

INVESTOR PRESENTATION

MSL Solutions FY22 Results

August 2022

MSL SOLUTIONS LTD
(ASX: MSL)



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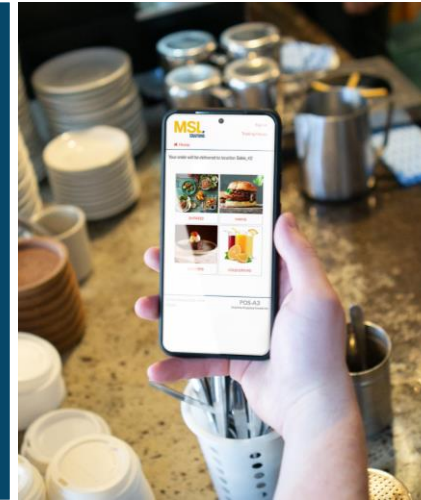
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Leading digital guest engagement technology providing new revenue streams for venues and value for customers



Strong fundamentals with record revenue, record EBITDA and a record backlog ensuring a strong start to FY23



Headquartered in Brisbane, MSL has 164 employees across UK, Denmark and Australia

Servicing 8,500+ venues; iconic (stadiums, arenas, convention centres), golf courses and local (pubs and clubs)



Portfolio of digital assets processing \$14B in POS transactions in 28 countries with 500+ integrations



Subscription Golf revenue: 14m rounds of Golf globally and 150k 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"> • 7500+ POS venues deployed across 28 countries • \$14B+ in annual transaction value • Modular system that is deployed on Mobile, tablet, phone and Kiosk 	<ul style="list-style-type: none"> • 1000+ customer organisations globally (federations and clubs) • 1.9 million golfers handicaps are managed by MSL in 9 countries • 6 million rounds of golf booked through GolfBox Classic • 10.7 million rounds of golf processed for WHS in Australia 	<p>Using MSL's digital solutions:</p> <ul style="list-style-type: none"> • 37% increase in basket size compared to traditional POS • 123 locations in FY22 • Digital revenue for FY22 is \$1.4m
Revenue model	<p>Sales and recurring revenue ;</p> <p>SwiftPOS – 3 to 5 year contracts</p> <p>OrderMate – monthly SaaS</p>	<p>Subscription / fee per use basis</p> <p>Sales and recurring revenue model</p>	<p>Transaction fee per order</p>

