



# Ambertech LIMITED

SOURCE SUPPLY SUPPORT



FULL YEAR RESULTS FY 2022  
INVESTOR UPDATE - AUGUST 2022

ASX: AMO

# Results Highlights



Revenue impacted by some project delays. Dealer business growing.



EPS of 4.2 cents.



NPBT consistent with prior year, entity now full tax paying.



Successful acquisition integrations



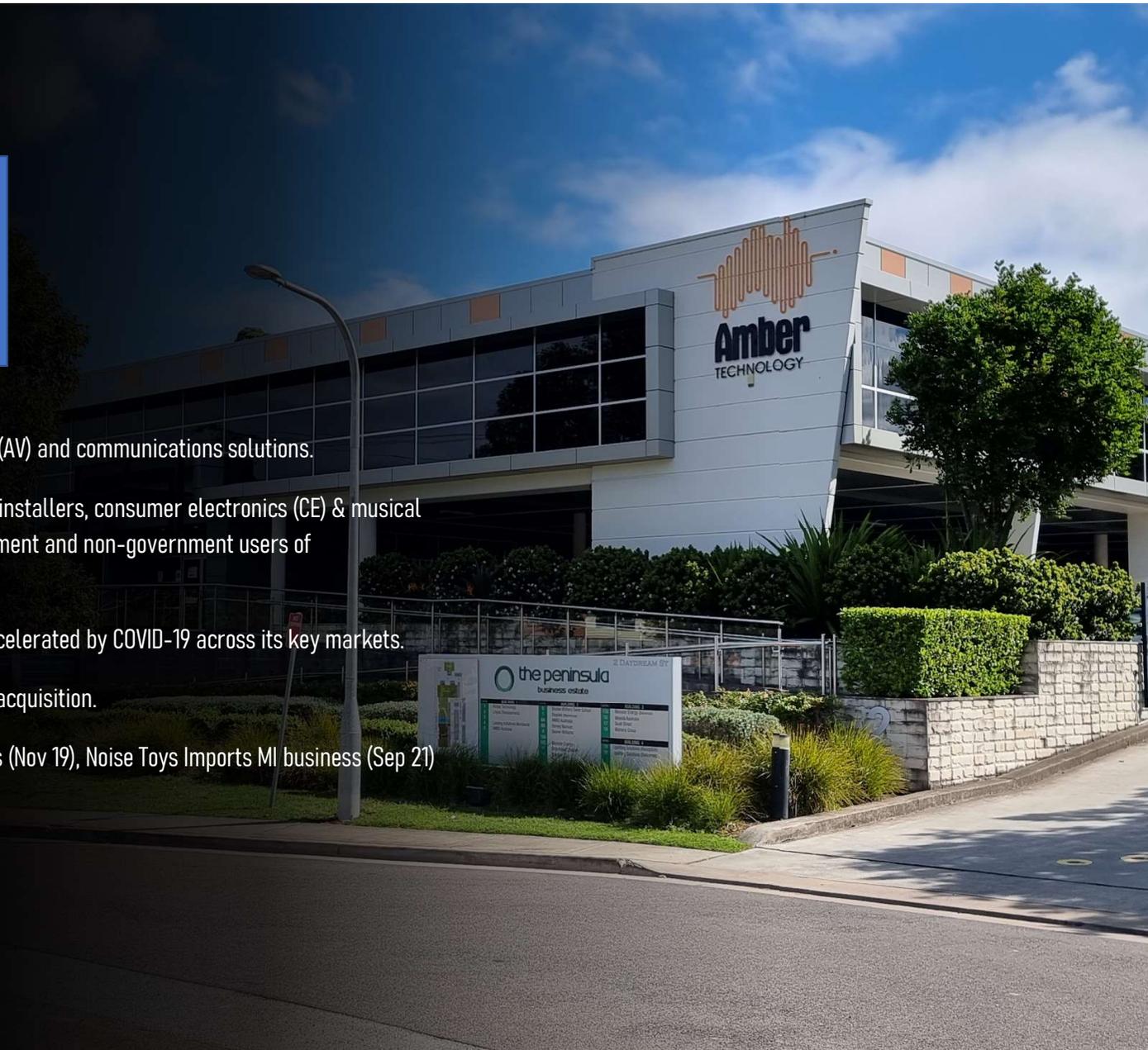
Final dividend of 1.5 cents, fully franked



