

visionflex group

ASX Announcement – 29 August 2024
Visionflex Group Limited (ASX: VFX)

FY24 Unaudited Full Year Results

Highlights:

- Visionflex division revenue of \$6.95m, up 169% on the prior corresponding period (pcp)
 - Group revenue of \$8.1m (includes discontinued operations), up 24% on the pcp
- Visionflex division gross profit margin of 61%, reflecting a 2% improvement on the pcp. This growth trend is expected to continue as the proportion of higher margin (90%+) recurring software revenue becomes an increasingly higher percentage of total revenue further enhancing profitability
- Continuing Group operations Underlying EBITDA¹ loss of (\$0.7m), an improvement on the (\$3.2m) pcp loss
 - Group Underlying EBITDA loss of (\$1.0m), a 78% improvement from a (\$4.4m) loss in the pcp
- Signed milestone contracts with leading government healthcare organisations and blue-chip corporates
- Targeting to be Underlying EBITDA positive in FY25, focusing on accelerating larger enterprise new sales with increasing ARR

Visionflex Group Limited (“VFX” or the “Company”), a leader in virtual diagnostic healthcare solutions, is pleased to today release its Appendix 4E and Unaudited Preliminary Financial Report for the 12 months ending 30 June 2024.

Visionflex Chair, Mr. Chris Whitehead, has acknowledged the transformational change the company has achieved: *“While the divestment of non-core businesses in Pet Yeti and Go Bookings, along with the positive impact it has had on the growth of Visionflex, is well documented, the transformation of the company’s management and culture needs to be recognised as the driving force behind the FY24 results.*

Under the auspice of our CEO, Josh Munday, the strengthening of the management team with the appointment of our COO, Michael Kafrouni, in August 2023, followed shortly thereafter by our CFO, James Aulsebrook, in January 2024 has added significant value in a short period, with the team now in place to drive our growth aspirations globally.”

Financial Performance

Note: Presented below, is the Visionflex division P&L (including corporate costs) which provides a better representation of the underlying business moving forward. For a detailed group statutory Profit and Loss, refer to the Appendix 4E and FY24 Preliminary Unaudited Financial Report.

Visionflex P&L - 30 June Y/E (\$m)	FY23	FY24	% Var
Subscription (software & support)	0.2	0.7	199%
Hardware	2.3	6.0	162%
Other	0.1	0.3	313%
Total Revenue	2.6	7.0	169%
COGS	(1.1)	(2.7)	155%
Gross profit	1.5	4.2	179%
Gross profit margin %	59%	61%	
Staff costs	(2.7)	(3.3)	25%
Operating costs	(2.1)	(1.6)	-24%
Total Operating costs	(4.7)	(4.9)	4%
Underlying EBITDA	(3.2)	(0.7)	-79%
Share based payments	0.1	(0.6)	na
Other non operating costs	(0.0)	(0.0)	-26%
EBITDA	(3.1)	(1.3)	-58%

visionflex group

Visionflex delivered FY24 revenue of \$6.95m, up 169% on the pcip (FY23: \$2.6m), with recurring subscription revenue from software licenses and support up 199% to \$0.7m. Consolidated group revenue, including the exited GoBookings and PetYeti businesses was \$8.1m, up 24% on the pcip.

As of 30 June 2024, the Company has a contract portfolio base of ARR of \$1.3m, with strong organic growth anticipated with the business model for new contracts now incorporating an annual software license along with any required hardware (as needed).

The Visionflex division gross profit margin increased to 61%, up 2% on the pcip (FY23: 59%) with further upside as higher margin (90%+) recurring software revenue becomes an increasingly higher percentage of total revenue.

Staff costs increased by 25% on the pcip, reflecting the expanded senior management team along with additional expertise across key functions including sales, production and customer success. Operating costs were reduced by 24% and were managed tightly, balancing the need to invest in growth areas with available cash resources.

The Visionflex division delivered an Underlying EBITDA loss of \$0.7m, which was a 79% improvement on the pcip (FY23: (\$3.2m)).

As at 30 June 2024, the Company had cash and equivalents of \$1.2m with a further ~\$1.0m (net of debt repayment and offer costs) received in July following completion of the capital raise. The Company's outstanding debt including accrued interest (post capital raise) has been reduced to ~\$1.3m and is held by the major shareholder, John Plummer.