Financials



FY22 highlights

\$33.9m

Record revenue
37% up on PCP

\$5.3m

Record EBITDA¹
70% up on PCP

15.6%

EBITDA margin
up 3.0% on PCP

+16%

Organic revenue
growth

+82%

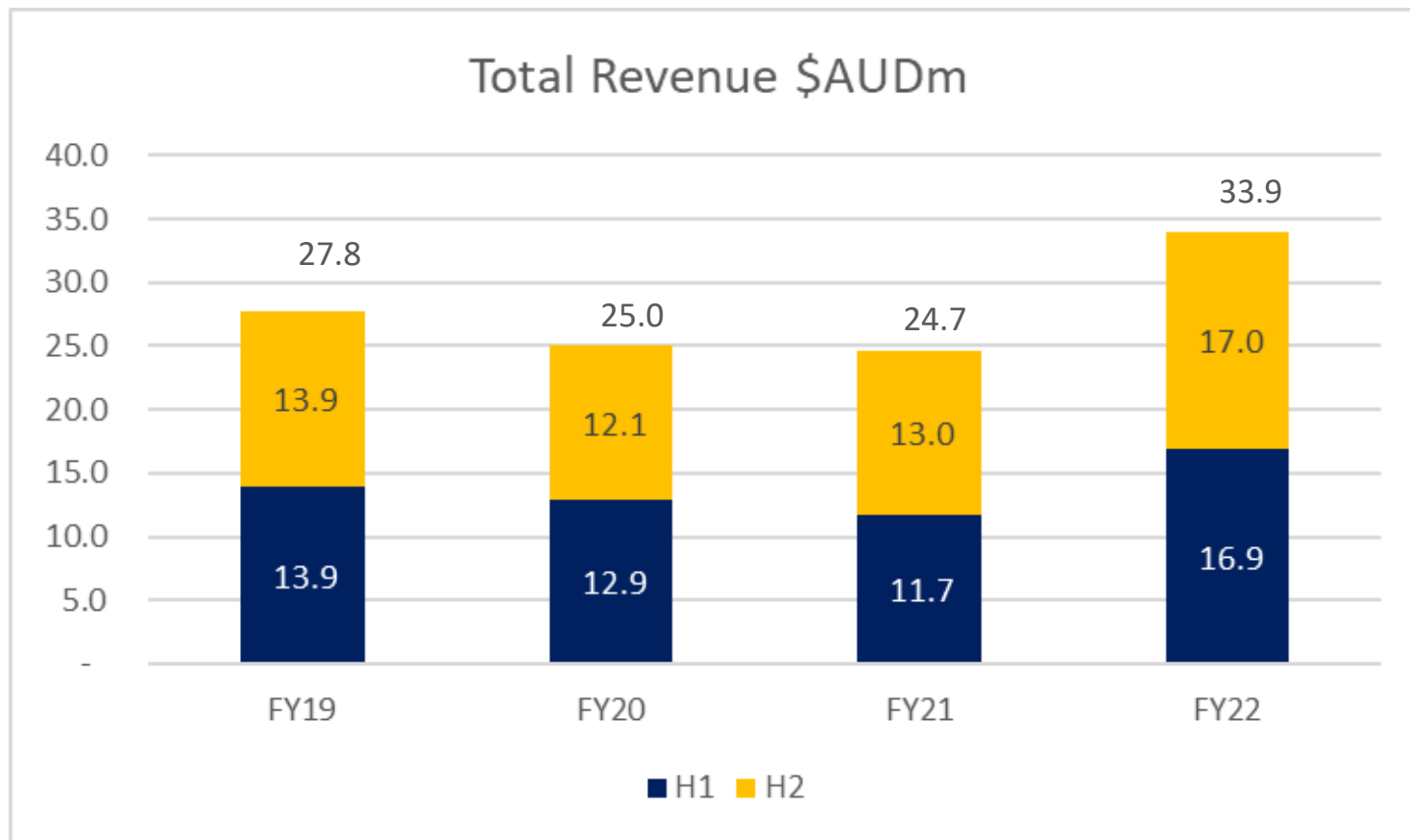
Increase in new
sales on PCP

+72%

Cash balance
\$9.4m (nil interest-
bearing debt)

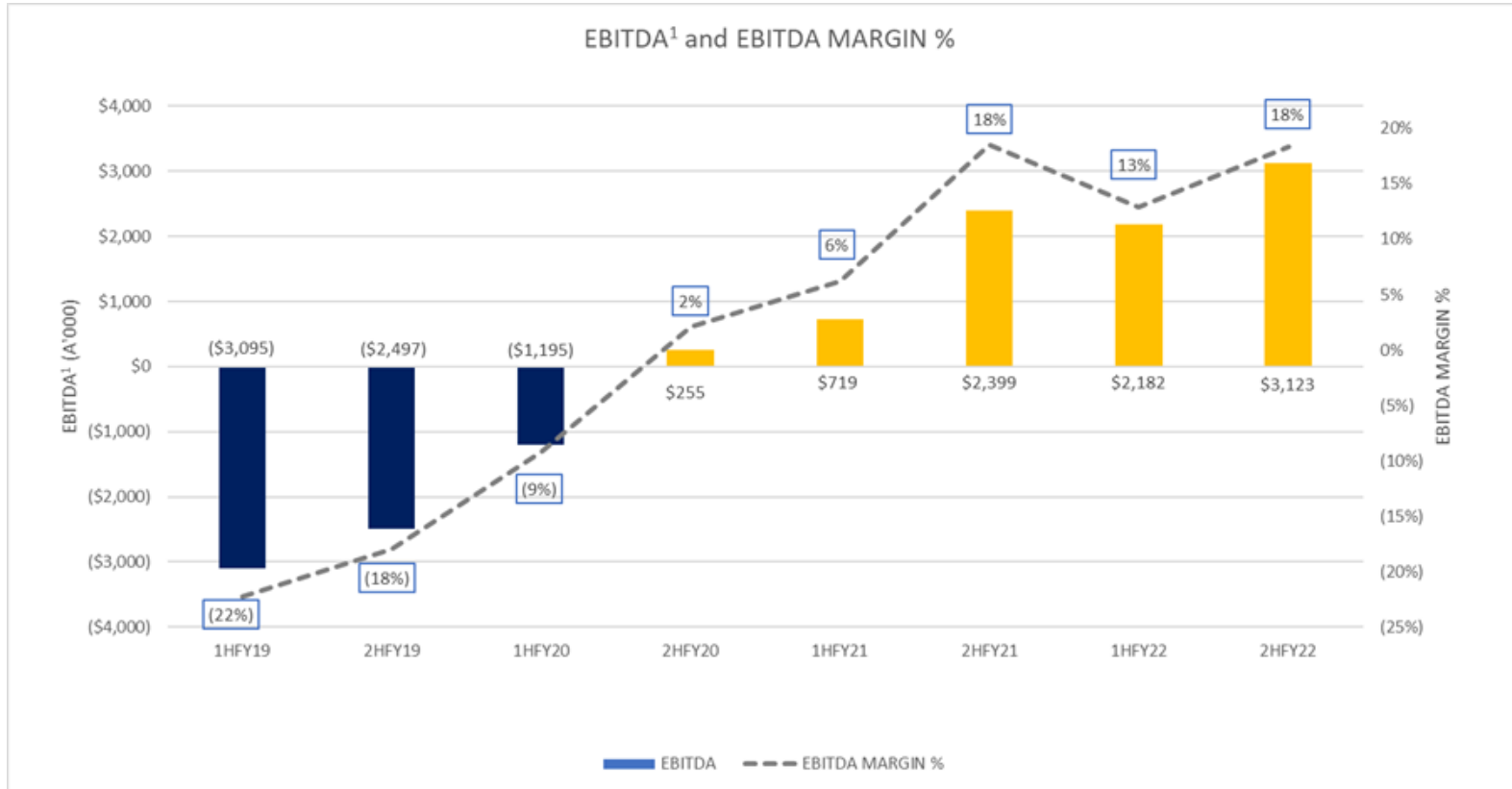
EBITDA¹ (excludes government subsidies which were material in prior year)