Return on equity of 19.5%

# Executive Summary

- Leading value-added distributor of high technology audio-visual (AV) and communications solutions.
- Distribution network of professional, commercial and residential installers, consumer electronics (CE) & musical instrument (MI) retailers, content creators, broadcasters, government and non-government users of communications infrastructure across Australia and NZ.
- Positioned to take advantage of the adoption of AV technology accelerated by COVID-19 across its key markets.
- Delivering on clear strategy for growth via business and agency acquisition.
- Recent successful acquisition and integration of Hills AV business (Nov 19), Noise Toys Imports MI business (Sep 21) and Connected Media Australia (Oct 21).



# Structure

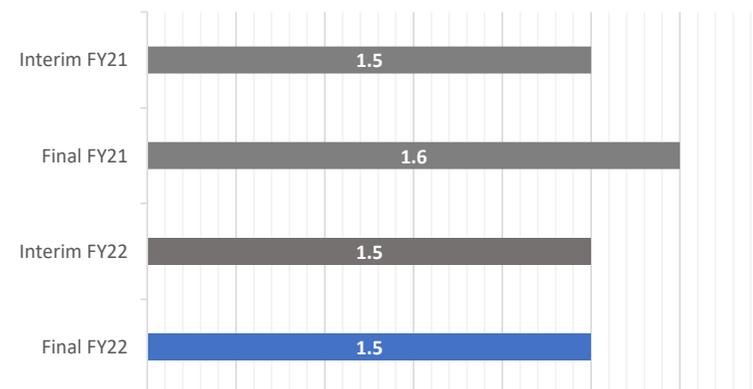
Capital Structure	
Share price (24 August 2022)	\$0.36
52 week range	\$0.26/\$0.475
Shares on Issue	93.0M
Options on Issue	1.4M
Market capitalisation	\$33.5M
Net cash (30 June 2022)	\$1.0M
Enterprise Value	\$32.5M

Substantial Shareholders (24 August 22)	%
Appwam Pty Limited	29.8%
Wavelink Systems	7.8%
Amos Super Fund	5.6%
<b>Sub-total</b>	<b>43.2%</b>
<b>Top 20</b>	<b>68.8%</b>

## Dividends

- Final dividend 1.5 cents per share, fully franked
- DRP suspended for final dividend
- AMO full tax paying this FY, as a result...
- Dividend payout ratio of 76% of NPAT
- Board target payout ration of min 50% of NPAT

### Dividend Cents per Share



# Business Segments

## Integrated Solutions

Supporting our dealer network with world class product solutions and support.



### COMMERCIAL INSTALLATIONS

Audio visual and infrastructure brands for commercial custom installation projects.

Hills AV 



### RESIDENTIAL INSTALLATIONS

Audio visual and infrastructure brands for home cinema, multi room AV and more.

Connected Media Australia 

## Professional

Supporting a strong dealer network and a range of media and communications users with world class product solutions and ongoing support including SaaS.



### PROFESSIONAL PRODUCTS

Pro audio equipment for live sound productions, recording studios and post production.

Noise Toys Imports 



### MUSICAL INSTRUMENTS

Guitars, instruments and music technology for musicians of all levels.



### MEDIA SYSTEMS

Content creation, acquisition, delivery, processing, asset management for broadcast and new media.



### DEFENCE, LAW ENFORCEMENT AND SECURITY (DLES)

Specialised data communications and video technology for Defence, Law Enforcement and Security.

## Retail

Exclusive brand representation in areas where product differentiation is clear in capability and value.

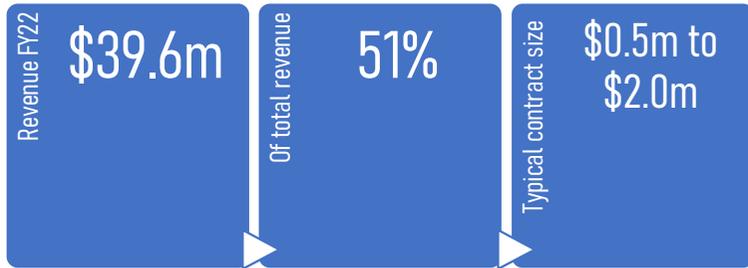


### HOME ENTERTAINMENT

High-end audio visual and accessory brands for the home.

