world's largest software companies.

"Our company is fuelled for growth with a strong balance sheet and a proven team. We are performing faster with a lean, focussed business and clear vision which is already delivering progress. Our future is bigger with our goal to expand our total addressable market to over 500 million people across Asia and reach 100 million phone numbers on our network by 2030.

"We are on track to deliver EBITDA for the 2022 financial year of between \$35 million to \$38 million for the continuing business, as announced in November 2021."

### **Results briefing**

There will be a webinar and results presentation held on Wednesday 23 February at 09:00am. For registration and details, please visit <https://investors.symbio.global/>

A recorded version of the webinar will be made available for later viewing at the same web address.

This announcement has been authorised for release by the Board.

**ENDS**

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## Appendix

### Continuing and Underlying EBITDA

	Dec 21 (\$M)	Dec 20 (\$M)
NPAT from continuing operations	4.5	4.5
NPAT from discontinued operations	6.6	2.1
<b>Group Consolidated NPAT</b>	<b>11.1</b>	<b>6.6</b>
<i>Add back:</i>	-	-
Depreciation and amortisation*	9.2	8.7
Income tax expense*	3.7	2.6
Net interest	0.8	1.2
Costs related to acquisition	0.1	-
Gain on sale of businesses*	(14.1)	-
Restructuring costs	0.1	-
Impairment of assets*	4.9	-
Share scheme costs	2.1	0.5
<b>Underlying EBITDA<sup>1</sup></b>	<b>17.9</b>	<b>19.6</b>
<i>Less Discontinued EBITDA<sup>2</sup></i>	<i>(0.6)</i>	<i>(3.5)</i>
<b>Continuing EBITDA</b>	<b>17.3</b>	<b>16.1</b>

\*Total from both continuing and discontinued operations

### Continuing and Underlying NPAT-A

	Dec 21 (\$M)	Dec 20 (\$M)
<b>Group Consolidated NPAT</b>	<b>11.1</b>	<b>6.6</b>
<i>Add back</i>		
Amortisation from acquired intangible asset	2.1	1.8
Acquisition & restructure costs	0.2	0.0
Tax applicable	( - )	( - )
<b>Underlying NPAT-A</b>	<b>13.3</b>	<b>8.4</b>
NPAT from discontinued operations	(6.6)	(2.1)
<b>Continuing NPAT-A</b>	<b>6.7</b>	<b>6.3</b>

## About Symbio

Symbio (ASX: SYM) is a software company changing the way the world communicates.

Symbio's technology replaces old-fashioned telecom networks with software, making it faster and easier to deliver modern cloud-based communication services, unlocking endless new applications for calling, messaging and phone numbers.

Symbio is the backbone for the global cloud communication industry. Over 500 service providers – from telecom start-ups to the world's biggest software companies – rely on Symbio for the connectivity, quality and expertise they need to solve complex communication challenges.

Headquartered in Sydney, Symbio powers billions of calls and messages each year, owns networks in three countries and employs over 450 staff worldwide. For more information about Symbio visit [www.symbio.global](http://www.symbio.global)