Platform for revenue growth



- Record revenue of \$33.9m in FY22
- Revenue growth of \$9.4m (37%)
- Organic growth of \$4.0m (16%)
- Acquisition growth (OrderMate) of \$5.2m (21%)
- SwiftPOS revenue growth (30%)
- OrderMate revenue growth of 20% (on a like for like full year comparison)

Sustainable EBITDA and EBITDA margin %



- Record EBITDA¹ 70% increase from the prior corresponding period
- UK, Denmark and Australia all individually increased revenue and EBITDA
- Current management entered business 1H FY20 with a focus on cash, EBITDA and then growth
- The 82% increase in new sales will drive further increases in recurring revenue for SwiftPOS and OrderMate products

¹excludes government subsidies which were material in prior year

FY22 financials (P&L) - organic and acquisition growth update

	Actual FY22 (incl Ordermate)	Ordermate	Actual FY22 (excl Ordermate)	Actual FY21	Variance pcp (incl Ordermate)		Variance pcp (Organic)	
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	%	A\$'000	%
Recurring Revenue	20,095	2,699	17,396	17,090	3,005	17.6%	306	1.8%
Sales Revenue	13,836	2,530	11,306	7,576	6,260	82.6%	3,730	49.2%
Revenue	33,931	5,229	28,702	24,666	9,265	37.6%	4,036	16.4%
Other income				26	(26)	(100.0%)	(26)	(100.0%)
Cost of sales	(8,325)	(900)	(7,425)	(6,023)	(2,302)	38.2%	(1,402)	23.3%
Gross margin	25,606	4,329	21,277	18,669	6,937	37.2%	2,608	14.0%
Operating expenses	(20,301)	(3,212)	(17,089)	(15,551)	(4,750)	30.5%	(1,538)	9.9%
EBITDA¹	5,305	1,117	4,188	3,118	2,187	70.1%	1,070	34.3%
EBITDA margin %	15.6%	21.4%	14.6%	12.6%	3.0%		2.0%	

Actual growth includes 9 months of OrderMate:

- 37% revenue growth
- 82% sales growth
- 70% EBITDA¹ growth

Organic growth (which excludes OrderMate):

- 16% revenue growth
- 49% growth new sales
- 10% increase in like for like costs
- 34% EBITDA¹ growth

¹excludes government subsidies which were material in prior year

Segment view (P&L)

Year ended 30 June 2022	APAC A\$'000	UK A\$'000	Denmark A\$'000	Total A\$'000
Revenue from external customers	23,155	7,128	3,648	33,931
Timing of revenue				
Over Time	13,148	3,776	3,171	20,095
At a point in time	10,007	3,352	477	13,836
Other revenue	-	-	-	-
EBITDA before corporate overheads	7,895	734	935	9,564
Corporate overheads				(4,259)
EBITDA before government subsidies				5,305
Government subsidies				34
EBITDA				5,339