# Business Segments

## Integrated Solutions

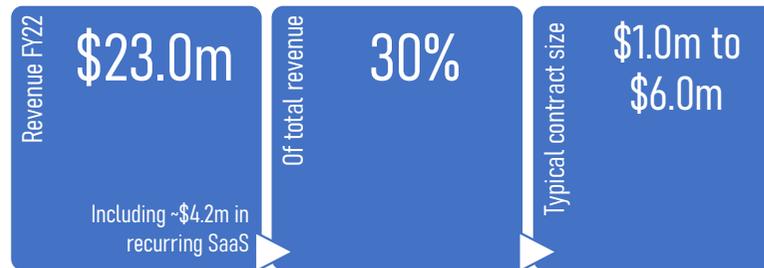


### Key Customers

- One Diversified
- Fredon Technology
- Programmed Electrical
- Vizcom Technologies
- Electronic Living
- AV Australia
- Concept AV
- Pro Av Solutions



## Professional



### Key Customers

- Department of Defence
- Royal Australian Navy
- ABC
- Fox Sports
- Seven, Nine, Ten Networks
- Soundbay
- Factory Sound
- Sounds Easy



## Retail



### Key Customers

- JB Hi-Fi
- Harvey Norman
- Big W
- The Good Guys
- The Warehouse
- Noel Leeming
- Electus Distribution



# Competitive Landscape

	Integrated Solutions	Professional	Retail
Market Opportunity	<ul style="list-style-type: none"> <li>Streaming audio/video</li> <li>Home entertainment</li> <li>Commercial AV</li> <li>Automation control</li> </ul>	<ul style="list-style-type: none"> <li>Communications IP radio</li> <li>Automation of TV, Post-Production</li> <li>Music Production</li> </ul>	<ul style="list-style-type: none"> <li>Demand for small portable projection</li> <li>Requirement for portable sound</li> </ul>
Key Products	<ul style="list-style-type: none"> <li>Streaming technologies</li> <li>Supporting technologies (speakers, displays)</li> <li>Amplifiers and speakers</li> <li>Higher spec systems</li> </ul>	<ul style="list-style-type: none"> <li>MIMO mesh radios</li> <li>Studio robotics</li> <li>USB based audio interfaces</li> <li>Studio monitor systems</li> <li>Musical instruments and components</li> </ul>	<ul style="list-style-type: none"> <li>Personal projectors from lost cost and size (micro) to higher cost and size</li> <li>Headphones with technology point of difference</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>More competitors in this segment</li> <li>Larger market</li> </ul>	<ul style="list-style-type: none"> <li>Limited competition</li> <li>Specialist markets</li> </ul>	<ul style="list-style-type: none"> <li>Low cost no name brands</li> </ul>