Visionflex CEO, Joshua Munday, emphasized the success achieved by the Company over the past year: *"As highlighted in our Q4 FY24 Quarterly Activity Report, FY24 was a transformational year for Visionflex as we strategically position the business to capitalize on the significant opportunities emerging in the virtual care space.*

Financially, we demonstrated the upside growth potential of the Visionflex business, increasing the revenue generated by 169% year on year whilst keeping the operating cost base of the continuing Group to a modest 4% growth, thereby materially reducing the EBITDA loss. The capital raise, that was completed after the financial year end, significantly strengthened our balance sheet, with outstanding debt and accrued interest reducing from \$7.2m to approximately \$1.3m on completion.

We feel we are now in the best position to execute on our growth plan leading to material uplift in revenue in future periods which should lead us to being Underlying EBITDA positive in FY25."

Operating Performance

During the year, the Company signed the following significant contracts:

- **WA Primary Health Alliance:** a contract which has resulted in multiple purchase orders with a current total of 180 residential aged care sites now with Visionflex hardware and software licenses. The contracts secured include \$2.3m of upfront hardware revenue and \$0.4m of contracted ARR.
- **Northern Queensland Primary Health Network:** An initial order of 33 residential aged care sites across Northern Queensland with a further 3 sites signed in 4Q FY24. The contracts secured were worth \$0.4m of upfront hardware revenue and \$0.2m of contracted ARR.
- **Woodside Energy:** deploying a virtual care offering to an initial 7 offshore platforms.
- **Hunter New England PHN:** Awarded a \$0.4m Game Changer Grant to develop innovative telehealth tools for chronic wound management in the region (\$0.24m paid in FY24).
- **Eastern Melbourne PHN:** Secured \$0.24m in upfront hardware and \$0.06m of contracted ARR for aged care sites. Expected to secure additional upfront hardware and contracted ARR for further sites in Q1 FY25.

The Company has continued to dedicate substantial time and effort to research and development initiatives aimed at enhancing and expanding its ProEx software solution offerings, including various integrations with essential external software platforms.

visionflex group

Outlook

Following the exit of all non-core parts of the business in FY24, Visionflex begins FY25 with a focused direction and clear growth strategy. This is underpinned by starting ARR of \$1.3m and a growing pipeline of sales opportunities incorporating both hardware and software, across several key market areas including primary health networks, hospitals, aged care and resource companies, both in Australia and overseas. Importantly, these sales opportunities are increasingly against a backdrop of increasing referenceability, a key factor when tendering for larger enterprise contacts.

The Company is targeting to be Underlying EBITDA positive in FY25.

Visionflex Chair, Mr. Chris Whitehead, concluded by thanking the Company staff and Shareholders: *"I would like to thank Josh and the entire team for their amazing work this year. Furthermore, I'd like to extend that thank you to our shareholders, in particular Adcock Private Equity and John Plummer, who have supported us along the journey."*

2024 Annual General Meeting and Closing Date for Director Nominations

In accordance with ASX Listing Rule 3.13.1, Visionflex advises that its 2024 Annual General Meeting will be held on Thursday, 24 October 2024. The time and other details relating to the AGM will be advised in the Notice of Meeting which will be made available to shareholders and released to the ASX immediately after dispatch.

In accordance with Visionflex's Constitution, valid nominations for the position of director are required to be lodged at the registered office of the Company by 5:00pm (AEDT) on Thursday, 12 September 2024.

-- END --

1. Underlying EBITDA = Earnings before interest, taxes, depreciation and amortisation and excluding restructuring costs, share based payments and on-off non-operating costs.

For more information, please contact:

Joshua Munday – CEO

E: jmunday@visionflex.com

W: <https://www.visionflex.com.au>

This announcement was approved for release by the Board of Directors.

Visionflex Overview

Visionflex is a global virtual healthcare platform that enables medical professionals to diagnose, monitor and treat patients over a secure, private network. To date, Visionflex has advanced the care of patients in segments including the primary healthcare networks, aged care, aboriginal health organisations, hospitals, corrective services, and the resource sectors.