Year ended 30 June 2021	APAC A\$'000	UK A\$'000	Denmark A\$'000	Total A\$'000
Revenue from external customers	15,660	5,571	3,435	24,666
Timing of revenue				
Over Time	10,126	3,772	3,192	17,090
At a point in time	5,534	1,799	243	7,576
Other revenue	26	-	-	26
EBITDA before corporate overheads	6,332	239	808	7,379
Corporate overheads				(4,261)
EBITDA before government subsidies				3,118
Government subsidies				1,045
EBITDA				4,163

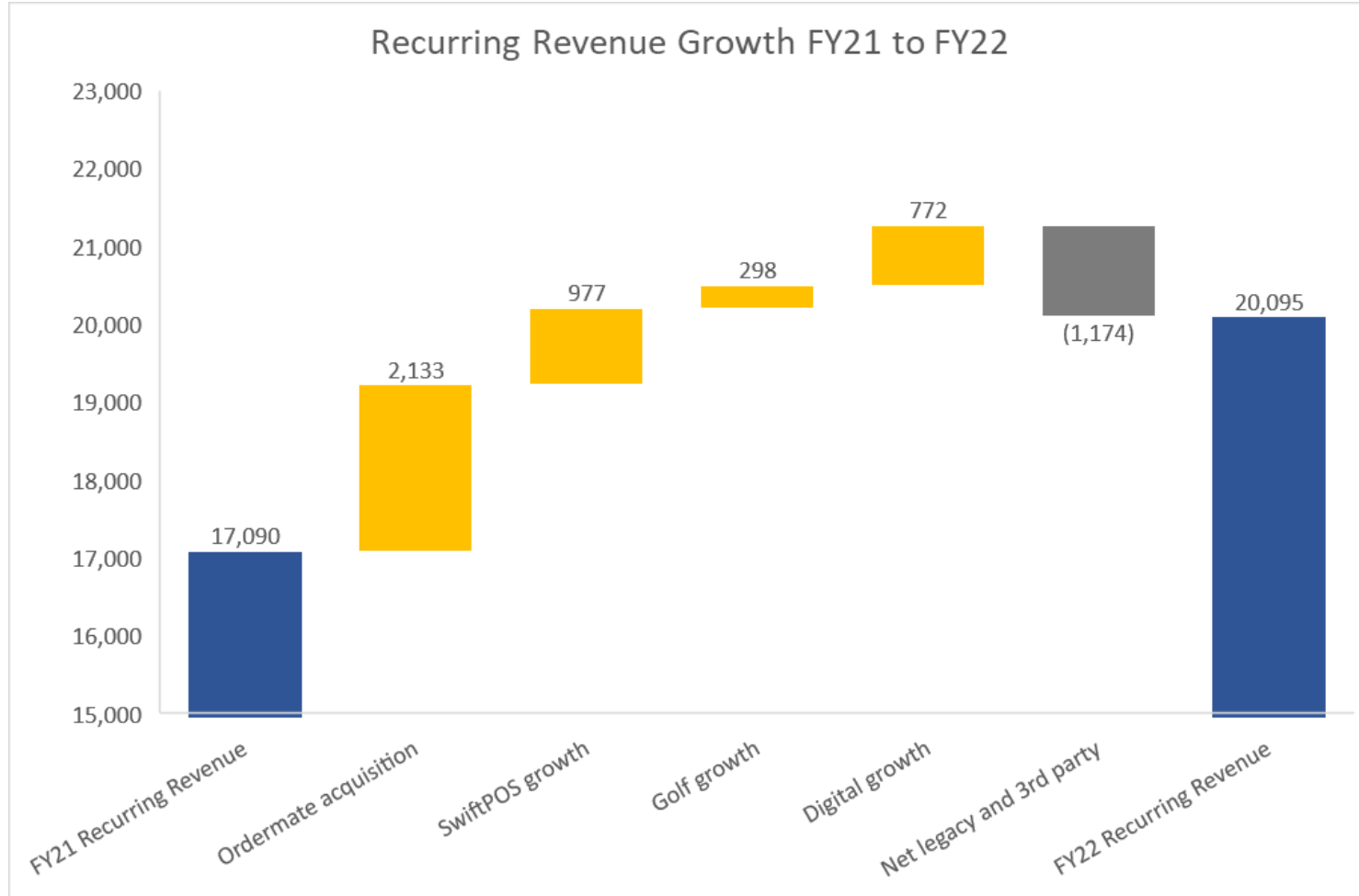
- Corporate overheads steady compared with the prior corresponding period
- APAC, UK and Denmark have increased EBITDA performance
- UK is in transition from a reseller of a third party product to SwiftPOS:
 - MSL owned product is yielding higher margin sales and recurring revenue as it replaces third party product which was high volume, low margin