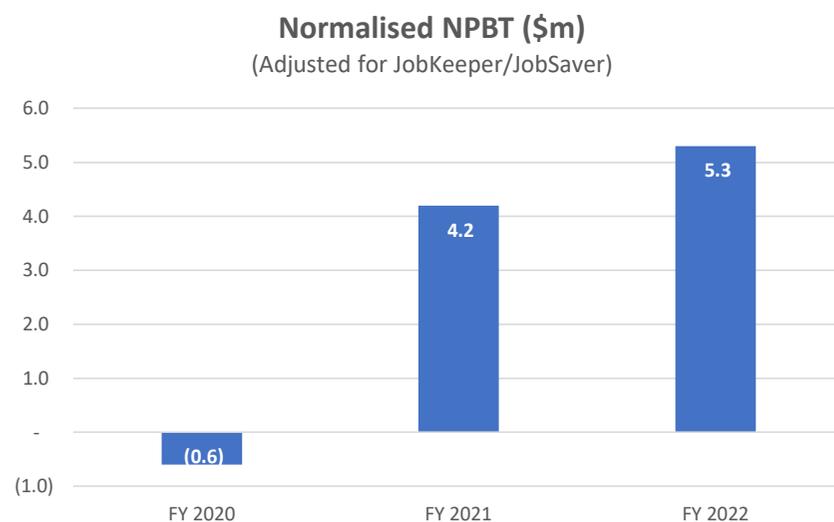
# Financials



# Financial Highlights

## Commentary

- Underlying business delivering on growth expectations.
- Some project timelines delayed by clients, recognition expected in 1H FY23.
- Full impact of recent acquisitions (Noise Toys/Connected Media) to be realised in FY23;
- Opportunity and capacity for further organic and acquisition growth across all segments.



- Normalised pre tax result up 26.2% on prior year (adjusted for Jobkeeper/Job saver).

(A\$m)	FY22	FY21
Revenue	77.0	80.1
Gross Profit	27.0	25.7
<i>GP Margin (%)</i>	<i>35.1%</i>	<i>32.1%</i>
<b>EBITDA</b>	<b>7.5</b>	<b>8.0</b>
<i>EBITDA Margin (%)</i>	<i>9.7%</i>	<i>10.0%</i>
EBIT	6.2	6.4
<i>EBIT Margin (%)</i>	<i>8.1%</i>	<i>8.0%</i>
<b>NPBT</b>	<b>5.3</b>	<b>5.3</b>
<b>Normalised NPBT (adj for JobSaver)</b>	<b>5.3</b>	<b>4.2</b>
<b>NPAT</b>	<b>3.7</b>	<b>5.1</b>
EPS (cents)	4.2c	6.6c
DPS (cents)	3.0c	3.1c

- Investors undertaking a comparison of NPAT should be aware that AMO was utilising tax losses in the prior period and is now full tax paying.

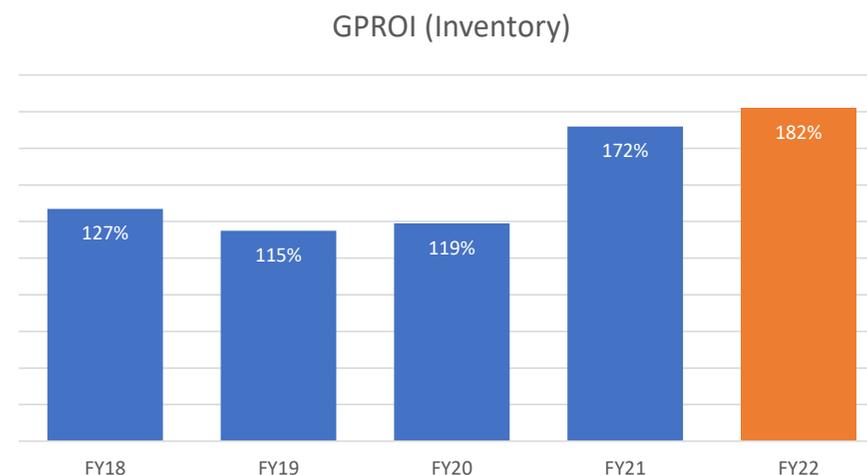
# Balance Sheet

## Balance Sheet Summary

(A\$m)	FY22	FY21
Current Assets	35.1	29.5
Current Liabilities	(14.4)	(15.6)
<b>Working Capital</b>	<b>20.7</b>	<b>13.9</b>
<b>Adjusted Working Capital (excluding cash)</b>	<b>18.5</b>	<b>12.1</b>
Non Current Assets	9.4	10.3
Non Current Liabilities	(7.8)	(8.8)
<b>Net Assets</b>	<b>22.3</b>	<b>15.4</b>
Intangibles	(4.3)	(4.2)
<b>Net Tangible Assets</b>	<b>18.0</b>	<b>11.2</b>

- Investment in working capital to address supply chain issues.
- Net Tangible Assets increased to 19.5c per share.

(A\$m)	FY22	FY21
Inventory	16.8	12.9



- Further improvement in inventory Gross Profit Return On Investment (GPROI) despite holding greater stock to manage uncertain supplier delivery timeframes.

