

ASX Announcement

20 December 2022

Symbio Announces Trading Update ***FY23 EBITDA now expected to be \$26 million - \$30 million***

Symbio Holdings Limited (ASX: SYM or “the Company”), a leading voice communications software provider, today provides a trading update. Given the rapidly evolving external environment in the global tech and software sector, Symbio now expects FY23 EBITDA to be between \$26 million - \$30 million (previously guided FY23 EBITDA to be between \$36 million - \$39 million).

The revised EBITDA, which is a 25% decrease on the midpoint of previously guided EBITDA, is largely due to customer action within Symbio’s Communications Platform-as-a-Service (CPaaS) division as per the below:

1. Several US-based global software companies returning unused phone number inventory in Q2 following COVID-related bulk orders during 2020/2021 restoring normal operating levels.
2. New deals are taking longer to finalise. There are approximately 400,000 Australian phone numbers that have been in the final stages of the contract process since 30 June 2022 and while Symbio remains confident they will materialise, they are progressing more slowly than expected.

In addition, as previously advised one Australian domestic customer has rolled off circa 250,000 numbers. Despite the above, growth in regular number porting in the CPaaS division continues in line with expectations with 1H’23 phone numbers likely to be 5% above 1H’22.

Symbio’s other business divisions, TaaS and UCaaS, are performing in line with previous expectations albeit at a slightly slower pace given there are some areas of softness in the economy. Overall, the business is still growing at a gross margin level.

Symbio has responded quickly to the changing environment by reducing expenditure across the business. It will reduce forecast FY23 capex, outlined at the November AGM, by \$2 million, mainly by deferring selected product development and projects until H2’23, bringing revised FY23 capex expectations to \$22 million. Symbio has already reduced discretionary spend in the areas of travel, marketing and suspending recruitment. It is also exploring additional measures and opportunities to reduce its cost base.

Symbio Co-Founder and CEO Rene Sugo commented: “Despite a positive Q1’23, which tracked in line with our expectations, some unexpected customer activity during Q2’23 has impacted trading. As a result, we have revised our expected FY23 EBITDA guidance to \$26 million to \$30 million.

“Symbio has acted quickly in response, reducing capex and opex to preserve our strong balance sheet. We are continuing to efficiently execute our strategy and remain committed to our APAC expansion plans. Singapore is performing well and at this stage, our focus is now on launching operations in Malaysia and Taiwan. Once we are cash flow positive in all three countries, we will then expand further into the APAC region as outlined in our 2030 vision.

“In this environment, we are keenly focused on cash generation and expect to have \$36 million to \$39 million of cash, excluding any acquisitions, as at 30 June 2023. While underlying growth is resilient, we believe the expenditure reductions announced today will further ensure we are in the best possible position to deliver on our strategy and achieve long-term sustainable growth.

“Our business remains resilient, despite reduced activity from some of our US-based global customers impacting performance in Q2. We retain very strong customer relationships and are supporting our customers as they navigate uncertainty in their own businesses due to the macro-economic environment. Our conservative approach to immediately reduce expenditure will ensure we have strong foundations to achieve our long-term goals.”

Symbio will host an investor call on Wednesday 21 December 2022 at 10:00am. Registration is available at this link: <https://attendee.gotowebinar.com/register/3363951855039708512>

This announcement has been authorised for release by the Board.

ENDS

Media and investor contact:

Amy Piek, Cannings Strategic Communications
Phone: +61 447 617 676
Email: apiek@canningscomms.com.au

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 530 staff worldwide.

For more information about Symbio visit www.symbio.global