Cash flow

	Notes	Jun-22 A\$'000	Jun-21 A\$'000
Cash flows from operating activities			
Receipts from customers		37,723	27,940
Payments to suppliers, employees and others		(32,906)	(22,875)
Restructure Costs		-	(235)
Finance costs		(336)	(359)
Interest received		23	38
		4,504	4,509
Income tax paid		(452)	(59)
Government grants and tax incentives		34	1,278
Net cash flows used in operating activities	10	4,086	5,728
Cash flows from investing activities			
Capital expenditure		(119)	(79)
Purchase of intangibles		(862)	(1,044)
Acquisition of subsidiaries, net of cash & cash equivalents		(4,884)	(4,250)
Loans to other entities		214	424
Proceeds for disposal of assets		200	200
Deferred consideration payment		(646)	-
Net cash flows used in investing activities		(6,097)	(4,749)
Cash flows from financing activities			
Proceeds from borrowings		4,232	2,561
Repayment of borrowings		(2,250)	(1,448)
Proceeds from issue of share capital		4,500	-
Principal element of lease payments		(469)	(458)
Net cash flows provided by financing activities		6,013	655
Net cash inflow / (outflow) for the half-year		4,002	1,634
Cash at beginning of the year		5,427	3,806
Effect of foreign exchange		(44)	(13)
Cash at end of the year	7c	9,385	5,427

- Receipt from customers is \$10m greater than prior year
- Interest bearing debt retired in H1FY22 - no interest-bearing debt at 30 June 2022
- Cash balance plus access to capital and debt, positions MSL for acquisitions in line with strategy

Strategy to own IP driving recurring revenue growth



- Recurring revenue growth in each of core products:
 - POS - SwiftPOS & OrderMate
 - Golf
 - Digital
- Offset by decline in legacy and third-party recurring revenue

Sales



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



22 Sites in the UK



NSW National Parks
and Wildlife Service



Substantial contracts won that revenue will be recognised in FY23

\$2.4m MSL backlog of contracts won but not booked in FY22, an increase of 43% from 31 Dec 2021, and higher than pre-Covid levels.

UK



APAC



Parliament
of Western Australia



Queensland Government
Department of Transport and Main Roads



Strategy - POS, Golf, Digital



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



In the 9 months since the acquisition of OrderMate:

150% Increase in monthly SaaS revenue

\$580k Digital recurring revenue

142 Brand new businesses

371 Deals with existing customers

SwiftPOS

- Acquired in November 2020 SwiftPOS added \$4M in gross margin during FY22, increased venues by 1000+, UK expansion opportunities for SwiftPOS is very strong
- Momentum strengthened in FY22 driven by APAC enterprise sales deals, including new wins at AAMI Park, Eden Park, Stadiums Queensland (Suncorp and the Gabba), Blundstone and My State Bank Arena.
- NSW National Parks and Wildlife Service, West HQ, Canterbury Leagues and WA Parliament House
- In the UK, Aberdeen Steak House chain, Rhubarb Hospitality Theatres and British Airways viewing tower



OrderMate

- Acquired on 30th September 2022, OrderMate provides 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
- Generated \$5.3 m in revenue and \$1.2m in EBITDA for the period from 1st October 2021 to 30 June 2022 which is 20% revenue growth under acquisition on a like-for-like basis
- Strong digital revenues from payment providers, third party apps with new deals signed with Deliverect (Uber Eats, Deliveroo and Doordash), Doshii, HungryHungry and Tyro



Key venues – POS

More than 8,500 sport, leisure and hospitality venues across 45 countries run their operations with MSL technology:

7,500+ MSL POS product venues

1000+ Golf Clubs and Federations

45 Third-party product venues

STADIA & ARENAS	MEMBER BASED ORGANISATIONS (MBOS)
<div>     </div> <div>    </div>	<div>     </div> <div>     </div>
RESELLER CHANNELS	OTHER HOSPITALITY & LEISURE
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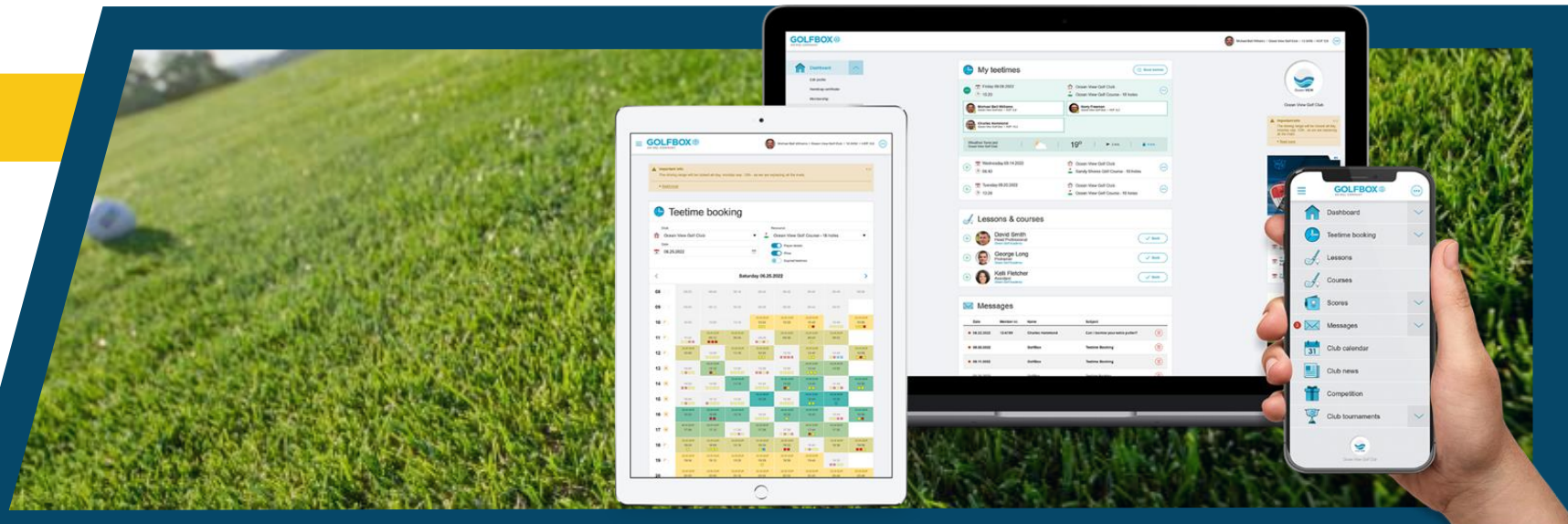
New products in golf: annuity-style business

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
- Simple Golf rebrand: new development under a combined product range including Golf Kiosk and MSL Scoring App



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

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

- \$1.4m in Digital revenue for FY22 and growing
- Digital arm of our business puts mobile applications in the hands of the consumer: whether we build, partner or facilitate, all connected to 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
- MSL has a positive outlook for Digital revenue growth with the integration of Doshii to SwiftPOS and OrderMate, HungryHungry 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 that provide revenue streams to MSL

MSL IP – OrderAway & Scoring



3rd Party revenue streams

doshii

Hungry
Hungry

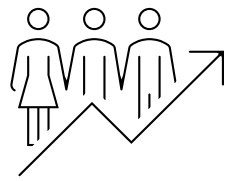


tyro

Outlook



Focus FY23 & 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 and margin
- POS software to be device agnostic, mobile to terminal
- New Golf products have allowed for Growth

In FY22

8,500+ Venues focused on POS, Golf and Digital

Direct + reseller sales strategy

Global addressable market
organic and inorganic
revenue growth

& Beyond

Leverage \$14B of MSL POS payment from terminals, kiosk and mobile

Increase venues

Extend and grow new Golf contracts

Positive outlook for growth

Established business and Australian market leader in POS, Golf and Digital, with end-to-end solutions that are mission critical for our customers' 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

IMARC Group expects the global smart stadium market to grow at a CAGR of around 21% during 2021-2026.



LONG TERM GOLF CONTRACTS

national golf federations and global leader in golf world handicapping software



PARTNERSHIPS AND COLLABORATION

key to enabling greater software benefits for clients. Our POS products integrate with all the major food delivery players



IMPROVING PROFITABILITY

underpinned by strong recurring revenues, MSL has free cash to reinvest in products, people and pipeline



INCREASING GROWTH

underpinned by increasing penetration, increasing market share, MSL is the leading enterprise solution in APAC



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