# Cash Flow and Net Debt

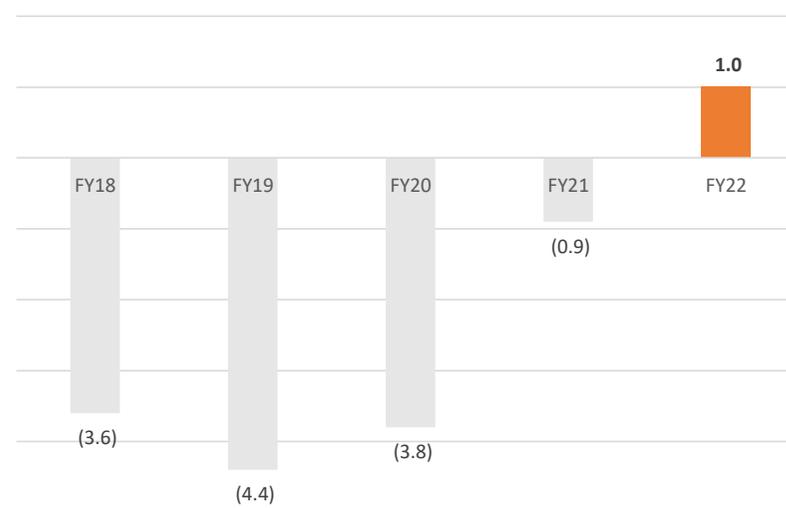
## Cash Flow Summary

(A\$m)	FY22	FY21
Cash provided by Operating Activities	1.8	5.5
Cash used in Investing Activities	(2.0)	(0.5)
Cash used in/provided by Financing Activities	0.6	(4.2)
<b>Net increase in cash</b>	<b>0.4</b>	<b>0.8</b>

(A\$m)	FY22	FY21
Total Finance Debt	(1.2)	(2.7)
Cash	2.2	1.8
<b>Net Cash/(Debt)</b>	<b>1.0</b>	<b>(0.9)</b>

- Cash flow remains strong and debt facility renewed on favorable terms.
- Operating cash flow reduced by strategic increase in inventory balance.

Net Cash/(Debt) (\$m)



- Cash flow provided substantial reduction in debt usage.
- Significant headroom available across funding facilities.

# Growth Strategy and Outlook

**SILVUS**  
TECHNOLOGIES by  
**Amber TECHNOLOGY**

**SL4210**



ambertech.com.au

**SILVUS**  
TECHNOLOGIES by  
**Amber TECHNOLOGY**

**Spectrum dominance across LAND, SEA AND AIR**

- 4G - 5G
- 4K / 8K
- 10G - Mbps Throughput
- Batteries - Scale Networks
- 30G - MHz Range
- Extreme RLOS
- Supersonic Mobility
- 2G and 4G NEMO
- 7G Open Extending
- Integrated PTT
- Real Time Spectrum Monitoring
- IPSec
- PPS1 4G-2 Hardware Encryption (On the fly)
- CCM and Registered Modules

ambertech.com.au

**SILVUS**  
TECHNOLOGIES by  
**Amber TECHNOLOGY**

**With deep roots in research and development as well as riskless testing in critical real-world situations,**

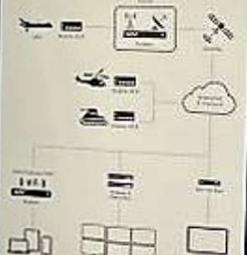


**Silvus Technologies innovate Multi-Mission and M2M wireless communications systems to deliver throughput, range and robustness that were previously thought impossible.**

ambertech.com.au

**Haivision** by  
**Amber TECHNOLOGY**

**Rugged and compliant mission critical solutions for land, sea and air.**

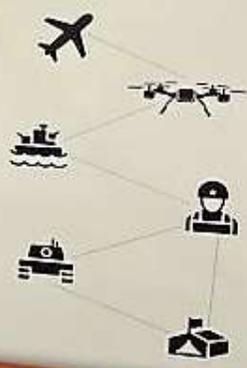


**Delivering video and metadata to connect the battlefield and increase intelligence sharing for improved situational awareness.**

ambertech.com.au

**SIVA**  
MULTIMEDIA NETWORKING  
and **BATS** by  
**Amber TECHNOLOGY**

**Connectivity depends on deploying the right antenna for the right circumstance. Amber Technology has you covered with a range of static and tracking systems.**



ambertech.com.au

# Executing Growth Strategy

- Ambertech is well placed to deliver on its strategy for growth across each of our market segments. This includes the following key initiatives:

Organic	Professional	<ul style="list-style-type: none"> <li>Expanded our reach into more system sales where we take the role of a complete supplier. Recent examples being the ABC project and Ausbiz.</li> <li>Focused on increasing our recurring services model where multi year support contracts are entered into.</li> </ul>
	Integrated Solutions	<ul style="list-style-type: none"> <li>Increasing sales by further developing existing brand opportunities. In particular, video conferencing and streaming products have significant ongoing growth potential due to the high demand resulting from the work force working from home.</li> <li>Increasing our own IP capability with the acquisition of Australian Monitor. The R&amp;D for new product development has seen the successful release of new products.</li> </ul>
	Retail	<ul style="list-style-type: none"> <li>Further market expansion of our range of low cost LED based projectors.</li> <li>Introduction of personalised Headphone brand Nura.</li> </ul>
Inorganic	Acquisition	<ul style="list-style-type: none"> <li>Completed the acquisition of the MI business of Noise Toys Imports – a strategic addition to grow our reach and reputation in the MI market.</li> <li>Completed the acquisition of Connected Media Australia – a strategic addition of a key brand (RTI) and expertise in the residential and commercial automation control space.</li> <li>Actively looking at further acquisitions, with a number already identified in each area of the business.</li> <li>We have a disciplined framework for approaching relevant acquisition opportunities.</li> </ul>

# Outlook

- Final Dividend of 1.5 cents per share fully franked, noting the company has used up all tax losses and is now full tax paying. Represents pay out ratio of 76% of NPAT for FY2022.
- Board have confirmed its intention to target a dividend pay-out ratio of at least 50%.
- Early sales results in FY23 have been strong with visibility of delayed projects being delivered in the first half.
- The diversity of our business remains a strength as we manage project timelines delayed by some clients.
- Opportunities for growth via acquisition continue to emerge and we are active in this space.
- Whilst it would be premature to provide guidance for the first half at this time, the business remains on target and the Board will provide further guidance at the 2022 AGM.

# Appendix



**MOST  
POPULAR  
AWARDS  
2022**

**RESIDENTIAL  
DISTRIBUTOR  
OF THE YEAR**

**COMMERCIAL  
DISTRIBUTOR  
OF THE YEAR**

**NEW ZEALAND  
DISTRIBUTOR  
OF THE YEAR**

# Recent Contract Wins and Agency Gains

## Projects

- Awarded a contract with Leonardo to upgrade the RAN Anzac fleet with Silvus radio solutions. Final phase is now scheduled for delivery over the coming 6 months.
- EVS studio upgrades at Network 10.
- Supply of Blue Lucy asset management system on SaaS model to Australian Professional Leagues.

## New Agencies

### During the year:

- Nura Heaphones
- ICE Cables
- Strymon
- Hotone
- Richter Straps
- Walla Walla Guitars
- Evoko
- RTI
- Bluesound Professional
- Breedlove Guitars
- Kasta

# Important Notice and Disclaimer



## Future performance

This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Ambertech, the outcome and effects of the Offer and the use of proceeds, including the impact of the acquisition. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Ambertech, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and Ambertech specific risk factors that may affect Ambertech. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to Ambertech as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Ambertech undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

## Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

## Investment risk

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Ambertech including possible loss of income and principal invested. Ambertech does not guarantee any particular rate of return or the performance of Ambertech, nor does it guarantee the repayment of capital from Ambertech or any particular tax treatment. In considering an investment in Ambertech shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

## Disclaimer

To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the currency, accuracy, reliability or completeness of information in this Presentation and each of Ambertech and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents excludes and disclaims all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Ambertech, the lead manager and their advisors make no recommendations as to whether investors or their related parties should participate in the Offer. Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. Ambertech reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.